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MICHAEL T. COSTELLO
RECORDER OF DEEDS
ST. CLAIR COUNTY
BELLEVILLE, IL

01/04/2012 10:22:46AM

TOTAL FEE: \$102.00

PAGES: 86

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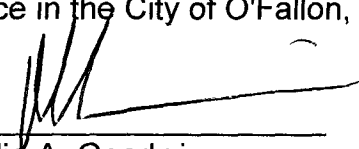
City Clerk
City of O'Fallon
255 S. Lincoln
O'Fallon, Illinois 62269

(The space above is reserved for use by the St. Clair
County Recorder's office)

CITY CLERK'S CERTIFICATE

I, PHILIP A. GOODWIN, City Clerk for said City of O'Fallon, duly elected, qualified and acting, and keeper of the records and seals thereof, do hereby certify the foregoing to be a true, complete and correct copy of Resolution Number 2011-64 duly passed by the City Council of the City of O'Fallon at a Regular meeting of said City Council on the 21st day of November 2011, as the said matter appears on file and of record in this office.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of said City at my office in the City of O'Fallon, Illinois this 4 day of JAN 2012.


Philip A. Goodwin
City Clerk
St. Clair County, O'Fallon, Illinois



CITY OF O'FALLON, ILLINOIS

RESOLUTION 2011-64

**A RESOLUTION OF THE CITY OF O'FALLON WHICH
AUTHORIZES THE EXECUTION OF THE REDEVELOPMENT
AGREEMENT WITH HOSPITAL SISTERS HEALTH SYSTEM**

WHEREAS, the City of O'Fallon, St. Clair County, Illinois (the "City") has the authority to adopt tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment ("TIF") Act, constituting Section 65 ILCS 5/11-74.4-1, et. seq., as amended (the "TIF Act"), to share a portion of the incremental tax revenue generated by the redevelopment project with the developer of such project to induce the developer's undertaking and performance of such project; and

WHEREAS, the City authorized preparation of a redevelopment plan entitled "City of O'Fallon, Illinois Tax Increment Financing Redevelopment Plan -- Green Mount Medical Campus" ("Redevelopment Plan"), with established geographic boundaries (hereinafter the "Redevelopment Project Area") for the City of O'Fallon, St. Clair County, Illinois; and

WHEREAS, in accordance with the TIF Act, the City (i) convened a joint review board which performed all actions required under the TIF Act, and (ii) held and conducted a public hearing with respect to the Redevelopment Plan and Redevelopment Project Area described in such Redevelopment Plan at a meeting of the Mayor and City Council (the "Council") held on November 7, 2011, notice of such hearing having been given in accordance with the TIF Act; and

WHEREAS, the Council, after giving all notices required by law, and after conducting all public hearings required by law, adopted the following ordinances:

- (1) Ordinance No. 3737, approving the Redevelopment Plan and Project,
- (2) Ordinance No. 3738, designating the Redevelopment Project Area, and
- (3) Ordinance No. 3739, adopting Tax Increment Financing for the Redevelopment Project Area and establishing a special tax allocation fund therefore ("Special Tax Allocation Fund"); and

WHEREAS, Hospital Sisters Health System ("Developer") has submitted a Redevelopment Proposal dated September 19, 2011, providing for a redevelopment project to be undertaken by the Developer within a portion of the Redevelopment Project Area (the "Project Area"). The City and Developer reasonably expect that completion of the redevelopment project (as defined in the Redevelopment Agreement to be approved by this Resolution) will generate additional tax revenues and economic activity in furtherance of the goals of the Redevelopment Plan; and

WHEREAS, the City is desirous of having the Project Area developed for such uses as identified in the Redevelopment Proposal in order to serve the needs of the

community, to create jobs, to further the development of O'Fallon, and to produce increased tax revenues and enhance the tax base of the City and the various taxing districts which are authorized to levy taxes within the Redevelopment Area; and the City, in order to stimulate and induce the development of the Project, has agreed to apply TIF revenues under the TIF Act and the Redevelopment Plan to finance the reimbursable redevelopment project costs (as defined in the Redevelopment Agreement) with the Developer; and

WHEREAS, pursuant to the TIF Act, the City is authorized to enter into a Redevelopment Agreement with the Developer.


NOW, THEREFORE, BE IT RESOLVED, by the Mayor and City Council of the City of O'Fallon, St. Clair County, Illinois, as follows:

1. That the preceding recitations in the upper part of this Resolution are realleged, restated and adopted as paragraph one (1) of this Resolution; and
2. The Council finds and determines that it is necessary and desirable to enter into an agreement with the developer to implement certain portions of the Redevelopment Plan and to enable the developer to carry out the development project; and
3. The Council hereby approves the Redevelopment Agreement in substantially the form attached hereto as Exhibit "A" ("Redevelopment Agreement").
4. The Mayor is hereby authorized and directed to execute, on behalf of the City, the Redevelopment Agreement between the City and Developer, and the City Clerk is hereby authorized and directed to attest to the Redevelopment Agreement and to affix the seal of the City thereto. The Redevelopment Agreement shall be in substantially the form attached hereto as Exhibit A, with such changes therein as shall be approved by the officers of the City executing the same, such official signatures thereon being conclusive evidence of their approval and the City's approval thereof; and
5. The City shall, and the officials, agents and employees of the City are hereby authorized and directed to, take such further action and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution; and
6. The sections, paragraphs, sentences, clauses and phrases of this Resolution shall be severable. In the event that any such section, paragraph, sentence, clause or phrase of this Resolution is found by a court of competent jurisdiction to be invalid, the remaining portions of this Resolution are valid; and
7. This Resolution shall be governed exclusively by, and construed in accordance with, the applicable laws of the State of Illinois; and

8. The Mayor is hereby authorized and directed to execute and deliver on behalf of the City, and the City Clerk is hereby authorized and directed where appropriate to attest, all certificates, documents, agreements or other instruments, and the Mayor or his designated representative is hereby authorized and directed to take any and all actions, as may be necessary, desirable, convenient or proper to carry out and comply with the provisions of all agreements or contracts, necessary or reasonable incidental to the implementation of this Resolution; and
9. All resolutions, motions or orders in conflict herewith shall be, and the same hereby are, repealed to the extent of such conflict, and this Resolution shall take effect and be in full force from and after the date of its passage by the City Council and approval by the Mayor as provided by law.

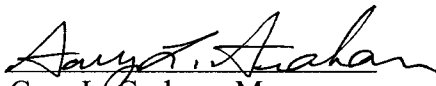
PASSED and APPROVED this 21st day of November, 2011, at 7 p.m.

Attest:


Philip A. Goodwin, City Clerk



Approved:


Gary L. Graham, Mayor

REDEVELOPMENT AGREEMENT

between

CITY OF O'FALLON, ILLINOIS

and

HOSPITAL SISTERS HEALTH SYSTEM

dated as of

November 21, 2011

**CITY OF O'FALLON, ILLINOIS TAX INCREMENT FINANCING REDEVELOPMENT PLAN
GREEN MOUNT MEDICAL CAMPUS**

Prepared by and return to:
Deborah K. Rush
Thompson Coburn LLP
One US Bank Plaza, Suite 3500
St. Louis, Missouri 63101

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REDEVELOPMENT AGREEMENT

This Redevelopment Agreement (this "**Agreement**") is made and entered into as of the 21st day of November, 2011 by and between the City of O'Fallon Illinois, an Illinois municipal home rule corporation (the "**City**"), and Hospital Sisters Health System, an Illinois not-for-profit corporation (the "**Developer**").

RECITALS

The following Recitals are incorporated herein and made a part hereof.

A. The City has the authority, pursuant to the laws of the State of Illinois, to promote the health, safety and welfare of the City and its inhabitants, to prevent the presence of blight, to encourage private development in order to enhance the local tax base, to increase additional tax revenues realized by the City, foster increased economic activity within the City, to increase employment opportunities within the City, and to enter into contractual agreements with third parties for the purpose of achieving the aforesaid purposes, and otherwise take action in the best interests of the City.

B. The City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, *et seq.*, as amended (the "**TIF Act**"), to finance redevelopment in accordance with the conditions and requirements set forth in the TIF Act.

C. Pursuant to the TIF Act, a plan for redevelopment known as the "City of O'Fallon, Illinois Tax Increment Financing Redevelopment Plan – Green Mount Medical Campus" (the "**Redevelopment Plan**") for an area designated therein (the "**Redevelopment Project Area**"), consisting of approximately 148.28 acres, as legally described in the Redevelopment Plan and on **Exhibit A** hereto, has been prepared and reviewed by the City.

D. In accordance with the TIF Act, the City (i) convened a Joint Review Board which performed all actions required under the TIF Act, and (ii) held and conducted a public hearing with respect to the Redevelopment Plan, the Redevelopment Project Area and the Development Project (as herein defined) described in such Redevelopment Plan at a meeting of the City Council (the "**Corporate Authorities**") of the City held on November 7, 2011, notice of such hearing having been given in accordance with the TIF Act.

E. The Corporate Authorities, after giving all notices required by law and after conducting all public hearings required by law, adopted the following ordinances: (1) Ordinance No. 3737, approving the Redevelopment Plan, (2) Ordinance No. 3738, designating the Redevelopment Project Area, and (3) Ordinance No. 3739, adopting tax increment financing for the Redevelopment Project Area and establishing a special tax allocation fund therefor (the "**Special Tax Allocation Fund**").

F. The Developer has presented a Development Project to the City, to be undertaken by the Developer and the City, in accordance with the terms and conditions of this Agreement and the Annexation Agreement between the Developer and the City, dated November 21, 2011, attached hereto as **Exhibit H**.

G. The Developer agrees to complete the Developer Improvements (as defined herein) portion of the Development Project, subject to the conditions herein and the City's performance of its obligations under this Agreement and the Annexation Agreement, including the City's completion of the City Improvements (as defined herein) and the City's issuance of its general obligation bonds, in the

maximum amount of \$10 million plus the costs of issuing such bonds and funding capitalized interest on such bonds, pursuant to the terms of this Agreement.

H. The City strongly supports increased economic development to provide additional jobs for residents of the City, to expand retail business and commercial activity within the City and to develop a healthy economy and stronger tax base. The City and the Developer reasonably expect that completion of the Development Project will generate additional tax revenues and economic activity in furtherance of the goals of the Redevelopment Plan.

I. It is necessary for the successful completion of the Development Project that the City enter into this Agreement with the Developer to provide for the redevelopment of the Redevelopment Project Area, thereby implementing the Redevelopment Plan.

J. The Developer is unable and unwilling to undertake the redevelopment of the Redevelopment Project Area but for certain tax increment financing ("**TIF**") incentives to be provided by the City in accordance with the TIF Act and the home rule powers of the City, which the City is willing to provide under the terms and conditions contained herein and in the Annexation Agreement. The parties acknowledge and agree that but for the TIF incentives to be provided by the City, the Developer cannot successfully and economically develop the Redevelopment Project Area in a manner satisfactory to the City. The City has determined that it is desirable and in the City's best interests to assist the Developer in the manner set forth herein and in the Annexation Agreement and as this Agreement and the Annexation Agreement may be supplemented and amended.

K. The Developer proposes to construct the Developer Improvements portion of the Development Project in the Redevelopment Project Area and has demonstrated to the City's satisfaction that the Developer has the experience and capacity to complete the Developer Improvement portion of the Development Project.

L. The City, in order to stimulate and induce development of the Redevelopment Project Area, has determined that it is in the best interests of the City to finance certain Redevelopment Project Costs through Incremental Property Taxes, including the issuance by the City of Obligations, including the Bonds (as defined herein), secured by City's general obligation pledge and a pledge of Incremental Property Taxes, all in accordance with the terms and provisions of the constitution and statutes of the State of Illinois, including the TIF Act, this Agreement and the Annexation Agreement.

M. The Corporate Authorities hereby determine that the implementation of the Development Project, including the City Improvements, and the fulfillment generally of the Redevelopment Plan are in the best interests of the City, and the health, safety, morals and welfare of its residents, and in accord with the public purposes specified in the Redevelopment Plan.

N. Pursuant to the provisions of the TIF Act, the City is authorized to enter into this Agreement, to issue Obligations, including the Bonds, to evidence the City's obligation to pay certain Redevelopment Project Costs incurred in furtherance of the Redevelopment Plan and the Development Project, and to secure the Bonds by a pledge of the City's full faith and credit and a pledge of the Incremental Property Taxes to the payment of the Obligations, including the Bonds, to assist in financing of the Development Project.

O. This Agreement has been submitted to the Corporate Authorities of the City for consideration and review, the Corporate Authorities have taken all actions required to be taken prior to the execution of this Agreement in order to make the same binding upon the City according to the terms

hereof, and any and all actions of the Corporate Authorities of the City precedent to the execution of this Agreement have been undertaken and performed in the manner required by law.

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

ARTICLE ONE

INCORPORATION OF RECITALS

The findings, representations and agreements set forth in the above recitals are material to this Agreement and are hereby incorporated into and made a part of this Agreement as though fully set out in this Article One, and constitute findings, representations and agreements of the City and of the Developer according to the tenor and import of the statements in such recitals.

ARTICLE TWO

DEFINITIONS

For the purposes of this Agreement, unless the context clearly requires otherwise, words and terms used in this Agreement shall have the meanings provided from place to place herein, including above in the recitals hereto and as follows:

"Agreement" means this Redevelopment Agreement, as the same may be from time to time modified, amended or supplemented in writing by the parties hereto.

"Agreement Term" means the period from the effective date of this Agreement to and including the date of expiration of the City's obligations hereunder with respect to the Incremental Property Taxes.

"Annexation Agreement" means the Annexation Agreement which was entered into between the City and the Developer, dated November 21, 2011 and attached hereto as **Exhibit H**.

"Approving Ordinance" means the ordinance(s) of the City to be adopted by the Corporate Authorities, from time to time, authorizing a series of Obligations, including the Bonds, and all related ordinances, resolutions and proceedings.

"Authorized City Representative" means the Mayor of the City, the City Administrator or designees or assigns.

"Bond Counsel" means an attorney or firm of attorneys acceptable to the City and the Developer of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on obligations issued by states and their political subdivisions duly admitted to the practice of law before the highest court of any state of the United States of America or the District of Columbia.

"Bonds" means the Series A Bonds and the Series B Bonds.

"Business Day" means a day which is not a Saturday, Sunday or any other day on which banking institutions in New York, New York, or the city or cities in which the administrative offices or payment office of the Trustee is located, are required or authorized to close.

"Certificate of Substantial Completion" means a document substantially in the form of **Exhibit B** attached hereto and incorporated by reference herein, delivered by the Developer to the City, in accordance with this Agreement in connection with and evidencing the substantial completion of each phase of the Developer Improvements as identified on **Exhibit D** attached hereto

"Certificate of Reimbursable Redevelopment Project Costs" means a document, substantially in the form of **Exhibit F** attached hereto and incorporated by reference herein, provided by the Developer to the City or the Trustee, as applicable, evidencing Reimbursable Redevelopment Project Costs incurred by the Developer with respect to each phase of the Developer Improvements as identified on **Exhibit D** attached hereto, which the Developer may submit (i) to the Trustee in connection with its request for a withdrawal of Series A Bond proceeds to pay the costs of mine remediation, (ii) to the Trustee to pay the Developer's Reimbursable Redevelopment Project Costs from the Series B Bond proceeds, or (iii) which the Developer may submit with a Certificate of Substantial Completion in connection with a request by the Developer that the City issue Developer TIF Notes to reimburse the Developer for its Reimbursable Redevelopment Project Costs not otherwise paid from Series A Bond proceeds or Series B Bond proceeds, in each case to pay for Reimbursable Redevelopment Project Costs associated with a phase of the Developer Improvements.

"City" means the City of O'Fallon, St. Clair County, Illinois, an Illinois home rule municipality.

"City Attorney" means an attorney at law or firm of attorneys acceptable to the City and the Developer and serving in such capacity at any time on behalf of the City, duly admitted to the practice of law before the highest court of the State of Illinois.

"City Council" means the City Council of the City of O'Fallon, Illinois.

"City Improvements" means the portion of the Work consisting of certain public and other improvements to be constructed and completed by the City relating to the Development Project as more fully described in the Annexation Agreement and on **Exhibit C** hereto.

"Commencement Date" means the first day of the month following the first month in which the City receives Incremental Property Taxes pursuant to the TIF Act and such other authority as shall be applicable or any successor statutory revenues that are attributable to the Developer Improvements and the City Improvements to be constructed within the Redevelopment Project Area pursuant to this Agreement.

"CON" means the Certificate of Need received by the Developer in connection with the hospital portion of the Developer Improvements.

"Concept Plan" means the plans for the Development Project, together with all supplements, amendments or corrections submitted by the Developer and approved by the City in accordance with this Agreement and the Annexation Agreement, as set forth in **Exhibit G** hereto and as an exhibit to the Annexation Agreement, as amended from time to time in accordance with this Agreement and the Annexation Agreement.

"Corporate Authorities" means the Mayor and the City Council.

"Developer" means Hospital Sisters Health System, an Illinois not-for-profit corporation, or any permitted successor or assignees in interest thereof.

"Developer Improvements" means the portion of the Work consisting of improvements to be constructed and completed by the Developer relating to each phase of the Development Project as more fully described on **Exhibit D** hereto, the completion of each phase of which shall be evidenced as set forth in the Certificate of Substantial Completion.

"Developer TIF Notes" means the notes issued by the City, from time to time, and registered in the name of the Developer or permitted assigns, and subject to this Agreement and the Approving Ordinance in substantially the form as set forth in **Exhibit E** hereto, to evidence the City's limited obligation to repay Reimbursable Redevelopment Project Costs incurred by the Developer in accordance with the TIF Act and this Agreement. Payment of debt service on the Developer TIF Notes from Incremental Property Taxes shall be subordinate to the payment of debt service on the Series A Bonds and the portion of the debt service on the Series B Bonds attributable to the payment of the Special Service Area Assessments and shall be on a parity basis, with respect to the application of Incremental Property Taxes, to repayment of the City for its costs of constructing the City Improvements.

"Development Project" means the Development Project for the Redevelopment Project Area described in the Concept Plan attached hereto as **Exhibit G** and as described in the Annexation Agreement, as amended from time to time in accordance with the terms of this Agreement, and consistent with the Redevelopment Plan, which shall generally consist of the construction of a hospital medical campus and approximately 200,000 square feet of medical office building space. A portion of the Development Project shall be completed and financed by the City and is referred to herein as the **"City Improvements,"** as more fully defined herein and identified on **Exhibit C** attached hereto, and a portion of the Development Project shall be completed by the Developer and is referred to herein as the **"Developer Improvements,"** as more fully defined herein and identified on **Exhibit D** attached hereto.

"Governmental Approvals" means all plat approvals, re-zonings, text amendments or other zoning changes, site or development plan approvals, planned unit development approvals, conditional use permits, resubdivisions or other subdivision approvals, variances, sign approvals, building permits, grading permits, occupancy permits or similar approvals, utility regulatory approvals, and other approvals pertaining to the roadway widenings and reconfigurations and intersection and other street improvements from the City, St. Clair County, the State of Illinois, the appropriate sewer and other utility authorities, the U.S. Army Corps of Engineers, the Illinois Department of Natural Resources, and other or similar approvals required for the implementation of the Development Project.

"Incremental Property Taxes" means that portion of the ad valorem taxes, if any, arising from the taxes levied upon the real property in the Redevelopment Project Area by any and all taxing districts or municipal corporations having the power to tax real property in the Redevelopment Project Area, which taxes are attributable to the increases in the then current equalized assessed valuation of the taxable lot, block, tract or parcel of real property in the Redevelopment Project Area over and above the Total Initial Equalized Assessed Valuation of each such piece of property, all as determined by the County Clerk of the County of St. Clair, Illinois, pursuant to and in accordance with the TIF Act, and includes any replacement, substitute or amended taxes.

"Obligations" means the Developer TIF Notes, the Series A Bonds, the Series B Bonds, and any additional bonds, notes or other payment obligations issued by the City pursuant to the terms of the constitution and statutes of the State, the TIF Act and this Agreement and secured by the Incremental Property Taxes.

"Outstanding" means when used with reference to Obligations, as of a particular date, all Obligations theretofore authenticated and delivered under an Approving Ordinance except:

- (a) Obligations theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;
- (b) Obligations which are deemed to have been paid in accordance with an Approving Ordinance;
- (c) Obligations alleged to have been mutilated, destroyed, lost or stolen for which indemnity has been received as provided in an Approving Ordinance; and
- (d) Obligations in exchange for or in lieu of which other Obligations have been authenticated and delivered pursuant to an Approving Ordinance.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, trust, or government or any agency or political subdivision thereof.

"Projected Series A Debt Service Supported by MOB Space" means the projected portion of the Series A Bond debt service supported by medical office building ("**MOB**") space attached hereto as **Exhibit I**, which provides a projected debt service schedule for a portion of the Series A Bonds based on projected Incremental Property Taxes to be generated within the Redevelopment Project Area and attributable to the Developer Improvements consisting of the MOB space during the time that tax increment financing is in effect in the Redevelopment Project Area.

"Redevelopment Plan" means a plan entitled "City of O'Fallon, Illinois Tax Increment Financing Redevelopment Plan – Green Mount Medical Campus" dated November 7, 2011, approved by the Corporate Authorities on November 21, 2011 pursuant to Ordinance No. 3737, as such plan may be amended from time to time.

"Redevelopment Project Area" means a certain area of the City known as the City of O'Fallon, St. Clair County, Illinois Tax Increment Finance District, upon which the Development Project will be implemented and constructed, consisting of approximately 148.28 acres, as more particularly described in **Exhibit A** attached hereto and incorporated by reference herein.

"Redevelopment Project Costs" means the sum total of all reasonable or necessary costs actually incurred in performing the Development Project and any such costs incidental to the Development Project which are authorized for reimbursement under the TIF Act and the Redevelopment Plan.

"Reimbursable Redevelopment Project Costs" means those Redevelopment Project Costs that are eligible for reimbursement to the Developer and, to the extent that the City desires to be reimbursed for its costs of constructing the City Improvements, to the City, from Incremental Property Taxes under the Redevelopment Plan and the TIF Act in accordance with this Agreement and the Annexation Agreement. Such costs shall include, but not be limited to, all facilities and improvements necessary to implement the Development Project, including but not limited to acquisition of real estate, demolition of buildings, mine remediation, construction of streets, roads, sidewalks, sanitary sewers, water mains drainage and storm water control and detention facilities, engineering and similar design costs provided in conjunction with constructing the eligible improvements.

"Related Party" means any party or entity related to the Developer by one of the relationships described in Section 267(b) of the Internal Revenue Code of 1986, as amended.

“Series A Bonds” means Obligations that are issued by the City pursuant to the provisions of **Section 7.2** hereof, in the maximum amount of \$10 million plus the costs of issuing the Series A Bonds and funding capitalized interest on the Series A Bonds, for the purpose of financing the costs of mine remediation in such portion of the Redevelopment Project Area as determined is necessary by the Developer in order for the Developer to complete the Developer Improvements portion of the Development Project and which are secured by the City’s general obligation pledge and by the Incremental Property Taxes on a senior basis to the Series B Bonds.

“Series B Bonds” means Obligations that are issued by the City pursuant to the provisions of **Section 7.2** hereof, which are secured by the City’s general obligation pledge, for the purpose of financing first, the costs of paying the Special Service Area Assessments and, second, to the extent there are Series B Bond proceeds remaining after payment of the Special Service Area Assessments, then such remaining Series B Bond proceeds will be divided equally between the Developer and the City to pay for Reimbursable Redevelopment Project Costs incurred by each in connection with completion of the Developer Improvements and the City Improvements, respectively.

“Special Service Area Assessments” means the special service area taxes imposed on the real property located within the Redevelopment Project Area that is owned by the Developer, in the approximate amount of \$70,000 per year for each year through 2022.

“Special Tax Allocation Fund” means the Special Tax Allocation Fund created pursuant to the TIF Act and Ordinance No. 3739 adopted by the City Council on November 21, 2011, and including any subaccounts into which the Incremental Property Taxes are from time to time deposited in accordance with the TIF Act, any Approving Ordinance, and this Agreement.

“State” means the State of Illinois.

“Substantial Completion” or **“Substantially Complete”** or **“Substantially Completed”** means the date on which the Developer delivers the Certificate of Substantial Completion with respect to a phase of the Developer Improvements component of the Development Project to the City.

“TIF Act” means the Tax Increment Allocation Redevelopment Act found at 65 ILCS 5-11-74.4-1, *et seq.*, as amended.

“TIF Ordinance” means Ordinance No. 3739, adopted by the City Council on November 21, 2011, adopting tax increment financing within the Redevelopment Project Area.

“Total Initial Equalized Assessed Valuation” means the total initial equalized assessed value of the taxable real property within the Redevelopment Project Area as determined by the County Clerk of the County of St. Clair, Illinois, for the calendar year 2010, in accordance with the provisions of Section 11-74.4-9 of the TIF Act.

“Trustee” means a trustee designated by the City under an Approving Ordinance and acceptable to the Developer, and its successor or successors and any other association or corporation which at any time may be substituted in its place pursuant to and at the time serving as trustee under an Approving Ordinance.

“Underwriter” means a firm that will act as the underwriter for the Obligations, which shall be a firm selected by the Developer and reasonably acceptable to the City.

“Work” means all work necessary to prepare the Redevelopment Project Area and to construct the Development Project, including: (1) construction of (a) the required public improvements, (b) storm sewers, stormwater control, detention facilities and other infrastructure improvements required by the U.S. Army Corps of Engineers, St. Clair County or any other entity in order to obtain all necessary approvals and permits, (c) water mains, and (d) construction, reconstruction and/or relocation of other utilities, including the burying or relocation of electrical lines in accordance with the City’s municipal code; (2) required demolition and removal of all necessary existing buildings and improvements located in the Redevelopment Project Area and clearing and grading of the Redevelopment Project Area; (3) construction of retaining structures and wetland mitigation; (4) construction of the Developer Improvements as described in **Exhibit D** and construction of the City Improvements as described in **Exhibit C**; (5) environmental remediation and mine remediation to mitigate the risk of subsidence with respect to in such portion of the Redevelopment Project Area as determined is necessary by the Developer in order for the Developer to complete the Developer Improvements portion of the Development Project as documented in the Redevelopment Plan; and (6) all other Work reasonably necessary to effectuate the intent of this Agreement.

ARTICLE THREE

CONSTRUCTION

This Agreement, except where the context by clear implication shall otherwise require, shall be construed and applied as follows:

- (a) Definitions include both singular and plural.
- (b) Pronouns include both singular and plural and cover all genders.
- (c) The word “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”.
- (d) Headings of Articles and Sections herein are solely for convenience of reference and do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.
- (e) All exhibits attached to this Agreement shall be and are operative provisions of this Agreement and shall be and are incorporated by reference in the context of use where mentioned and referenced in this Agreement. In the event of a conflict between any exhibit and the terms of this Agreement, the Agreement shall control.
- (f) Any certificate, letter or opinion required to be given pursuant to this Agreement means a signed document attesting to or acknowledging the circumstances, representations, opinions of law or other matters therein stated or set forth. Reference herein to supplemental agreements, certificates, demands, requests, approvals, consents, notices and the like means that such shall be in writing whether or not a writing is specifically mentioned in the context of use.
- (g) The Mayor, unless applicable law requires action by the Corporate Authorities, shall have the power and authority to make or grant or do those things, certificates, requests, demands, notices and other actions required that are ministerial in nature or described in this Agreement for and on behalf of the City and with the effect of binding the City as limited by and provided for in this Agreement. The Developer is entitled to rely on the

full power and authority of the Persons executing this Agreement on behalf of the City as having been properly and legally given by the City.

- (h) In connection with the foregoing and other actions to be taken under this Agreement, and unless applicable documents require action by the Developer in a different manner, the Developer hereby designates James L. Burke as its authorized representative who shall individually have the power and authority to make or grant or do all things, supplemental agreements, certificates, requests, demands, approvals, consents, notices and other actions required or described in this Agreement for and on behalf of the Developer and with the effect of binding Developer in that connection (such individual being an **"Authorized Developer Representative"**). The Developer shall have the right to change its Authorized Developer Representative by providing the City with written notice of such change which notice shall be sent in accordance with **Section 9.6** of this Agreement.

ARTICLE FOUR

DEVELOPER DESIGNATION AND REDEVELOPMENT PLAN

Section 4.1. Developer Designation. The City hereby selects the Developer to perform or cause to be performed the Work related to the Developer Improvements and to construct or cause to be constructed the Developer Improvements as provided in this Agreement.

Section 4.2. City Improvements. The City agrees to perform the Work related to the City Improvements and to construct and finance the City Improvements as provided in this Agreement and in the Annexation Agreement.

Section 4.3. Redevelopment Plan. The City and the Developer agree to cooperate in implementing the Development Project in accordance with the Redevelopment Plan and the parties' respective obligations set forth in this Agreement and in the Annexation Agreement.

ARTICLE FIVE

CONSTRUCTION OF THE DEVELOPMENT PROJECT

Section 5.1. Annexation Agreement.

The City and the Developer have entered into an Annexation Agreement, which is attached as **Exhibit H** hereto, that governs, among other things, the obligations of the City regarding construction and payment for the City Improvements.

Section 5.2. Performance of the Work.

(a) **Developer Improvements.** The Developer shall advance funds for and commence and complete each of its obligations (or cause the completion of its obligations by entering into agreements with third parties) under this Agreement with respect to the acquisition, construction and completion of the Developer Improvements portion of the Work and the Development Project in accordance with the following schedule:

<u>Activity</u>	<u>Time for Performance</u>
Complete mine remediation	Within one year of receipt of CON
Complete construction of the hospital and 50,000 square feet of medical office building space	Within three (3) years after completion of the mine remediation
Complete construction of an additional 50,000 square feet of medical office building space	Within five (5) after completion of construction of the hospital and the first 50,000 square feet of medical office building space
Complete construction of an additional 100,000 square feet of medical office building space	Within six (6) years after completion of the second 50,000 square feet of medical office building space

(b) **City Improvements.** The City shall advance funds for and commence and complete each of its obligations under this Agreement with respect to the acquisition, construction and completion of the City Improvements portion of the Work and the Development Project in accordance with the following schedule:

<u>Activity</u>	<u>Time for Performance</u>
Complete installation of all water infrastructure improvements, as required in the Annexation Agreement, necessary to serve the Hospital Campus (as defined in the Annexation Agreement)	Pursuant to the dates included in a construction time line to be agreed upon by the City and the Developer, but in no event later than two (2) years after the Developer's receipt of the CON
Complete installation of all sewer infrastructure improvements, as required in the Annexation Agreement, necessary to serve the Hospital Campus (as defined in the Annexation Agreement)	Pursuant to the dates included in a construction time line to be agreed upon by the City and the Developer, but in no event later than two (2) years after the Developer's receipt of the CON
Complete installation of a light signal at the intersection of Cambridge and North Green Mount Road	Within three (3) years after Developer's completion of the mine remediation
Complete construction of a deceleration turn lane along the south/southwest portion of Regency Parkway (westbound) to provide access to main Hospital Campus near the west side of hotel parking	Within three (3) years after Developer's completion of the mine remediation
Complete construction of improvements to provide access from the Hospital Campus at its western boundary to Regency Parkway. If required, construct a turn lane and deceleration lane along Regency Parkway at west side of campus.	Within three (3) years after Developer's completion of the mine remediation

(c) **Construction Schedule.** The performance schedule of the Developer set forth in this section is premised on the Developer receiving timely approval by the City Council of all planning approvals required to accommodate the Concept Plan, including the City's approval of the Planned Use Rezoning for a Planned Development (as provided in the Annexation Agreement) and uses requested by the Developer for the Development Project and the timely review and issuance by the City of all Governmental Approvals within its control. Performance hereunder is also premised on the receipt by Developer, with a copy to the City, of an opinion of the City Attorney as to the validity and enforceability under Illinois law of this Agreement.

(d) **Failure to Meet Construction Schedule.** In the event that the Developer fails to meet the schedule specified in **Section 5.2(a)** above for construction of phase 1 of the Developer Improvements portion of the Development Project (i.e., completion of construction of the hospital and 50,000 square feet of medical office building space), then, beginning with the first principal and/or interest payment due on the Series A Bonds after the third anniversary of completion of the mine remediation, the Developer will pay principal of and interest on the portion of the Series A Bonds as shown on **Exhibit I** attached hereto under the column captioned "Projected Series A Bond Debt Service Supported by MOB Space" on each date such payments are due that is attributable to the difference between the projected debt service due on the portion of the Series A Bonds as shown on **Exhibit I** attached hereto under the column captioned "Projected Series A Bond Debt Service Supported by MOB Space" and the actual Incremental Property Taxes on deposit in the Series A Bond Account of the Revenue Fund, pursuant to the terms of **Section 8.3** of this Agreement, and available to pay principal of and interest on the Series A Bonds on such date; provided, however, that the Developer shall be bound by the obligations under this paragraph of **Section 5.2(d)** only until the date that the Developer submits a Certificate of Substantial Completion to the City with respect to phase 1 of the Developer Improvements portion of the Development Project (i.e., completion of construction of the hospital and 50,000 square feet of medical office building space).

In the event that the Developer fails to meet the schedule specified in **Section 5.2(a)** above for construction of phase 2 of the Developer Improvements Portion of the Development Project (i.e., construction of an additional 50,000 square feet of medical office building space), then, beginning with the first principal and/or interest payment due on the Series A Bonds after the fifth anniversary of the completion of phase 1 of the Developer Improvements portion of the Development Project as evidenced by the Certificate of Substantial Completion submitted by the Developer and accepted by the City with respect to completion of Phase 1 of the Developer Improvements Portion of the Development Project (i.e., completion of construction of the hospital and 50,000 square feet of medical office building space), the Developer will pay principal of and interest on the portion of the Series A Bonds as shown on **Exhibit I** attached hereto under the column captioned "Projected Series A Bond Debt Service Supported by MOB Space" on each date such payments are due that is attributable to the difference between the projected debt service due on the portion of the Series A Bonds as shown on **Exhibit I** attached hereto under the column captioned "Projected Series A Bond Debt Service Supported by MOB Space" and the actual Incremental Property on deposit in the Series A Bond Account of the Revenue Fund, pursuant to the terms of **Section 8.3** of this Agreement, and available to pay principal of and interest on the Series A Bonds on such date; provided, however, that the Developer shall be bound by the obligations under this paragraph of **Section 5.2(d)** only until the date that the Developer submits a Certificate of Substantial Completion to the City with respect to phase 2 of the Developer Improvements portion of the Development Project (i.e., construction of an additional 50,000 square feet of medical office building space).

In the event that the Developer fails to meet the schedule specified in **Section 5.2(a)** above for construction of phase 3 of the Developer Improvements portion of the Development Project (i.e., construction of an additional 100,000 square feet of medical office building space), then, beginning with the first principal and/or interest payment due on the Series A Bonds after the sixth anniversary of the completion of phase 2 of the Developer Improvements portion of the Development Project as evidenced by the Certificate of Substantial Completion submitted by the Developer and accepted by the City with respect to completion of Phase 2 of the Developer Improvements Portion of the Development Project (i.e., completion of construction of an additional 50,000 square feet of medical office building space), the Developer will pay principal of and interest on the portion of the Series A Bonds as shown on **Exhibit I** attached hereto under the column captioned "Projected Series A Bond Debt Service Supported by MOB Space" on each date such payments are due that is attributable to the difference between the projected debt service due on the portion of the Series A Bonds as shown on **Exhibit I** attached hereto under the column captioned "Projected Series A Bond Debt Service Supported by MOB Space" and the actual Incremental Property Taxes on deposit in the Series A Bond Account of the Revenue Fund, pursuant to the terms of **Section 8.3** of this Agreement, and available to pay principal of and interest on the Series A Bonds on such date; provided, however, that the Developer shall be bound by the obligations under this paragraph of **Section 5.2(d)** only until the date that the Developer submits a Certificate of Substantial Completion to the City with respect to phase 3 of the Development Project (i.e., construction of an additional 100,000 square feet of medical office building space).

Notwithstanding anything in this Agreement to the contrary, the Developer's obligation to pay debt service on the portion of the Series A Bonds as described above shall apply only to the amount by which the projected debt service due on the portion of the Series A Bonds as shown on **Exhibit I** attached hereto under the column captioned "Projected Series A Bond Debt Service Supported by MOB Space" for each date that principal and/or interest on such portion of the Series A Bonds is due exceeds the amount on deposit in the Series A Bond Account of the Revenue Fund on such date during the periods identified above during which the Developer is obligated to make such debt service payments. In the event that the Developer completes any phase of the Developer Improvements portion of the Development Project prior to the time specified in **Section 5.2(a)** above, as evidenced by the Certificate of Substantial Completion submitted by the Developer and accepted by the City with respect to completion of such phase of the Developer Improvements Portion of the Development Project, then the Developer's obligation to pay debt service on the portion of the Series A Bonds as provided in this subsection (d) shall be credited in the amount by which the Incremental Property Taxes on deposit in the Series A Revenue Account of the Revenue Fund exceeded the projected debt service on such portion of the Series A Bonds as shown on **Exhibit I** attached hereto under the column captioned "Projected Series A Bond Debt Service Supported by MOB Space" for each date on which principal and/or interest is due on the Series A Bonds prior to the date specified in **Section 5.2(a)** for completion of such phase of the Developer Improvements portion of the Development Project.

The Developer shall be under no obligation to pay principal or interest on the Series B Bonds, except to the extent that Incremental Property Taxes, as applied pursuant to the provisions of **Section 8.3** of this Agreement, are not available to pay the Series B Bond debt service attributable to the amount of Series B Bond proceeds, if any, that the Developer has received as reimbursement for Reimbursable Redevelopment Project Costs related to the Developer Improvements (other than mine remediation) portion of the Development Project.

Section 5.3. Governmental Approvals; Extension of Time.

(a) **Parties to Cooperate.** The City agrees to cooperate with the Developer and to expeditiously process and timely consider all applications for Governmental Approvals as received, all in accordance with the applicable City ordinances and laws of the State, this Agreement and the Annexation

Agreement. The parties specifically agree to use their best efforts to cooperate with each other to obtain all necessary permits and approvals by the Illinois Department of Transportation and other public entities necessary to carry out the Development Project. The City agrees to cooperate with the Developer in the Developer's attempts to obtain all necessary approvals from any governmental or quasi-governmental entity other than the City and upon request of the Developer, will promptly execute any applications or other documents (upon their approval by the City) which the Developer intends to file with such other governmental or quasi-governmental entities in connection with the Development Project. The City shall further promptly respond to, and/or process, and consider reasonable requests of the Developer for: applicable demolition permits, building permits; driveway permits; curb cut permits, or other permits necessary for the construction of the Development Project.

(b) **Extension of Time.** Notwithstanding any provision of this Agreement to the contrary, the Developer may, upon reasonable cause shown by the Developer, request the Mayor or his designee to extend or waive times for performance. The Mayor or his designee may, but is not required to, consent to such extensions or waivers for a period not exceeding one year without further action by the Corporate Authorities. In the event that the Mayor or his designee extends or waives time for the Developer's performance under **Section 5.2(a)** of this Agreement, the City's time for performance under **Section 5.2(b)** shall be extended to conform to the Developer's extended time for performance.

(c) **Zoning Approvals.** Following approval of this Agreement, and in connection with the Developer's application for the CON, the Developer shall promptly proceed to complete all final engineering and other plans for approval by the City of the final planned unit development, referred to in the Annexation Agreement as the "Planned Use Rezoning for a Planned Development," with said plans to be in substantial conformity with the Concept Plan, as set forth in the Annexation Agreement and in conformance with **Exhibit G** hereto (the "**Final PUD Approval**"). Plans for all general site improvements, including but not limited to streets, parking, street and parking lot lighting, architecture, sign requirements, landscape plans, together with all general engineering plans for phase 1 of the Development Project, must be submitted to and shall be subject to the approval of the City as part of the Final PUD Approval process. The Developer may seek Final PUD Approval for additional phases of the Redevelopment Project and for additional real property in the Redevelopment Project Area as it seeks to develop such phases or property.

Section 5.4. Concept Plan.

(a) **Approval of Concept Plan.** The Concept Plan, attached hereto as **Exhibit G** and as an exhibit to the Annexation Agreement, has been approved by the Corporate Authorities.

(b) **Changes.** The Developer may make changes to the Concept Plan or any aspect thereof as site conditions or other issues of feasibility may dictate, as may be required to meet the reasonable requests of prospective tenants, as may be necessary or desirable to address the acquisition of additional real property to be included in the Redevelopment Project Area or alterations in the description of the real property to be included in the Redevelopment Project Area, or as may be necessary or desirable in the determination of the Developer to enhance the economic viability of the Development Project. The Concept Plan shall also be deemed to be modified from time to time to reflect changes to the locations and configurations of the improvements which comprise the Development Project to the extent such changes are initiated by the Developer or are accepted by the Developer in connection with the processing and approval of a concept plan, a site/improvement plan or other Governmental Approvals for the Development Project.

Section 5.5. Construction of Developer Improvements.

(a) **Contracts/Developer to Control Construction.** The Developer may enter into one or more construction contracts to complete the Developer Improvements portion of the Development Project. The Developer shall have discretion and control, free from interference, interruption or disturbance, in all matters relating to the management, development, redevelopment, and construction of the Developer Improvements portion of the Development Project, provided that the same shall, in any event, conform to and comply with the terms and conditions of the Redevelopment Plan and this Agreement, and all applicable state and local laws, ordinances and regulations (including, without limitation, applicable zoning, subdivision, building and fire codes), subject to any variances and other Governmental Approvals.

(b) **Modification of Construction.** Subject to the provisions of the schedule set forth in **Section 5.2(a)** regarding the Developer Improvements, during the progress of the Development Project, the Developer may make such reasonable changes, including, without limitation, modification of the construction schedule, modification of the areas in which the Development Project is to be performed or on which buildings or other improvements are to be situated, expansion or deletion of items, revisions to the locations and configurations of improvements, revisions to the areas and scope of the Development Project, and any and all such other changes as site conditions or orderly development may dictate or as may be required to meet any reasonable requests of prospective tenants or purchasers of any portion of the Redevelopment Project Area or as may be necessary or desirable, in the discretion of the Developer, to enhance the economic viability of the Development Project and as may be in furtherance of the general objectives of the Redevelopment Plan; provided, however, that the Development Project as modified shall generally conform to the development concept shown on the Concept Plan, and shall comply with applicable law and code, subject to any variances and other Governmental Approvals.

(c) **Modifications After Substantial Completion.** After Substantial Completion of all phases of the Developer Improvements, the remaining portion of the Redevelopment Project Area may be regraded, reconfigured, redeveloped or otherwise modified, improvements within the remaining portion of the Redevelopment Project Area may be reconfigured, expanded, contracted, remodeled, reconstructed, replaced, or otherwise modified, and new improvements may be added to the remaining portion of the Redevelopment Project Area, and demolition may be undertaken in connection therewith, from time to time and in such manner as the Developer (or its successor(s) in interest, as owner or owners of the affected portion(s) of the Redevelopment Project Area) may determine, provided that any such modifications shall comply with applicable law and code, subject to any variances and other Governmental Approvals.

(d) **Payment for Mine Remediation.** All costs of mine remediation in connection with the Development Project shall be paid for with the proceeds of the Series A Bonds. The City's obligation to pay the costs of mine remediation is limited to the maximum amount of the Series A Bonds (i.e., \$10 million plus the costs of issuing the Series A Bonds and funding capitalized interest on the Series A Bonds). The Developer shall submit requests for reimbursement of the costs of mine remediation to the Trustee and shall be reimbursed for its costs incurred in connection with the mine remediation from the proceeds of the Series A Bonds pursuant to the terms of the Approving Ordinance authorizing the issuance of the Series A Bonds.

Section 5.6. Construction of City Improvements. The City will finance the costs of the City Improvements through the issuance of the Series B Bonds pursuant to the provisions of **Section 7.2** of this Agreement or from other sources available sources. The City will construct the City Improvements pursuant to the schedule as provided in **Section 5.2(b)** of this Agreement and as otherwise provided in this Agreement and in the Annexation Agreement and as described in **Exhibit C** attached hereto.

Section 5.7. Certificate of Substantial Completion.

(a) **Developer Improvements.** In order to establish the completion date for each phase of the Developer Improvements of the Development Project, the Developer shall furnish to the City a Certificate of Substantial Completion upon completion of each phase of the Developer Improvements portion of the Development Project as described in **Exhibit D** attached hereto. To the extent that the Developer seeks reimbursement of Reimbursable Redevelopment Project Costs (other than from the proceeds of the Bonds), the Developer will request that the City issue a Developer TIF Note to it, which shall be repaid according the priority as provided in **Section 8.3** of this Agreement.

(b) **City Review.** The City shall, within thirty (30) days following delivery of the Certificate of Substantial Completion with respect to each phase of the Developer Improvements portion of the Development Project, carry out such inspections as it deems necessary to verify to its reasonable satisfaction the accuracy of the certifications contained in the Certificate of Substantial Completion. The certificates shall be deemed verified and the Certificate of Substantial Completion shall be deemed accepted by the City unless, prior to the end of such thirty (30)-day period after delivery to the City of the Certificate of Substantial Completion, the City furnishes the Developer with specific written objections to the status of performance based on failure of the construction to be in accordance with Governmental Approvals issued by the City, describing such objections and the measures required to correct such objections in reasonable detail. The Developer shall use reasonable efforts to cure such objections. The City shall have no basis to object to the Certificate of Substantial Completion with respect to any aspect of the construction that was previously inspected and approved.

(c) **Recording Certificates of Substantial Completion.** Upon acceptance of the Certificate of Substantial Completion for each phase of the Developer Improvements portion of the Development Project by the City or upon the lapse of thirty (30) days after delivery thereof to the City without any written objections by the City or request by the City for additional time for review, not to exceed an additional 10 days, the Developer may record the Certificate of Substantial Completion with respect to each phase of the Developer Improvements portion of the Development Project with the St. Clair County Recorder, and the same shall constitute evidence of the satisfaction of the Developer's agreements and covenants to perform the Work with respect to such phase of the Developer Improvements pursuant to this Agreement.

Section 5.8. Waiver of City Fees. The City waives all customary fees that it would impose on a developer of a development project similar in nature to the Development Project, including customary permit, inspection review and tap-on fees for the Development Project in effect as of the date of this Agreement and any such fees that may be imposed by the City on redevelopment projects of the nature of the Development Project in the future. Notwithstanding the foregoing, the City may seek reimbursement for any fees waived pursuant to this Section 5.8 from Incremental Property Taxes pursuant to the provisions of Section 8.3(e) or 8.3(j) hereof.

ARTICLE SIX

REIMBURSEMENT OF DEVELOPMENT COSTS

Section 6.1. Pledge of Incremental Property Taxes. In consideration of the Developer's undertaking of the Development Project and construction of the Developer Improvements, including the incurring of Reimbursable Redevelopment Project Costs under the Redevelopment Plan, the City hereby pledges and agrees to apply the Incremental Property Taxes generated from the Redevelopment Project Area and deposited into the Special TIF Allocation Fund in accordance with this Agreement (i) first, to the payment of debt service on the Series A Bonds issued by the City pursuant to the provisions of **Section 7.2** of this Agreement to pay the costs of mine remediation in connection with the Developer Improvements portion of the Development Project, (ii) second, to pay debt service on the portion of the Series B Bonds attributable to payment of the Special Service Area Assessments, (iii) third, to pay debt service on a parity basis on the portion of the Series B Bonds allocable to the amount of Series B Bond proceeds used to pay Reimbursable Redevelopment Project Costs incurred by the Developer, if any, and the City, if any, (iv) fourth, to the payment of debt service on any Developer TIF Notes issued by the City to evidence the City's obligation to reimburse Reimbursable Redevelopment Project Costs incurred by the Developer in the construction of Developer Improvements not paid from the proceeds of Series A Bonds and Series B Bonds, and (v) fifth, to reimburse the City for its Reimbursable Redevelopment Project Costs incurred in connection with construction and completion of the City Improvements and not paid from the proceeds of Series B Bonds. The City agrees that during the term of this Agreement the City shall not further encumber or pledge any portion of the Incremental Property Taxes generated from the Redevelopment Project Area to any other project or obligation or take any action inconsistent with the terms and intent of this Agreement.

Section 6.2. Reimbursable Redevelopment Project Costs. Upon the incurring of Reimbursable Redevelopment Project Costs, the Developer may deliver to the City or the Trustee, as applicable, a Certificate of Reimbursable Redevelopment Project Costs in substantially the same form as **Exhibit F** attached hereto. The Developer shall, at the City's request, provide itemized invoices, receipts or other information, if any, requested by the City to confirm that any such cost is so incurred and does so qualify. Each such request shall be accompanied by a certification by the Developer that such cost is eligible for reimbursement under the TIF Act. The City shall promptly approve or disapprove each such Certificate, but in any event no later than thirty (30) days of the submittal thereof. If the City disapproves any Certificate, it shall state in writing the reasons therefor, identifying the ineligible cost and the basis for determining the cost to be ineligible, whereupon the Developer shall have the right to identify and substitute other Redevelopment Project Costs as Reimbursable Redevelopment Project Costs with a supplemental application for payment. If the City fails to approve or disapprove any Certificate within thirty (30) days of the submittal thereof, the Certificate shall be deemed approved.

The Developer will deliver the certificate of Reimbursable Redevelopment Agreement Costs in connection with the mine remediation to the Trustee for reimbursement from the Series A Bond proceeds and, if the Developer determines that it will seek reimbursement of Reimbursable Redevelopment Project Costs other than the costs of mine remediation, the Developer will deliver the Certificate of Reimbursable Redevelopment Project costs other than the costs of mine remediation to the Trustee for reimbursement from the Series B Bond proceeds. If the Developer determines that it will seek reimbursement of Reimbursable Redevelopment Project Costs other than those described in the preceding sentences, then the Developer will deliver the Certificate of Reimbursable Redevelopment Project Costs for any costs not reimbursed from Series A Bond proceeds or Series B Bond proceeds to the City and in connection therewith, the Developer will request that the City issue a Developer TIF Note to evidence the City's obligation to reimburse the Developer for such costs.

Section 6.3. Reimbursement from Incremental Property Taxes Limited to Reimbursable Redevelopment Project Costs. The parties agree that each of the categories of costs set forth in the Redevelopment Plan constitute Reimbursable Redevelopment Project Costs which are eligible for reimbursement in accordance with the TIF Act and this Agreement. Subject to the provisions of the TIF Act, the Developer shall not be limited in the amount of reimbursement received for each such category, but shall be entitled to reimbursement for Redevelopment Project Costs from any of the categories set forth therein.

Section 6.4. Annual Accounting and Adjustments. After the close of each calendar year during the term of this Agreement (in any event not later than February 15th of the February immediately following the close of the calendar year) the City shall cause its Treasurer or other financial officer charged with responsibility for the Special Tax Allocation Fund to provide to the Developer an accounting of the receipts and expenditures from the Special Tax Allocation Fund at the close of the calendar year.

ARTICLE SEVEN

ISSUANCE OF OBLIGATIONS

Section 7.1. Issuance of Obligations. The City agrees, at the Developer's request, to issue Obligations as provided in this Article for the payment of the costs of mine remediation in connection with the Developer Improvements portion of the Development Project and for the payment of the costs of Reimbursable Redevelopment Project Costs incurred by the Developer and the City as provided in this Agreement.

Section 7.2. Bonds.

(a) **Series A Bonds.** The City, no later than sixty (60) days following receipt by the Developer of the CON, will issue the Series A Bonds in an amount sufficient to pay the costs of mine remediation in connection with the Developer Improvements portion of the Development Project in a maximum amount not to exceed \$10 million plus the costs of issuing the Series A Bonds and funding capitalized interest on the Series A Bonds. The Series A Bonds shall be backed by the City's general obligation full faith and credit and shall be paid on a priority with respect to application of the Incremental Property Taxes as provided in **Section 8.3** hereof prior to the application of Incremental Property Taxes to the payment of debt service on the Series B Bonds as provided in **Section 8.3** hereof.

(b) **Series B Bonds.** Simultaneously with the issuance of the Series A Bonds, the City will issue the Series B Bonds in a principal amount that, together with the principal amount of the Series A Bonds, based on the Revenue Projections and as determined by the City and the Developer, can be paid from the anticipated Incremental Property Taxes to be generated within the Redevelopment Project Area. The proceeds of the Series B Bonds shall be applied first, to the payment of the Special Service Area Assessments and, to the extent there are remaining Series B Bond proceeds, in an equal amount, to the payment of the Developer's and the City's Reimbursable Redevelopment Project Costs. The Series B Bonds shall be backed by the City's general obligation full faith and credit, but shall be paid from the Incremental Property Taxes on a subordinate basis to the payment of debt service on the Series A Bonds, as provided in **Section 8.3** hereof.

(c) **City General Obligation Pledge.** The Series A Bonds and the Series B Bonds will be secured by the City's pledge of its general obligation taxing power. The City's obligation to pay the costs of mine remediation is limited to the maximum amount of the Series A Bonds (i.e., \$10 million

plus the costs of issuing the Series A Bonds and funding capitalized interest on the Series A Bonds). To the extent that the Incremental Property Taxes are not sufficient to pay debt service on the Series A Bonds (except as provided in **Section 5.2(d)** hereof) and on the Series B Bonds (except as provided in the **Section 8.4** hereof) the City will pay the debt service on the Series A Bonds and the Series B bonds from ad valorem property taxes that may be levied without limit as to rate or amount in an amount sufficient to pay such debt service.

(d) **Additional Bonds.** At the request of the Developer, the City will promptly, and to the fullest extent permitted by law, issue additional Bonds in order to pay the costs of any additional mine remediation necessary in connection with the development of any part of the Redevelopment Project Area and/or to refund any outstanding Developer TIF Notes.

(e) **Security for the Bonds.** The Series A Bonds and the Series B Bonds shall be general obligations of the City, payable from ad valorem taxes that may be levied without limitation as to rate or amount in an amount sufficient to pay debt service on the Series A Bonds and the Series B Bonds. Any other bonds issued pursuant to this Agreement shall be payable either from ad valorem taxes of the City or solely from Incremental Property Taxes. The City will apply all Incremental Property Taxes to the payment of debt service on the Bonds. Payment of debt service on the Series A Bonds shall have first priority on the Incremental Property Taxes, prior to payment of debt service on the Series B Bonds and prior to the payment of debt service on any Developer TIF Notes issued to evidence the City's obligation to reimburse the Developer for its Reimbursable Redevelopment Project Costs with respect to the Development Project and prior to reimbursement to the City for any of its costs incurred in connection with completion of the City Improvements, all as provided in **Section 8.3** hereof. Any additional Bonds issued pursuant to paragraph (d) above shall be issued on a subordinate basis to any outstanding Series A Bonds and may be issued on a parity with any outstanding Series B Bonds, with the prior written consent of the Developer and shall otherwise have such priority with respect to Incremental Property Taxes as provided in the Approving Ordinance authorizing the issuance of such additional Bonds.

(f) **Cooperation in the Issuance of Bonds.** The Developer and the City covenant to cooperate and take all reasonable actions necessary to assist the Underwriters and financial advisors in the preparation of offering statements (including any official statement, private placement memorandum or similar disclosure documents) and other documents reasonably necessary to market and sell the Series A Bonds, the Series B Bonds and any additional Bonds issued to pay the costs of any additional mine remediation necessary in connection with the development of any part of the Redevelopment Project Area and/or to refund any outstanding Developer TIF Notes. The Developer will not be required to disclose to the general public or any investor the rent payable under any lease or any proprietary or confidential financial information pertaining to the Developer, but upon the execution of a confidentiality agreement acceptable to the Developer, the Developer will provide such information to the financial advisors, Underwriters and their counsel to enable such parties to satisfy their due diligence obligations. Such compliance obligation shall be a covenant running with the land, enforceable as if any subsequent transferee thereof were originally a party to and bound by this Agreement.

Section 7.3. Developer TIF Notes.

(a) **Timing/Form.** The City agrees to issue and deliver to the Developer, from time to time at the request of the Developer, Developer TIF Notes to reimburse the Developer for Reimbursable Redevelopment Project Costs, other than for mine remediation and other than the Reimbursable Redevelopment Project Costs incurred by the Developer and paid for from the proceeds of the Series B Bonds. Subject to the provisions of any Approving Ordinance adopted by the City Council to authorize the issuance of the Developer TIF Notes, the Developer TIF Notes shall be in substantially the form attached as **Exhibit E**, or such other form as may be approved by Bond Counsel.

(b) **Limited Obligations.** The Developer TIF Notes shall not constitute general obligations of the City or the State, but shall be payable solely from the Incremental Property Taxes as described in **Section 8.3** of this Agreement and in the Developer TIF Notes or from the proceeds of Bonds issued by the City in accordance with this Agreement. The Developer TIF Notes shall not be secured by the City's general obligation pledge of ad valorem tax revenues.

Section 7.4. No other Bonds or Uses of Incremental Property Taxes. The City shall not issue any other Obligations payable from or secured by the Incremental Property Taxes (other than, at the Developer's request, Obligations to refund and refinance, and redeem, Developer TIF Notes issued hereunder and still outstanding), and the City shall not use or apply any Incremental Property Taxes for any purposes except as are expressly authorized in this Agreement.

ARTICLE EIGHT

SPECIAL TAX ALLOCATION FUND; COLLECTION AND USE OF INCREMENTAL PROPERTY TAXES

Section 8.1. Certificate of Total Initial Equalized Assessed Value. The City will provide to the Developer, simultaneous with the execution of this Agreement, a true, correct and complete copy of the calculation by the County Clerk of The County of St. Clair, Illinois, of the Total Initial Equalized Assessed Value of all taxable property within the Redevelopment Project Area, determined pursuant to the TIF Act, which calculation shall include a separate calculation of the Total Initial Equalized Assessed Value of the taxable property within the Redevelopment Project Area attributable to the real property upon which the Developer Improvements are to be constructed.

Section 8.2 Special Tax Allocation Fund.

(a) **Establishment of the Special Tax Allocation Fund and Other Funds and Accounts.** The City hereby agrees to cause its Treasurer to establish and maintain with a locally insured bank a separate segregated account to be known as the "City of O'Fallon, Illinois Special Tax Allocation Fund – St. Elizabeth's Hospital Project." Beginning on the Commencement Date and for the term of this Agreement, the City shall deposit into the Special Tax Allocation Fund all Incremental Property Taxes generated within the Redevelopment Project Area within five (5) Business Days after receipt thereof. The City agrees to cause its Treasurer or other financial officer to maintain the following funds of the City with the Trustee for the Series A Bonds, the Series B Bonds and for any additional Bonds, pursuant to each Approving Ordinance:

- (i) Revenue Fund, including such accounts therein as required by the Approving Ordinance for the Series A Bonds, the Series B Bonds and any additional Bonds issued pursuant to the terms of this Agreement;
- (ii) Debt Service Fund, which shall contain a Series A Bond Account, a Series B Bond Account, a Developer TIF Note Account and a City Improvements Account;
- (iii) Debt Service Reserve Fund, if any, required by an Approving Ordinance.
- (iv) Project Fund.
- (v) Rebate Fund.

Each fund and account shall be maintained by such Trustee as a separate and distinct trust fund and the moneys therein shall be held, managed, invested, disbursed and administered as provided in the applicable Approving Ordinance. All moneys deposited in the funds and accounts shall be used solely for the purposes set forth in the applicable Approving Ordinance and as provided herein. The Trustee shall keep and maintain adequate records pertaining to each fund and all disbursements therefrom.

(b) **Deposits into the Special Tax Allocation Fund.** The City agrees for the term of this Agreement to apply and deposit into the Special Tax Allocation Fund all moneys required to be deposited in the Special Tax Allocation Fund and any taxes, fees, or assessments subsequently enacted and imposed in substitution therefor and allocable to such accounts to the extent authorized by law. The City agrees to apply any and all interest earnings from moneys on deposit in the Special Tax Allocation Fund to be applied as provided in **Section 8.3** of this Agreement.

The City agrees that during the term of this Agreement the City shall not further encumber or pledge, on a superior or parity lien basis, any portion of the Incremental Property Taxes to be deposited in or on deposit in and to the credit of the Special Tax Allocation Fund or take any action inconsistent with the terms and intent of this Agreement.

Section 8.3. Application of Incremental Property Taxes. The City hereby agrees to apply the Incremental Property Taxes as provided in the Approving Ordinance and this Agreement. On the last Business Day of each month during the term of this Agreement, the City shall transfer all Incremental Property Taxes to the Trustee under the applicable Approving Ordinance and shall direct the Trustee in writing to deposit such sums into the Revenue Fund or as otherwise required by an Approving Ordinance. If the City has not made such transfers on or before the last Business Day of each month, the Trustee shall notify the City and the Underwriter of such non-receipt. The Incremental Property Taxes shall be applied by the City (or the Trustee) as follows:

(a) First, transfer to the Rebate Fund, an amount sufficient to pay rebate, if any, to the United States of America, owed under Section 148 of the Internal Revenue Code of 1986, as amended, as directed in writing by the City in accordance with the tax documents provided by Bond Counsel;

(b) Second, transfer to the Series A Bond Account of the Debt Service Fund an amount sufficient to pay the principal and interest due on the Series A Bonds by their terms in accordance with the requirements of the Approving Ordinance;

(c) Third, transfer to the Debt Service Reserve Fund for the Series A Bonds, if any, such amount as may be required to restore any deficiency in the Series A Debt Service Reserve Fund if the amount on deposit in the Series A Debt Service Reserve Fund is less than the debt service reserve requirement as required by the Approving Ordinance;

(d) Fourth, transfer to the Series B Bond Account of the Debt Service Fund an amount sufficient to pay the principal and interest due on the portion of the Series B Bonds allocable to the payment of the Special Service Area Assessment in accordance with the requirements of the Approving Ordinance;

(e) Fifth, transfer to the Series B Bond Account of the Debt Service Fund an amount sufficient to pay the principal and interest due on the portion of the Series B Bonds allocable to the Series B Bond proceeds received by the Developer and the City as reimbursement for their respective Reimbursable Redevelopment Project Costs;

- (f) Sixth, transfer to the Debt Service Reserve Fund for the Series B Bonds, if any, such amount as may be required to restore any deficiency in the Series B Debt Service Reserve Fund if the amount on deposit in the Series B Debt Service Reserve Fund is less than the debt service reserve requirement as required by the Approving Ordinance;
- (f) Seventh, pay to the Trustee or any paying agent under an Approving Ordinance an amount sufficient for payment of any fees, charges and expenses which are due and owing to the Trustee or any paying agent, upon delivery to the City of an invoice for such amount;
- (g) Eighth, transfer to the Series A Bond Account of the Debt Service Fund an amount sufficient to redeem Series A Bonds in accordance with the terms of the Approving Ordinance;
- (h) Ninth, transfer to the Series B Bond Account of the Debt Service Fund an amount sufficient to redeem Series B Bonds in accordance with the terms of the Approving Ordinance;
- (i) Tenth, transfer to the Developer TIF Note Account of the Debt Service Fund an amount sufficient to pay the principal of and interest on Developer TIF Notes by their terms in accordance with the Approving Ordinance;
- (j) Eleventh, transfer to the City Improvements Account of the Debt Service Fund an amount sufficient to pay a portion of the outstanding amount due the City for the costs of the City Improvements; and
- (k) Twelfth, transfer any remaining amount to the City for application in accordance with the Redevelopment Plan.

Notwithstanding the foregoing, the flow of funds provided for herein shall be deemed to be modified to the extent inconsistent with any Approving Ordinance that secures the Series A Bonds, the Series B Bonds or any other series of Bonds issued pursuant to the terms of this Agreement.

Section 8.4. Payment of Debt Service on the Bonds if Insufficient Incremental Property Taxes. Notwithstanding the foregoing, (1) subject to **Section 5.2(d)**, the City shall pay debt service on the Series A Bonds to the extent that Incremental Property Taxes are not sufficient to do so, (ii) the City shall pay debt service on the Series B Bonds allocable to the amount of Series B Bond proceeds that were used to pay the Special Service Area Assessments to the extent that Incremental Property Taxes are not sufficient to do so, and (3), to the extent of any deficiency in the debt service on the Series B Bonds allocable to the amount of Series B Bond proceeds used by the Developer, if any, and the City, if any, respectively, to pay Reimbursable Redevelopment Project Costs, the Developer and the City shall each pay the portion of such debt service deficiency, but only such debt service allocable to the amount of Series B Bond proceeds requisitioned by such party to pay Reimbursable Redevelopment Project Costs from the Trustee for the Series B Bonds.

Section 8.5. Cooperation in Determining Incremental Property Taxes. The City and the Developer (or its successors in interest as owner or owners of any portion of the Redevelopment Project Area) agree to cooperate and take all reasonable actions necessary to cause the Incremental Property Taxes to be paid into the fund and accounts pursuant to this Agreement, including the City's enforcement and collection of all such payments through all reasonable and ordinary legal means of enforcement.

Section 8.6. Developer's Loss of Tax-Exempt Status. The City agrees that if the Developer should ever lose its status as a tax-exempt organization and, as a result thereof, is required to pay real property taxes on its property located within the Redevelopment Project Area, the City will deposit the tax revenues from the Developer's payment of real property taxes that constitute Incremental Property Taxes in the Special Tax Allocation Fund and apply such real property taxes in accordance with the requirements of this Agreement. The City further agrees that it will appropriate the revenues from the Developer's payment of real property taxes attributable to the Initial Equalized Assessed Valuation for deposit into the Special Tax Allocation Fund to be applied in accordance with the requirements of this Agreement.

ARTICLE NINE

GENERAL PROVISIONS

Section 9.1. Successors and Assigns.

(a) **Agreement Binding on Successors.** This Agreement shall be binding on and shall inure to the benefit of the parties named herein and their respective heirs, administrators, executors, personal representatives, successors and assigns.

(b) **Assignment.** Until Substantial Completion of phase 1 of the Developer Improvements, the rights, duties and obligations of the Developer under this Agreement may not be assigned in whole or in part without the prior written approval of the City, which approval shall not be unreasonably withheld or delayed and shall be given upon a reasonable demonstration by the Developer of the proposed assignee's experience and financial capability to undertake and complete such portions of the Work with respect to phase 1 of the Developer Improvements or any component thereof proposed to be assigned, all in accordance with this Agreement. All or any part of the Redevelopment Project Area or any interest therein may be sold, transferred, encumbered, leased, or otherwise disposed of at any time following Substantial Completion of phase 1 of the Developer Improvements, and the rights of the Developer named herein or any successors in interest under this Agreement or any part hereof may be assigned. Upon the Developer's transfer or conveyance of any part of or interest in the Redevelopment Project Area or assignment of any interest under this Agreement, as authorized by and pursuant to the provisions of this subparagraph, the Developer shall be released from further obligation under this Agreement with respect to such Redevelopment Project Area interest conveyed or rights assigned and such Redevelopment Project Area interest conveyed shall be released from further obligation under this Agreement.

(c) **City Consent to Assignment.** Notwithstanding any provision herein to the contrary, the City hereby approves, and no prior consent shall be required in connection with, (a) the right of the Developer to encumber or collaterally assign its interest in the Redevelopment Project Area or any portion thereof to secure loans, advances or extensions of credit to finance or from time to time refinance all or any part of the Redevelopment Project Costs, or the right of the holder of any such encumbrance or transferee of any such collateral assignment (or trustee or agent on its behalf) to transfer such interest by foreclosure or transfer in lieu of foreclosure under such encumbrance or collateral assignment; and (b) the right of the Developer to assign the Developer's rights, duties and obligations under this Agreement to a Related Party or among entities comprising the Developer. Notwithstanding any provision hereof to the contrary, the City hereby approves, and no prior consent shall be required in connection with the Developer's sale or lease of individual portions of the Redevelopment Project Area or subdivided lots in the course of the development of the Development Project and any Redevelopment Project Area interest conveyed shall be released from further obligation under this Agreement.

Section 9.2. Remedies. Except as otherwise provided in this Agreement and subject to the Developer's and the City's respective rights of termination hereof as set forth in **Sections 11.2 and 11.3**, in the event of any default in or breach of any term or condition of this Agreement by either party, or any successor, the defaulting or breaching party (or successor) shall, upon written notice from the other party (or successor), proceed immediately to cure or remedy such default or breach, and, shall, in any event, within sixty (60) days after receipt of notice, commence to cure or remedy such default. If such cure or remedy is not taken or not diligently pursued, or the default or breach is not cured or remedied within a reasonable time, the aggrieved party may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach, provided that such legal proceedings shall only affect property as to which such default or breach exists and shall not affect any other rights established in connection with this Agreement or any other property in the Redevelopment Project Area which has been or is being developed or used in accordance with the provisions of this Agreement. Notwithstanding any provision herein to the contrary, but subject to **Section 5.2(d)**, the City's sole remedy for the Developer's default pursuant to **Section 5.2(a)** of this Agreement shall be the termination of this Agreement pursuant to **Section 11.3** hereof, and such termination shall be without further recourse against the Developer and shall relieve the City from any and all obligations pursuant to this Agreement.

Section 9.3. Force Majeure and Other Extensions of Time for Performance.

(a) **Force Majeure.** Neither the City nor the Developer nor any successor in interest shall be considered in breach or default of their respective obligations under this Agreement, and times for performance of obligations hereunder shall be extended, in the event of any delay in the Developer's construction of any phase of the Development Project caused by force majeure, including, without limitation, for purposes of this Agreement, legal proceedings which restrict or impair the orderly development of any phase of the Development Project (including, but not limited to, condemnation or eminent domain proceedings), orders of any kind of any court or governmental body which restrict or impair the orderly development of any phase of the Development Project, strikes, lockouts, labor disputes, labor shortages, riots, acts of God, epidemics, landslides, lightning, earthquake, fire or other casualties, breakage, explosions, storms, washouts, droughts, tornadoes, cyclones, floods, adverse weather conditions, unusually wet soil conditions, mine subsidence, war, invasion or acts of a public enemy, serious accidents, arrests, failure of utilities, governmental restrictions or priorities, failure to timely process or issue any permits and/or legal authorization by necessary governmental entity, including Governmental Approvals, failure of utilities to timely extend service to the site, shortage or delay in shipment of material or fuel, any actual or threatened litigation relating to the validity of this Agreement, the Annexation Agreement, any Approving Ordinance, the designation of the Redevelopment Project Area, the Redevelopment Plan, the Development Project or the Obligations, the adoption of tax increment financing under the TIF Act within the Redevelopment Project Area, the City's use and pledge of the Incremental Property Taxes pursuant to this Agreement, or any of the ordinances approving the same, or other causes beyond the responsible party's reasonable control. The party claiming any extension caused by force majeure shall have the burden of proof in establishing such cause.

(b) **Extension of Time for Performance.** In addition to the foregoing, periods provided herein for commencement or Substantial Completion of any phase of the Developer Improvements portion of the Development Project shall be automatically extended for periods of delay in obtaining required planning approvals with respect to the Redevelopment Project Area or Governmental Approvals, and may also be extended, for reasonable cause, from time to time, upon application of the Developer to the City Council and upon finding by the City Council that the requested delay is reasonably justified, does not materially affect the ultimate completion of the phase of the Developer Improvements portion of the Development Project, and does not materially and adversely affect any Series A Bonds Outstanding at such time.

Section 9.4. Actions Contesting the Validity and Enforceability of the Development Plan, the Agreement and Related Matters. Before and during such time as the Developer is the owner of any Developer TIF Notes, if a third party brings an action against the City or the City's officials, agents, employees or representatives contesting the validity or legality of the Redevelopment Project Area, any portion thereof, this Agreement, the Annexation Agreement, any Approving Ordinance, the designation of the Redevelopment Project Area, the Redevelopment Plan, the Development Project or the Obligations, the adoption of tax increment financing under the TIF Act within the Redevelopment Project Area, the City's use and pledge of the Incremental Property Taxes pursuant to this Agreement, or any of the ordinances approving the same, the City shall promptly, and in any event prior to filing any responsive pleadings, notify the Developer in writing of such claim or action. The Developer may, at its option, assume the defense of such claim or action (including, without limitation, to settle or compromise any claim or action for which the Developer has assumed the defense and as to which the Developer will pay the costs and amounts of any such settlement or compromise) with counsel of the Developer's choosing, and the parties expressly agree that so long as no conflicts of interest exist between them, the same attorney or attorneys may simultaneously represent the City and the Developer in any such proceeding. Subject to the provisions of the TIF Act, all costs incurred by the Developer and the City shall be deemed to be Reimbursable Redevelopment Project Costs and reimbursable from moneys in the Special Tax Allocation Fund, subject to **Article VI** hereof. In the event the Developer does not elect to assume the defense of such claim or action, the City shall undertake such defense, shall copy the Developer and its counsel on all correspondence relating to any such action, shall consult with the Developer and its counsel throughout the course of any such action, and shall not settle or compromise any claim or action without the Developer's prior written consent.

Section 9.5. Insurance.

(a) **City Improvements.** Prior to the commencement of construction of any City Improvements, the City shall obtain or shall ensure that any such contractor obtains workers' compensation, comprehensive public liability and builder's risk insurance coverage in amounts customary in the industry for similar type projects. The City shall deliver to the Developer evidence of such insurance prior to commencement of such construction. The City shall ensure that the insurance so required is maintained by any such contractor for the duration of the construction of any City Improvements, and that the Developer is named as an "additional insured" with respect to such policies. In the event of any casualty affecting the City Improvements, the Developer and the City agree to cause any insurance proceeds to be used, to the extent necessary, to rebuild or restore the damaged improvements.

(b) **Buildings and Other Improvements.** Prior to the commencement of construction of any buildings that are part of the Developer Improvements portion of the Development Project, the Developer shall obtain or shall ensure that any such contractor obtains workers' compensation, comprehensive public liability and builder's risk insurance coverage in amounts customary in the industry for similar type projects; provided, the City shall not be named as an "additional insured" with respect to any insurance policies and shall not have any rights or claims under any such insurance policies.

Section 9.6. Notice. Any notice, demand, or other communication required by this Agreement to be given by either party hereto to the other shall be in writing and shall be sufficiently given or delivered if dispatched by certified United States first class mail, postage prepaid, or delivered personally, or if deposited with a nationally recognized overnight courier service prepaid and specifying the overnight delivery and addressed to the party at its address as provided herein:

If to City: City Clerk
City of O'Fallon
255 South Lincoln
O'Fallon, Illinois 62269

And: Dale M. Funk
City Attorney
807 West Highway 50, Suite 1
O'Fallon, Illinois 62269

And: Terry I. Bruckert
Belsheim & Bruckert, L.L.C.
1002 East Wesley Drive, Suite 100
O'Fallon, Illinois 62269

If to Developer: James L. Burke, Esq.
Divisional VP Legal Services
Associate General Counsel
Hospital Sisters Health System
720 W. Main Street, Suite 300
Belleville, Illinois 62220

With a copy to: Thompson Coburn LLP
One US Bank Plaza
St. Louis, Missouri 63101
Attention: Deborah K. Rush

or to such other address with respect to either party as that party may, from time to time, designate in writing and forward to the other as provided in this paragraph.

Section 9.7. Conflict of Interest. No member of the Corporate Authorities, the Joint Review Board, or any branch of the City's government who has any power of review or approval of any of Developer's undertakings, or of the City's contracting for goods or services for the Redevelopment Project Area, shall participate in any decisions relating thereto which affect that member's personal interests or the interests of any corporation or partnership in which that member is directly or indirectly interested. As provided in the TIF Act, any person having such interest shall immediately, upon knowledge of such possible conflict, disclose, in writing, to the City Council the nature of such interest and seek a determination by the City Council with respect to such interest and, in the meantime, shall not participate in any actions or discussions relating to the activities herein proscribed.

Section 9.8. Choice of Law. This Agreement shall be taken and deemed to have been fully executed, made by the parties in, and governed by the laws of the State of Illinois for all purposes and intents.

Section 9.9. Entire Agreement; Amendment. The parties agree that this Agreement constitutes the entire agreement between the parties and that no other agreements or representations other than those contained in this Agreement have been made by the parties. This Agreement shall be amended only in writing and effective when signed by the authorized representatives of both parties.

Section 9.10. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall constitute one and the same instrument.

Section 9.11. Severability. If any term or provision of this Agreement is held to be unenforceable by a court of competent jurisdiction, the remainder shall continue in full force and effect, to the extent the remainder can be given effect without the invalid provision.

Section 9.12. Representatives Not Personally Liable. No official, agent, employee, City Attorney, or representative of the City (the "City Representatives") shall be personally liable to the Developer, and no shareholder, director, officer, agent, employee, consultant or representative of the Developer shall be personally liable to the City or the City Representatives in the event of any default or breach by any party under this Agreement, or for any amount which may become due to any party or on any Obligations under the terms of this Agreement.

Section 9.13. Recordation of Agreement. The parties agree to record a memorandum of this Agreement with the St. Clair County Recorder of Deeds. The City shall pay the recording fees for same.

Section 9.14. Third Parties. Nothing in this Agreement, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any other person other than the City and the Developer, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to either the City or the Developer, nor shall any provision give any third parties any rights of subrogation or action over or against either the City or the Developer. This Agreement is not intended to and does not create any third party beneficiary rights whatsoever.

Section 9.15. No Joint Venture, Agency or Partnership. Nothing in this Agreement, or any actions of the parties to this Agreement, shall be construed by the parties or any third person to create the relationship of a partnership, agency or joint venture between or among such parties.

Section 9.16. Repealer. To the extent that any ordinance, resolution, rule, order or provision of the City's code of ordinances, or any part thereof, is in conflict with the provisions of this Agreement, the provisions of this Agreement shall be controlling, to the extent lawful.

Section 9.17. Survival. Notwithstanding the expiration, termination or breach of this Agreement by either party, other than a termination of this Agreement by the City pursuant to the provisions of **Section 11.3** of this Agreement or termination by the Developer pursuant to the provisions of **Section 11.2** of this Agreement, the agreements contained in **Article VI, Article VII, Sections 8.2, 8.3, 8.4, 8.5, 8.6, 9.1, 9.2, 9.3, 9.4, 9.7, 9.8, 9.9, 9.10, 9.11, 9.12, 9.13, 9.14, 10.1** and **Article XII** shall survive such expiration, termination or breach.

ARTICLE TEN

RELEASE AND INDEMNIFICATION

Section 10.1. City. The City and its governing body members, officers, agents and employees and the City Attorney shall not be liable to the Developer for damages or otherwise in the event that all or any part of the TIF Act, the Redevelopment Plan, the Development Project, any Approving Ordinance, this Agreement or the Annexation Agreement is declared invalid or unconstitutional in whole or in part by the final (as to which all rights of appeal have expired or have been exhausted) judgment of any court of competent jurisdiction, and by reason thereof either the City is prevented from performing any of the covenants and agreements herein or the Developer is prevented from enjoying the rights and privileges

herein; provided that nothing in this paragraph shall limit: (i) Claims by the Developer to Incremental Property Taxes pledged to payment of the Obligations pursuant to this Agreement, (ii) Claims by the owner of Obligations against the funds pledged to secure such Obligations, (iii) Actions by the Developer seeking specific performance of this Agreement, the Annexation Agreement, other relevant contracts, or of zoning or planning approvals or Governmental Approvals issued by the City, or (iv) Claims by the Developer made in reliance upon legal opinions delivered by the City Attorney.

All covenants, stipulations, promises, agreements and obligations of the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City and not of any of its governing body members, officers, agents, servants or employees in their individual capacities. No elected or appointed official, employee or representative of the City shall be personally liable to the Developer (1) in the event of a default or breach by any party under this Agreement or (2) for any amount on any Obligations which may become due to any party under the terms of this Agreement.

Section 10.2. Developer. The Developer releases from, and covenants and agrees that the City and its governing body members, officers, agents, and employees and the City Attorney shall not be liable for any and all claims, suits, damages, expenses or liabilities arising out of (1) the acquisition of the portion of the Redevelopment Project Area owned by the Developer, (2) the operation of all or any part of the Redevelopment Project Area, or the condition of the Redevelopment Project Area, including, without limitation, any environmental cost or liability, (3) negotiations, inspections, acquisitions, preparations, construction, leasing, operations, and other activities of the Developer or its agents in connection with or relating to the Development Project or the Redevelopment Project Area, and (4) any loss or damage to the Redevelopment Project Area or any injury to or death of any person occurring at or about or resulting from any defect in the performance of the Developer Improvements portion of the Work by the Developer, except for matters arising out of the negligence or malfeasance, misfeasance or nonfeasance of the City or any official, agent, employee, consultant, contractor or representative of the City.

ARTICLE ELEVEN

TERM

Section 11.1. Term of Agreement. This Agreement, and all of the rights and obligations of the parties hereunder, shall terminate on expiration of the Agreement Term; provided that this Agreement may terminate sooner upon the earlier of the delivery of a written notice by the Developer or the City (and recordation of a copy of such notice with the St. Clair County Recorder) that this Agreement has been terminated pursuant to **Section 11.2** or **11.3** hereof.

Section 11.2. Developer's Right of Termination.

(a) **Prior to the Issuance of Series A Bonds.** At any time prior to the issuance of the Series A Bonds, the Developer may, by giving written notice to the City, abandon the Development Project and terminate this Agreement and Developer's obligations hereunder and the City's obligations as to any phase of the Development Project which the Developer has not completed shall terminate on the same date.

(b) **Opinion of Bond Counsel.** The Developer may terminate this Agreement at any time in the event of the inability of the Developer to receive an opinion of Bond Counsel as required pursuant to the terms of this Agreement; provided that the Developer's obligations under **Section 5.2(d)** shall survive.

(c) **Obligations Remain Outstanding.** On termination of this Agreement pursuant to this section, all outstanding obligations of the City to reimburse the Developer from Incremental Property Taxes, and all outstanding Developer TIF Notes, as the case may be, shall remain outstanding. If the Developer has submitted to the City, within 60 days after the termination of this Agreement pursuant to this section, Certificates of Reimbursable Redevelopment Project Costs but the City has not yet approved such certificates, the City shall review and process such certificates in accordance with **Article VII** hereof. Thereafter, at the Developer's request, the City shall use diligent efforts to issue Developer TIF Notes and sell Bonds in the same manner as provided in **Article VII**. Notwithstanding the foregoing, but subject to **Section 5.2(d)**, the City's sole remedy for the Developer's failure to complete the Development Project is termination of this Agreement pursuant to **Section 11.3** hereof.

Section 11.3. City's Right of Termination. The City may terminate this Agreement if the Developer fails to satisfy the provisions of **Section 5.2(a)** within the times specified therein and on such termination all rights and obligations of the Developer and the City hereunder shall terminate.

Section 11.4. Cancellation. In the event Developer or the City shall be prohibited, in any material respect, from performing covenants and agreements or enjoying the rights and privileges herein contained, or contained in the Redevelopment Plan, including Developer's duty to construct the Developer Improvements, by the order of any court of competent jurisdiction, or in the event that all or any part of the TIF Act or any ordinance or resolution adopted by the City in connection with the Development Project, shall be declared invalid or unconstitutional, in whole or in part, by a final decision of a court of competent jurisdiction and such declaration shall materially affect the Redevelopment Plan or the covenants and agreements or rights and privileges of Developer or the City, then and in any such event, the party so materially affected may, at its election, cancel or terminate this Agreement in whole (or in part with respect to that portion of the Development Project materially affected) by giving written notice thereof to the other within thirty (30) days after such final decision or amendment. If the City terminates this Agreement pursuant to this **Section 11.4**, the cancellation or termination of this Agreement shall have no effect on the authorizations granted to Developer for buildings permitted and under construction to the extent permitted by said court order; and the cancellation or termination of this Agreement shall have no effect on perpetual easements contained in any recorded, properly executed document.

ARTICLE TWELVE

REPRESENTATIONS OF THE PARTIES

Section 12.1. Representations of the City. The City hereby represents and warrants that (a) the City has full constitutional and lawful right, power and authority, under current applicable law, to execute and deliver this Agreement and the Annexation Agreement and to perform all terms and obligations of this Agreement, including but not limited to the right, power and authority to issue and sell the TIF Mine Remediation Bonds and other Obligations, and (b) this Agreement constitutes the legal, valid and binding obligation of the City, enforceable in accordance with its terms.

Section 12.2. Representations of the Developer. The Developer hereby represents and warrants that (a) the Developer has full power to execute and deliver and perform the terms and obligations of this Agreement and all of the foregoing has been duly and validly authorized by all necessary corporate proceedings, (b) this Agreement constitutes the legal, valid and binding obligation of the Developer, enforceable in accordance with its terms.

ARTICLE THIRTEEN

EFFECTIVENESS

The Effective Date for this Agreement shall be the day on which this Agreement is approved by the City, with said date being inserted on page 1 hereof.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the City and Developer have caused this Agreement to be executed in their respective names and caused their respective seals to be affixed thereto, and attested as to the date first above written.

(SEAL)

CITY OF O'FALLON, ILLINOIS

By: *Amy L. Abraham*
Name:
Title: Mayor

Attest:

[Signature]
Name:
Title: City Clerk



Approved as to Form:

[Signature]
Name:
Title: City Attorney

HOSPITAL SISTERS HEALTH SYSTEM, an
Illinois not-for-profit corporation

By: Mary Starmann-Harrison
Name: Mary Starmann-Harrison
Title: President/CEO

STATE OF ILLINOIS

COUNTY OF ST. CLAIR

On this 2nd day of November, 2011, before me appeared Gary L. Graham, who being, by me duly sworn, did say that he is the Mayor, City of O'Fallon, Illinois, a home rule unit of government of the State of Illinois, and did say that the seal affixed to the foregoing instrument is the seal of said City, and that said instrument was signed and sealed on behalf of said City, by authority of the City Council of the City; and said Mayor acknowledged said instrument to be the free act and deed of said City.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

Maryanne Fair
Notary Public

My term expires:

10-19-2013



STATE OF MISSOURI)
)
COUNTY OF ST. CLAIR)

On this 29 day of Nov, 2011, before me appeared Mary Starnom - Haggren, to me personally known, who being, by me duly sworn, did say that he is the CEO of Hospital Sisters Health System, an Illinois not-for-profit corporation, and that the foregoing instrument was signed on behalf of said corporation and he further acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

Donna J. Chase
Notary Public

My Commission expires:

June 21, 2014



EXHIBIT A

LEGAL DESCRIPTION OF THE REDEVELOPMENT PROJECT AREA

Description of TIF district lying in part of the Southeast Quarter of Section 25 and the Northeast Quarter of Section 36, Township 2 North, Range 8 West of the Third Principal Meridian and more particularly described as follows:

Part of the Southeast Quarter of Section 25 and the Northeast Quarter of Section 36, Township 2 North, Range 8 West of the Third Principal Meridian, County of St. Clair, State of Illinois and being more particularly described as follows:

Beginning at the southeast corner of Glenview Subdivision, reference being had to the plat thereof in the St. Clair County Recorder's Office in Plat Book "L" on page 34; thence North 00 degrees 05 minutes 44 seconds West, on the easterly line of said Glenview Subdivision, the easterly line of Glenn's 1st Addition to Glenview Subdivision, reference being had to the plat thereof in the St. Clair County Recorder's Office in Plat Book "M" on page 17 and the easterly line of Glenn's 2nd Addition to Glenview Subdivision, reference being had to the plat thereof in the St. Clair County Recorder's Office in Plat Book "X" on page 17, a distance of 1,121.32 feet to the northeast corner of said Glenn's 2nd Addition; thence North 89 degrees 28 minutes 13 seconds West, on the northerly line of said Glenn's 2nd Addition, 442.61 feet to the easterly right of way line of Main Street as described in Document Number A01015427; thence North 00 degrees 03 minutes 19 seconds West, on said easterly right of way line of Main Street, 815.73 feet to the southerly line of a Minor Subdivision Plat Schmitt Office Park, reference being had to the plat thereof in the St. Clair County Recorder's Office in Document Number A01955027; thence South 89 degrees 45 minutes 31 seconds East, on said southerly line of Minor Subdivision Plat Schmitt Office Park, a distance of 843.11 feet to the southeasterly corner of said Minor Subdivision Plat of Schmitt Office Park; thence North 00 degrees 15 minutes 36 seconds East, on the easterly line of said Minor Subdivision Plat Schmitt Office Park, a distance of 217.00 feet to the northerly line of a tract of land described in Deed Book 2501 on page 2136; thence North 82 degrees 50 minutes 29 seconds East, on said northerly line of a tract of land described in Deed Book 2501 on page 2136, a distance of 125.30 feet to the northwest corner of Lot 14 of the Assessment Plat of Part of Lots 11 and 14 of Mary Scheibel Tracts Assessment Plat; thence North 80 degrees 13 minutes 00 seconds East, on the northerly line of said Lot 14 of Mary Scheibel Tracts Assessment Plat, 203.16 feet to a point on the easterly line of the westerly 200 feet of said Lot 14 and on the northerly extension of the westerly line of Misty Valley 4th Addition, reference being had to the plat thereof in St. Clair County Recorder's Office in Plat Book 92 on page 34; thence South 00 degrees 19 minutes 51 seconds West, on said westerly line of Misty Valley 4th Addition and the northerly extension thereof, 1,556.33 feet to the southwest corner of said Misty Valley 4th Addition; thence South 89 degrees 28 minutes 43 seconds East, on the southerly line of said Misty Valley 4th Addition and the easterly extension thereof, 1,120.65 feet to the westerly right of way line of North Greenmount Road (aka County Highway 89), reference being had to the plat thereof in the St. Clair County Recorder's Office in Plat Book 125 on pages 31-33; thence on said westerly right of way line of North Greenmount road the following eleven (11) courses and distances 1.) South 00 degrees 03 minutes 31 seconds West, 162.68 feet; 2.) South 02 degrees 12 minutes 32 seconds West, 328.15 feet; 3.) South 00 degrees 11 minutes 09 seconds West, 164.06 feet; 4.) South 01 degrees 03 minutes 21 seconds West, 224.49 feet; 5.) South 04 degrees 29 minutes 02 seconds West, 160.21 feet; 6.) South 00 degrees 18 minutes 49 seconds West, 24.97 feet; 7.) South 00 degrees 14 minutes 35 seconds East, 298.11 feet; 8.) South 04 degrees 03 minutes 16 seconds East, 131.57 feet; 9.) South 00 degrees 44 minutes 31 seconds East, 114.84 feet; 10.) South 03 degrees 05

minutes 29 seconds West, 167.56 feet; 11.) South 00 degrees 12 minutes 45 seconds East, 245.57 feet to the northerly line of Lot 1 of The Shoppes at Green Mount, reference being had to the plat thereof in the St. Clair County Recorder's Office in Plat Book 105 on page 92; thence North 89 degrees 29 minutes 47 seconds West, on the northerly line of said Lot 1 of The Shoppes at Green Mount, 184.53 feet to the northwesterly corner of said Lot 1 of The Shoppes at Green Mount; thence South 00 degrees 19 minutes 32 seconds West, on said westerly line of Lot 1 of The Shoppes at Green Mount, 45.60 feet to a northerly line of said The Shoppes at Green Mount; thence North 89 degrees 29 minutes 47 seconds West, on said northerly line of The Shoppes at Green Mount, 143.85 feet to the easterly line of Outlot 12E of The Shoppes at Green Mount 1st Amendment and North Adjacent 7.79 Acres, reference being had to the plat thereof in the St. Clair County Recorder's Office in Document Number A02066634; thence North 00 degrees 33 minutes 37 seconds East, on said easterly line of Outlot 12E of The Shoppes at Green Mount, 1st Amendment and North Adjacent 7.79 Acres, 398.14 feet to the northeasterly corner of said Outlot 12E of The Shoppes at Green Mount, 1st Amendment and North Adjacent 7.79 Acres; thence North 89 degrees 59 minutes 04 seconds West, on the northerly line of said Outlot 12E of The Shoppes at Green Mount 1st Amendment and North Adjacent 7.79 Acres, 848.48 feet to the northwesterly corner of said Outlot 12E of The Shoppes at Green Mount, 1st Amendment and North Adjacent 7.79 Acres; thence South 00 degrees 00 minutes 56 seconds West, on the westerly line of said Outlot 12E of The Shoppes at Green Mount 1st Amendment and North Adjacent 7.79 Acres, 365.61 feet to the northerly line of a tract of land described in the St. Clair County Recorder's Office in Document Number A02054556; thence North 89 degrees 29 minutes 47 seconds West, on said northerly line of a tract of land described in Document Number A02054556 and the northerly line of a tract of land described in the St. Clair County Recorder's Office in Document Number A02054557, a distance of 273.02 feet to the northeasterly right of way line of Regency Park, reference being had to the plat thereof in the St. Clair County Recorder's Office in Plat Book 105 on page 41; thence on said northeasterly right of way line of Regency Park the following eight (8) courses and distances; 1.) northwesterly 52.08 feet on a curve to the right having a radius of 270.00 feet, the chord of said curve bears North 17 degrees 15 minutes 35 seconds West, 52.00 feet; 2.) North 11 degrees 44 minutes 02 seconds West, 461.51 feet; 3.) northwesterly 116.87 feet on a curve to the left having a radius of 360.00 feet, the chord of said curve bears North 21 degrees 02 minutes 02 seconds West, 116.35 feet; 4.) North 30 degrees 20 minutes 02 seconds West, 293.74 feet; 5.) northwesterly 371.51 feet on a curve to the left having a radius of 360.00 feet, the chord of said curve bears North 59 degrees 53 minutes 52 seconds West, 355.24 feet; 6.) North 89 degrees 27 minutes 41 seconds West, 112.65 feet; 7.) northwesterly 309.70 feet on a curve to the right having a radius of 300.00 feet, the chord of said curve bears North 59 degrees 53 minutes 13 seconds West, 296.13 feet; 8.) North 30 degrees 18 minutes 45 seconds West, 179.38 feet to the westerly extension of the southerly line of said Glenview Subdivision; thence South 89 degrees 28 minutes 13 seconds East, on said westerly extension and the southerly line of said Glenview Subdivision, 702.72 feet to the Point of Beginning.

ALSO

Lots 1, 2, 2A, 3, 7, 8, 9, 10, 11, 13, 14 and Outlot A of THE SHOPPES AT GREEN MOUNT, a subdivision being part of the Northeast Quarter of Section 36, Township 2 North, Range 8 West of the Third Principal Meridian, City of O'Fallon, St. Clair County, Illinois, reference being had to the plat thereof in the St. Clair County Recorder's Office in Document Number A01916664.

ALSO

Lots 12C, 12D and Outlot 12E of THE SHOPPES AT GREEN MOUNT, 1ST AMENDMENT AND THE NORTH ADJACENT 7.79 ACRES, being a subdivision of part of the Northeast Quarter of Section 36, Township 2 North, Range 8 West of the Third Principal Meridian, City of O'Fallon, St. Clair County, Illinois, reference being had to the plat thereof in the St. Clair County Recorder's Office in Document Number A02066634.

ALSO

Lots 1 and 2 of "Mary Scheibel Tracts Assessment Plat" of the East One Half of the Southeast Quarter of Section 25, Township 2 North, Range 8 West of the Third Principal Meridian, St. Clair County, Illinois, reference being had to the plat thereof in the St. Clair County Recorder's Office in Plat Book 47 on page 20, lying southerly of the southerly right of way line of United States Route 50.

ALSO

A tract of land in the West Half of the Southeast Quarter of Section 25, Township 2 North, Range 8 West of the Third Principal Meridian, St Clair County, Illinois, described as follows.

From a point on the North line of Harding Street in "Glenn's Second Subdivision", reference being had to the plat thereof recorded in the Recorder's Office of St Clair County, Illinois in Book of Plats "X" on Page 17, which point is 349.8 feet East of and measured at a right angles to the West line of the Southeast Quarter of Section 25; thence North 0 degrees 17 minutes West, along a line lying parallel to the West line of the Southeast Quarter of Section 25, a distance of 815.03 feet to a point; thence North 89 degrees 56 minutes 30 seconds East, a distance of 988.3 feet to an iron rod set on the West line of Lot 14 of "Mary Scheibel Tracts Assessment Plat", thence North, along the West line of " Mary Scheibel Tracts Assessment Plat", a distance of 233.02 feet to an old stone that marks the Northwest corner of said Lot 14 and is the point of beginning of the tract of land herein described; thence continuing North, along the West line of Lots 1 and 2 of "Mary Scheibel Tracts Assessment Plat", a distance of 361.8 feet to an iron rod set on the Southwesterly right of way line of F A Route No 13 (old U S Route No 50); thence in a Northwesterly direction and making an interior angle of 103 degrees 39 minutes with the last described line and along the Southwesterly right of way line of said F A Route No 13, a distance of 128.1 feet to an old iron pin which marks the Northeast corner of an 8.0 acre more or less tract conveyed to Huller Ford Co., thence in a Southerly direction, along the East line of said 8.0 acres more or less, tract, and making an interior angle of 76 degrees 17 minutes with the last described line a distance of 408.02 feet to an iron rod; thence in a Northeasterly direction, making an angle of 82 degrees 39 minutes With the last described line, a distance of 125.25 feet to a point of beginning.

{As per document number A02164941 (Parcel 1)}

ALSO

Lot 3 of Minor Subdivision Plat of Schmitt Office Park, being a part of the West Half of the Southeast Quarter of Section 25, Township 2 North, Range 8 West of the Third Principal Meridian, St. Clair County, Illinois, reference being had to the plat thereof in the St. Clair County Recorder's Office in Document A01955027.

ALSO

PART OF THE NORTHEAST QUARTER OF SECTION 36, TOWNSHIP 2 NORTH, RANGE 8 WEST OF THE THIRD PRINCIPAL MERIDIAN, ST. CLAIR COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID NORTHEAST QUARTER OF SECTION 36; THENCE, NORTH 89 DEGREES 33 MINUTES 15 SECONDS WEST, (BEARING ASSUMED), ALONG THE NORTH LINE OF SAID NORTHEAST QUARTER OF SECTION 36, 1857.35 FEET; THENCE, NORTH 00 DEGREES 10 MINUTES 48 SECONDS WEST, COLLINEAR WITH THE EAST LINE OF GLENVIEW SUBDIVISION AS RECORDED IN PLAT BOOK 2, PAGE 34, OF THE ST. CLAIR COUNTY, ILLINOIS RECORDS, 25.00 FEET TO THE SOUTH LINE OF CARR STREET; THENCE NORTH 89 DEGREES 33 MINUTES 15 SECONDS WEST, PARALLEL WITH AND 25 FEET NORTH OF SAID NORTH LINE OF THE NORTHEAST QUARTER OF SECTION 36, 783.60 FEET TO THE EAST R.O.W. LINE OF F.A.I. ROUTE 64; THENCE ALONG SAID EAST R.O.W. LINE AS FOLLOWS: SOUTH 30 DEGREES 21 MINUTES 34 SECONDS EAST, 58.21 FEET; SOUTH 89 DEGREES 33 MINUTES 15 SECONDS EAST, 11.25 FEET; SOUTH 30 DEGREES 25 MINUTES 36 SECONDS EAST, 156.97 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING SOUTH 30 DEGREES 25 MINUTES 36 SECONDS EAST, 125.23 FEET; SOUTH 59 DEGREES 38 MINUTES 26 SECONDS WEST, 10.00 FEET; SOUTH 30 DEGREES 25 MINUTES 36 SECONDS EAST, 667.26 FEET; THENCE LEAVING SAID EAST R.O.W. LINE, NORTH 59 DEGREES 34 MINUTES 24 SECONDS EAST, 428.02 FEET; THENCE NORTH 30 DEGREES 25 MINUTES 36 SECONDS WEST, 168.19 FEET; THENCE ALONG A CURVE HAVING A RADIUS POINT TO THE SOUTHWEST, A RADIAL DISTANCE OF 300.00 FEET, A CHORD BEARING, NORTH 59 DEGREES 59 MINUTES 25 SECONDS WEST, AND A CHORD DISTANCE OF 296.04 FEET; THENCE NORTH 89 DEGREES 33 MINUTES 15 SECONDS WEST, 112.65 FEET; THENCE, ALONG A CURVE HAVING A RADIUS POINT TO THE NORTHEAST, A RADIAL DISTANCE OF 360.00 FEET, A CHORD BEARING, NORTH 59 DEGREES 59 MINUTES 25 SECONDS WEST, AND A CHORD DISTANCE OF 355.24 FEET TO THE POINT OF BEGINNING.

SITUATED IN ST. CLAIR COUNTY, ILLINOIS.

(As per document number A02053406.)

ALSO

Part of the Northeast Quarter of Section 36. Township 2 North, Range 8 West of the Third Principal Meridian, St. Clair County, Illinois, described as follows:

Commencing at the Northeast corner of said Northeast Quarter of Section 36; thence, North 89 degrees 33 minutes 15 seconds West, (bearing assumed), along the North line of said Northeast Quarter of Section 36, 1857.35 feet; thence, North 00 degrees 10 minutes 48 seconds West, collinear with the East line of Glenview Subdivision as recorded in Plat Book 2, page 34, of the St. Clair County, Illinois Records, 25.00 feet to the South line of Carr Street; thence, North 89 degrees 33 minutes 15 seconds West, parallel with and 25 feet North of said North line of the Northeast Quarter of Section 36, 783.60 feet to the East R.O.W. line of F.A.I. Route 64; thence along said East R.O.W. line as follows: South 30 degrees 21 minutes 34 seconds East, 58.21 feet; South 89 degrees 33 minutes 15 seconds East. 11.25 feet; South 30 degrees 25 minutes 36 seconds East, 282.20 feet; South 59 degrees 38 minutes 26 seconds

West, 10.00 feet; South 30 degrees 25 minutes 36 seconds East, 667.26 feet to the point of beginning; thence, continuing South 30 degrees 25 minutes 36 seconds East, 232.74 feet; North 59 degrees 38 minutes 26 seconds East, 15.00 feet; South 30 degrees 25 minutes 36 seconds East, 336.78 feet to a point on the South line of the Northwest Quarter of said Northeast Quarter; thence, South 89 degrees 36 minutes 32 seconds East, along said South line, 276.17 feet; thence, along a curve having a radius point to the East, a radial distance of 330.00 feet, a chord bearing, North 16 degrees 30 minutes 59 seconds West, and a chord distance of 53.96 feet; thence, North 11 degrees 49 minutes 36 seconds West, 461.51 feet; thence, along a curve having a radius point to the West, a radial distance of 300.00 feet, a chord bearing, North 21 degrees 07 minutes 36 seconds West, and a chord distance of 96.96 feet; thence, North 30 degrees 25 minutes 36 seconds West, 125.55 feet; thence, South 59 degrees 34 minutes 24 seconds West, 428.02 feet to the point of beginning.

Situated in St. Clair County, Illinois.

(As per document number A02024859).

ALSO

Any right of way adjoining the above described tract within the current Corporate Limits of the City of O'Fallon, Illinois and not currently in a TIF District.

Subject to easements, conditions and restrictions of record.

EXCEPTING therefrom the Right of Way for Federal Aid Interstate 64 and Harding Street.

EXHIBIT B

FORM OF CERTIFICATE OF SUBSTANTIAL COMPLETION

The undersigned, Hospital Systems Health Systems (the “**Developer**”), pursuant to that certain Redevelopment Agreement dated as of November 21, 2011, between the City of O’Fallon, Illinois (the “**City**”) and the Developer (the “**Agreement**”), hereby certifies to the City as follows:

1. That as of _____, _____, the construction, renovation, repairing, equipping and constructing of the Developer Improvements in connection with the Developer Improvements in connection with [phase 1] [phase 2] [phase 3] of the Development Project (as such term is defined in the Agreement) has been substantially completed in accordance with the Agreement.

2. Such Developer Improvements in connection with such phase of the Development Project has been performed in a workmanlike manner.

3. This Certificate of Substantial Completion is accompanied by the project architect’s certificate of substantial completion on AIA Form G-704 (or the substantial equivalent thereof), a copy of which is attached hereto as **Appendix A** and by this reference incorporated herein, certifying that the Developer Improvements in connection with [phase 1] [phase 2] [phase 3] of the Development Project has been substantially completed in accordance with the Agreement.

4. This Certificate of Substantial Completion is being issued by the Developer to the City in accordance with the Agreement to evidence the Developer’s satisfaction of all obligations and covenants with respect to the Developer Improvements in connection with [phase 1] [phase 2] [phase 3] of the Development Project and performance of the Work related thereto.

5. The City’s acceptance (below) or the City’s failure to object in writing to this Certificate within 15 days of the date of delivery of this Certificate to the City (which written objection, if any, must be delivered to the Developer prior to the end of such thirty (30) day period), and the recordation of this Certificate with the St. Clair County Recorder, shall evidence the satisfaction of the Developer’s agreements and covenants to perform the Work related to the Developer Improvements in connection with [phase 1] [phase 2] [phase 3] of the Development Project.

This Certificate shall be recorded in the office of the St. Clair County Recorder. This Certificate is given without prejudice to any rights against third parties which exist as of the date hereof or which may subsequently come into being. Terms not otherwise defined herein shall have the meaning ascribed to such terms in the Agreement.

IN WITNESS WHEREOF, the undersigned has hereunto set his/her hand this ____ day of _____, _____.

HOSPITAL SISTERS HEALTH SYSTEM, an
Illinois not-for-profit corporation

By: _____

Name: _____

Title: _____

EXHIBIT C

CITY IMPROVEMENTS

1. Complete installation of all water and sewer infrastructure improvements, including improvements to pump station as determined by the City and the Developer to be necessary, and as required in the Annexation Agreement, necessary to serve the Hospital Campus (as defined in the Annexation Agreement).
2. Complete installation of a light signal at the intersection of Cambridge and North Green Mount Road.
3. Complete construction of a deceleration turn lane along the south/southwest portion of Regency Parkway (westbound) to provide access to main Hospital Campus near the west side of hotel parking.
4. Complete construction improvements so that the Hospital Campus will have access at its western boundary onto Regency Parkway. If required, left turn lane and deceleration lane will be constructed. The location of this access from the Hospital Campus onto Regency Parkway and the improvements required will be designed and constructed so as to prevent any access from the Hospital Campus onto Main Street

EXHIBIT D

DEVELOPER IMPROVEMENTS

Phase 1

Complete construction of the hospital and 50,000 square feet of medical office building space.

Phase 2

Complete construction of an additional 50,000 square feet of medical office building space.

Phase 3

Complete construction of an additional 100,000 square feet of medical office building space.

EXHIBIT E

FORM OF DEVELOPER TIF NOTE

***THIS NOTE OR ANY PORTION HEREOF MAY BE TRANSFERRED, ASSIGNED OR
NEGOTIATED ONLY AS PROVIDED IN THE HEREIN DESCRIBED APPROVING ORDINANCE***

UNITED STATES OF AMERICA
STATE OF ILLINOIS

Registered
No. R-____

Registered
Up to \$_____
(See **Schedule A** attached)

ST. CLAIR COUNTY, ILLINOIS

TAX INCREMENT REVENUE NOTE
(GREEN MOUNT MEDICAL CAMPUS PROJECT)

Interest Rate: _____%

Maturity Date: _____, 2034

REGISTERED OWNER:

PRINCIPAL AMOUNT: See **SCHEDULE A** attached hereto.

THE CITY OF O'FALLON, ILLINOIS, an Illinois municipal home rule corporation duly organized and validly existing under the Constitution and laws of the State of Illinois (the "**City**"), for value received, hereby promises to pay to the registered owner shown above, or registered assigns, the Principal Amount shown from time to time on **Schedule A** attached hereto on the Maturity Date shown above unless called for redemption prior to the Maturity Date, and to pay interest thereon from the effective date of registration shown from time to time on **Schedule A** attached hereto or from the most recent Interest Payment Date to which interest has been paid or duly provided for (computed on the basis of a 360-day year of twelve 30-day months) at the Interest Rate shown above. Interest shall be payable semiannually on _____ 1 and _____ 1 in each year (each, an "**Interest Payment Date**"), beginning on _____ 1, 20____, and at maturity. Interest which remains unpaid on any Interest Payment Date shall be compounded on such Interest Payment Date.

Except as otherwise provided herein, the capitalized terms herein shall have the meanings as provided in the Approving Ordinance or the Agreement (as defined in the Approving Ordinance).

The principal of this Note shall be paid at maturity or upon earlier redemption to the person in whose name this Note is registered at the maturity or redemption date hereof, upon presentation and surrender of this Note at the principal corporate trust office of _____, _____, Illinois, as Trustee (the "**Trustee**"). The interest payable on this Note on any Interest Payment Date shall be paid to the Person in whose name this Note is registered on the Register at the close of business on the fifteenth day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date. Such interest shall be payable (a) by check or draft mailed by the Trustee to the address of such registered owner shown on the Register or (b) in the case of a principal or interest payment to any registered owner

of either (i) all of the Notes Outstanding, or (ii) \$500,000 or more in aggregate principal amount of Notes, by electronic transfer to such registered owner upon written notice given to the Trustee by such registered owner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the name and address of the bank (which shall be in the continental United States), its ABA routing number and the name and account number to which such registered owner wishes to have such transfer directed. The principal or redemption price of and interest on the Notes shall be payable by check or draft in any coin or currency that, on the respective dates of payment thereof, is legal tender for the payment of public and private debts.

This Note is an authorized fully registered note of the City designated "City of O'Fallon, Illinois, Tax Increment Revenue Note (Green Mount Medical Campus Project), that may be issued in a principal amount of up to \$_____ (the "**Note**"). This Note is being issued for the purpose of paying a portion of the Redevelopment Project Costs in connection with the City's Tax Redevelopment Plan and Project – Green Mount Medical Campus Redevelopment Area, as such plan may be amended from time to time, under the authority of and in full compliance with the Constitution and laws of the State of Illinois, including particularly the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, *et seq.*, as amended (the "**TIF Act**"), and pursuant to an Approving Ordinance adopted by the City Council of the City on _____, 2012, being herein called the "**Approving Ordinance**").

This Note is subject to optional redemption by the City in whole or in part at any time at a redemption price of 100% of the principal amount of the Note to be redeemed, plus accrued interest thereon to the date fixed for redemption, as provided in the Approving Ordinance.

If any of the Note is to be called for redemption as aforesaid, notice of redemption, unless waived, is to be given by the Trustee by mailing an official redemption notice by first class mail at least 30 days (5 days if all of the Note is beneficially owned by the Developer or its members or their affiliates) and not more than 60 days prior to the date fixed for redemption to the registered owner of the Note at the address shown on the Register as of the date of such notice, as more fully described in the Approving Ordinance. Notice of redemption having been given as aforesaid, and provided that moneys are on deposit with the Trustee to effect the required redemption, the Note or portion of the Note so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City defaults in the payment of the redemption price) the Note or portion of the Note so called for redemption shall cease to bear interest, shall no longer be secured by the Approving Ordinance and shall not be deemed to be Outstanding under the provisions of the Approving Ordinance. Any defect in any notice or the failure of any parties to receive any notice of redemption shall not cause the Note or the portion of the Note called for redemption to remain Outstanding.

This Note shall be redeemed only in the principal amount of \$1,000 or any integral multiple thereof. When less than all of the Outstanding Note is to be redeemed and paid prior to maturity, such Note or portions of the Note shall be redeemed in the order of maturity designated by the City, and within any maturity the Note shall be redeemed in Authorized Denominations by the Trustee in such equitable manner as it may determine.

This Note is issuable in the form of fully registered Notes without coupons in the denomination of \$1,000 or any integral multiple thereof.

This Note may be transferred or exchanged, as provided in the Approving Ordinance, only upon the Register, upon surrender of this Note together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or the registered owner's duly authorized agent. THE OWNER HEREOF EXPRESSLY AGREES, BY SUCH OWNER'S ACCEPTANCE HEREOF, THAT

THE RIGHT TO TRANSFER, ASSIGN OR NEGOTIATE THIS NOTE SHALL BE LIMITED TO TRANSFER, ASSIGNMENT OR NEGOTIATION TO APPROVED INVESTORS, AS THAT TERM IS DEFINED IN THE APPROVING ORDINANCE. Accordingly, this Note will be transferable only upon prior delivery to the Trustee of a letter in substantially the form attached to the Approving Ordinance as **Exhibit** __, signed by the transferee, showing that such transferee is an Approved Investor. After the Trustee receives the foregoing statement, a new Note of the same maturity and in the same principal amount outstanding as the Note which was presented for transfer or exchange shall be issued to the transferee in exchange therefor as provided in the Approving Ordinance, and upon payment of the charges therein prescribed. The City and the Trustee may deem and treat the Person in whose name this Note is registered on the Register as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes.

This Note shall not be valid or binding on the City or be entitled to any security or benefit under the Approving Ordinance until the Certificate of Authentication hereon has been executed by the Trustee.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of the Note have existed, happened and been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, the **CITY OF O'FALLON, ILLINOIS** has executed this Note by causing it to be signed by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its City Clerk, and its official seal to be affixed or imprinted hereon, and this Note to be dated as of the effective date of registration as shown on **Schedule A**.

CITY OF O'FALLON, ILLINOIS

By: *Amy L. Askan*
Mayor

[SEAL]

ATTEST:

By:

[Signature]
City Clerk



Approved as to legal form:

[Signature]
City Attorney

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Print or Type Name, Address and Social Security Number
or other Taxpayer Identification Number of Transferee)

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints
_____ agent to transfer the within Note on the books kept by the Trustee for the
registration thereof, with full power of substitution in the premises.

Dated: _____.

NOTICE: The signature to this assignment must correspond with the name of
the Registered Owner as it appears on the face of the within Note in every
particular.

Signature Guaranteed By:

(Name of Eligible Guarantor Institution)

By: _____
Title: _____

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution as
defined by SEC Rule 17Ad-15 (17 CFR 240.17Ad-15).

SCHEDULE A

CERTIFICATE OF AUTHENTICATION

This Note is one of the Notes described in the within-mentioned Approving Ordinance.

<u>Date</u> ⁽¹⁾	<u>Additions to Principal Amount</u> ⁽²⁾	<u>Principal Amount Paid</u>	<u>Outstanding Principal Amount</u>	<u>Authorized Signatory of Trustee</u>
_____, 20__	\$	\$	\$	
_____, 20__				
_____, 20__				
_____, 20__				
_____, 20__				
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_____, 20__				
_____, 20__				
_____, 20__				
_____, 20__				
_____, 20__				
_____, 20__				
_____, 20__				
_____, 20__				

(1) Date of Acceptance by the City of related Certificate of Reimbursable Redevelopment Project Costs (which constitutes Date of Registration with respect to such portion of the Note) or Interest Payment Date.

(2) Limited to advances of \$100,000 or any \$1,000 increment in excess thereof.

EXHIBIT F

FORM OF CERTIFICATE OF REIMBURSABLE REDEVELOPMENT PROJECT COSTS

Certificate of Reimbursable Redevelopment Project Costs

TO: City of O'Fallon, Illinois
Attention:

Re: City of O'Fallon, Illinois Tax Increment Finance District (St. Elizabeth's Hospital Project)

Terms not otherwise defined herein shall have the meaning ascribed to such terms in the Development Agreement dated as of November 21, 2011 (the "Agreement") between the City and the Developer. In connection with said Agreement, the undersigned hereby states and certifies that:

1. Each item listed on **Schedule 1** hereto is a Reimbursable Development Project Cost and was incurred in connection with the construction of the Developer Improvements in connection with [Phase 1] [Phase 2] [Phase 3] of the Development Project.
2. These Redevelopment Project Costs have been have been paid by the Developer and are reimbursable under the TIF Ordinance and the Agreement.
3. Each item listed on **Schedule 1** has not previously been paid or reimbursed from Incremental Property Taxes and no part thereof has been included in any other certificate previously filed with the City.
4. There has not been filed with or served upon the Developer any notice of any lien, right of lien or attachment upon or claim affecting the right of any person, firm or corporation to receive payment of the amounts stated in this request, except to the extent any such lien is being contested in good faith.
5. All necessary permits and approvals required for the component of the work for which this certificate relates have been issued and are in full force and effect.
6. All work for which payment or reimbursement is requested has been performed in a good and workmanlike manner and in accordance with the Agreement.
7. ***The items listed on **Schedule 1** that constitute costs for public improvements that will be under the ownership and control of a public governmental body on completion are noted as such.***

Dated this ____ day of _____, ____.

HOSPITAL SISTERS HEALTH SYSTEM, an
Illinois not-for-profit corporation

By: _____
Name: _____
Title: _____

Approved for payment this 21st day of November, 2011:

CITY OF O'FALLON, ILLINOIS

By: David L. Arahan
Title: Mayor

EXHIBIT G
CONCEPT PLAN

As part of our long-range planning process, Hospital Sisters Health System intends to purchase approximately 106 acres in O'Fallon, Illinois, located on the North side of Interstate 64 between exits 14 and 16.

Hospital Sisters Health System is considering all options for the services to be offered at this location and the timeline for developing this property. One of the options being considered is the development of a complete medical campus that could include both inpatient and outpatient services, diagnostic testing, laboratory services, radiology, and a range of related services.

While no decisions have been made about what to develop on this property, or when to do so, the concept contemplated in this document would represent a substantial investment and no further feasibility work can be done on this concept until and unless the City of O'Fallon can provide assurances that appropriate infrastructure and adequate mine remediation would be undertaken by the City of O'Fallon on and around the site.

Ultimately, the decision about how and when to develop this property will be made based on the overall healthcare needs of the entire region and will be part of the Hospital Sisters Health System's commitment to provide region leading, high value healthcare to the individuals, families, and communities we serve.

EXHIBIT H
ANNEXATION AGREEMENT

The Space above this line is for Recorder's Use Only

ANNEXATION AGREEMENT

THIS ANNEXATION AGREEMENT ("**Agreement**") is made and entered into this 21st day of November, 2011, by and between Hospital Sisters Health System, an Illinois not-for-profit corporation and/or its assigns ("**Developer**" or "**Owner**"), and the CITY OF O'FALLON, ILLINOIS (the "**City**"), a municipal corporation organized and existing under and by virtue of the laws of the State of Illinois by and through its Mayor and City Council (collectively, "**Corporate Authorities**").

RECITALS

A. Owner is or will be the owner of record of certain parcels of real property particularly described in **Exhibit A** attached hereto and made a part hereof (the "**Development Parcel**").

B. The Development Parcel consists of approximately 114.17 acres that is anticipated to be developed as a hospital medical campus and medical office buildings (more fully described below) (the "**Development**"). The Development Parcel includes land both within and outside of the municipal boundaries of the City. The land that is located outside of the municipal boundaries of the City is so described in **Exhibit B** attached hereto and made a part hereof (the "**Annexation Parcel**").

C. The Annexation Parcel has not been annexed to any municipality and is currently situated within unincorporated St. Clair County, Illinois.

D. The Annexation Parcel constitutes territory that is contiguous to and may be annexed to the City, as provided under Section 7-1-1, *et seq.*, of the Illinois Municipal Code, 65 ILCS 5/7-1-1, *et seq.*

E. The Owner desires to have the Annexation Parcel annexed to the City, on the terms and conditions provided herein and to qualify for such benefits or services as such annexation may so entitle it.

F. The Owner desires that the Development Parcel be zoned to the O-1 Planned, Office District.

G. The Owner acknowledges that prior to the development of the Development Parcel, even for uses as permitted in the O-1 Planned District, and which is conformance with the standards of the O-1 Planned District, the Owner will submit an application for a Planned Use Rezoning for a Planned

Development to the City, which the City may approve in accordance with the requirements of the City's Zoning Ordinance.

H. The Corporate Authorities, after due and careful consideration, have concluded that the annexation of the Annexation Parcel to the City would further the orderly growth of the City, enable the City to control the development of the Development Parcel, and serve the best interests of the City.

I. Pursuant to 65 ILCS 5/11 *et seq.*, the Corporate Authorities have held such hearings for the zoning of the Development Parcel as the City's ordinances and laws so require, and such hearings have been held prior to the public hearing on this Agreement.

J. Pursuant to the provisions of 65 ILCS 5/11-15.1-1, *et seq.*, a proposed Annexation Agreement, in substance and form the same as this Agreement, was submitted to the Corporate Authorities and a public hearing was held thereon pursuant to notice, all as provided by statute and the ordinances of the City.

K. Any fire protection district, library district, and other entity or person entitled to notice prior to annexation of the Annexation Parcel to the City has been given notice thereof by the City as required by law.

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements herein contained, and in compliance with ordinances, codes, and regulations of the City in effect as of the date of this Agreement, or as may hereinafter be enacted, subsequently, the parties hereto agree as follows:

1. **Statutory Authority.** The parties hereto enter into this Agreement pursuant to and in accordance with the provisions of 65 ILCS 5/11-15.1-1, *et seq.*

2. **Annexation.**

(a) Concurrent with this Agreement, Developer has filed with the City Clerk a Petition for Annexation of the Annexation Parcel to the City, conditioned on the terms and provisions of this Agreement, which petition has been prepared, executed, and filed in accordance with 65 ILCS 5/7-1-8, and the ordinances and other requirements of the City. A copy of said Petition is attached hereto and made a part hereof as **Exhibit C**.

(b) Developer has filed with the City Clerk a Plat of Annexation, which contains an accurate map of the Annexation Parcel, which is attached hereto and made a part hereof as **Exhibit D ("Annexation Plat")**.

(c) Subject to the terms of this Agreement, the Corporate Authorities shall hereinafter enact an ordinance annexing the Annexation Parcel to the City ("**Annexation Ordinance**"), which ordinance shall attach the Annexation Plat and the Concept Plan, which is attached hereto and made a part hereof as **Exhibit E**.

3. **Rezoning.** Upon the Effective Date of the Annexation Ordinance as set forth herein, the City shall do the following:

(a) The City shall adopt an ordinance zoning the Development Parcel as O-1 Planned, Office District, subject to such further conditions as contained herein. Zoning variances known at this time include building height and floor area ratio; lot coverage;

the need for some ancillary retail to include a retail pharmacy or other health care related retail; a helicopter-pad and ancillary lighting; appropriate variations from standard parking lot requirements (landscaping, lighting, width of spaces, etc.); relief from requirements limiting the ratio of the density of people to office space or any other similar restrictions not consistent or required by the Center for Medicare and Medicaid Services (CMS), the Illinois Department of Public Health (IDPH), the Illinois Health Facilities and Services Review Board (HFSRB) or other health care rules and regulations; and any other ordinances or zoning requirements not consistent with the construction or operation of a health care facility. This Agreement is specifically conditioned on the City adopting an ordinance zoning the Development Parcel O-1 Planned, Office District. The Developer acknowledges both on its behalf, and on behalf of all successors and assigns, that prior to the development of the Development Parcel, even for such uses as permitted in the O-1 Planned District, and which is in conformance with the standards of the O-1 Planned District, an application for a Planned Use Rezoning for a Planned Development shall be submitted and approved by the City, in accordance with the requirements of the City's Zoning Ordinance. Without approval of the Planned Use Rezoning for a Planned Development, no development shall be allowed upon the Development Parcel unless the terms of this Agreement are amended per the requirements set forth herein. The parties acknowledge that prior to the date and execution of this Agreement, such public hearings as are necessary to enable the City lawfully to grant said O-1 Planned Office District rezoning as to the Development Parcel will have been conducted upon proper notice.

(b) Except as provided herein, all changes in land use or related activity on the Development Parcel shall be subject to the applicable ordinances and laws authorizing or regulating such change or activity.

4. **Comprehensive Plan Designation. Comprehensive Plan Sub-Area Amendment – Medical Campus and Surrounding Properties.**

(a) The City, after such hearings as are required pursuant to the City's Zoning Ordinance, will adopt an amendment to its existing Comprehensive Plan to create a new "sub-area" to encompass a hospital medical campus and related facilities, including an estimated 200,000 square feet of medical office building space (the "**Medical Campus**") with designated use as a "medical campus" (the "**Medical Campus Sub-Area Plan**"). The Medical Campus Sub-Area Plan will designate the sub-area subject to the Medical Campus Sub-Area Plan as the area bounded by Interstate 64, Highway 50 and North Green Mount Road. The Medical Campus Sub-Area Plan will include provisions that limit the land uses within the sub-area to "medical uses" and such other complementary uses, including residential, that are consistent with use as a medical campus/hospital complex operated by a non-profit charitable organization. Specific language regarding what constitutes "medical uses" and such other complimentary uses will be agreed to by the Developer and the City. The Medical Campus Sub-Area Plan will prohibit certain "nonconforming uses" in property adjoining the Development Parcel to the extent allowed by law and as agreed to by the Developer and the City.

(b) The amendment to the City's existing Comprehensive Plan will include properties surrounding the Development Parcel to the extent allowed by law. The amended Comprehensive Plan will grandfather current land use for existing buildings and structures, but will require that any transfer, sale or exchange of any building or structure within the Medical Campus Sub-Area Plan and surrounding property as agreed to by the City and the Developer, to the extent allowed by law, will result in use consistent with the

Medical Campus Sub-Area Plan. The City's Comprehensive Plan for the surrounding properties shall designate the appropriate land uses, including residential, which are compatible with the Medical Campus. The amended Comprehensive Plan shall exclude industrial and high impact commercial uses as agreed to by the Developer and the City. The amended Comprehensive Plan shall provide for the coordination of public and private infrastructure for the future development of these surrounding properties so that such development is coordinated with the Medical Campus Sub-Area Plan. Upon request of the Developer, the City will utilize all legally available means as agreed to by the City and the Developer to assist the Developer in acquiring property surrounding the Development Parcel to enable the Developer to expand the Medical Campus in accordance with the Comprehensive Plan and this Agreement.

5. **Water Supply and Service.** The City agrees to supply fresh, potable water to the hospital, related facilities and medical office buildings that may be constructed on the Medical Campus and to any other facilities constructed on the Development Parcel in such quantities and pressure sufficient in all respects to serve the needs of the Medical Campus and other facilities constructed on the Development Parcel. During the term of this Agreement, the hospital and related buildings as may be approved by the Planned Use Rezoning for a Planned Development shall only be required to pay a water rate of \$4.17 per 1000 gallons, subject only to such increases in proportion to a Cost of Living ("CLI") increase as required by the U.S. Department of Labor. Further, during the term of this Agreement the City shall not charge the Developer any tap-on fees, but shall only charge such fees as are necessary for payment to third parties for services related to connection to the City's water service. The City water rates for the hospital, related facilities and medical office buildings that may be constructed on the Medical Campus and other facilities constructed on the Development Parcel will at all times be in the lowest tier of rates that the City charges any other water user in the City. The City and the Developer may elect in the future to enter into an agreement regarding water user charges in which the City would charge the Developer lower rates than specified in this **Section 5** based on usage.

So long as City water is available, Owner and Development Parcel shall be required to use water exclusively from the City. Any change in the use of Development Parcel requested or initiated by the Owner shall be subject to and in compliance with the provisions of the City's ordinances and regulations except as otherwise provided in this Agreement. The City shall be responsible for all costs of extending the existing water lines to the hospital, related facilities and medical office buildings that may be constructed on the Medical Campus.

6. **Sewers, Drainage and Treatment Facilities.**

(a) The Developer may contract with the Caseyville Township Sewer District for extension of sanitary sewer service, depending upon the actual location of the hospital, related facilities and the medical office buildings that may be constructed on the Medical Campus and if the Developer and the Caseyville Sewer District agree on rates and charges for such service. In the event that the Caseyville Township Sewer District does provide sewer service to the Development Parcel, the City agrees that it will at all times maintain sewer facilities that will provide back-up sewer services to the hospital, related facilities and the medical office buildings that may be constructed on the Medical Campus and other facilities constructed on the Development Parcel, including construction of necessary underground pipes from the new hospital facility to the City's

existing sewer system as part of the initial site construction sufficient to accept the sewer discharge from the hospital, related facilities and the medical office buildings that may be constructed on the Medical Campus. In the event that the Caseyville Township Sewer District does not provide sewer service to the Development Parcel, the City will provide sewer service to the Development Parcel in accordance with the requirements of the preceding sentence. If required to comply with these provisions, the City will agree to take any action required in order to supply Sewer Service (as defined below), including filing for a Facility Planning Area Amendment.

(b) In the event that the City provides sewer service to the Development Parcel in accordance with the terms of this Agreement, the City shall use and exercise all reasonable means and facilities to install storm sewer trunk lines, sanitary sewer trunk lines and detention/retention basins (collectively, "**Sewer Service**") sufficient to serve the hospital, related facilities and the medical office buildings that may be constructed on the Medical Campus and other facilities constructed in the Development Parcel. Said lines and basins shall be constructed to the hospital facility and in conformity with any site plans and in compliance with applicable City and, if applicable, Caseyville Township Sewer District, ordinances and standards. The Developer and the City will determine if the existing sewer substation is adequate to accommodate the additional wastewater discharge from the hospital, related facilities and the medical office buildings that may be constructed on the Medical Campus and if the lift station is not adequate to do so, then the City will pay for the costs of improvements and upgrades to the sewer substation.

(c) The City shall assist, in all ways necessary, in obtaining any easements which may be required for establishment of Sewer Service to the hospital, related facilities and the medical office buildings that may be constructed on the Medical Campus.

(d) The City will accept wastewater from the hospital, related facilities and the medical office buildings that may be constructed on the Medical Campus and other facilities constructed in the Development Parcel at a rate of \$5.00 per 1,000 gallons. Further, during the term of this Agreement the City shall not charge the Developer any tap-on fees. The City sewer rates for the hospital, related facilities and the medical office buildings that may be constructed on the Medical Campus and other facilities constructed on the Development Parcel will at all times be in the lowest tier of rates that the City charges any other user in the City. The City and the Developer may elect in the future to enter into an agreement regarding sewer user charges in which the City would charge the Developer lower rates than specified in this **Section 6** based on usage.

7. **Road Improvements.** The City shall use and exercise all reasonable means and facilities to construct and improve the roadways to be located on or near the Development Parcel, pursuant to recommendations of a traffic study. Said construction shall be completed in accordance with the City's Subdivision Ordinance and shall include the following:

(a) Install a light signal at the intersection of Cambridge and North Green Mount Road. All signalization related to the Development will have the capability to change to red in all directions when an EMS vehicle approaches.

(b) Construct a deceleration turn lane along the south/southwest portion of Regency Parkway (westbound) to provide access to main Medical Campus near the west side of hotel parking.

(c) The City shall upon presentation of the proper application and documents vacate in favor of the hospital the right of way of Carr Street as it runs east and west through the subject property. In addition, the City shall construct the necessary road improvements so that the Medical Campus will have access at its western boundary onto Regency Parkway. If required, left turn lane and deceleration lane will be constructed on Regency Parkway. The location of this access from the Medical Campus onto Regency Parkway and the improvements required will be designed and constructed so as to prevent any access from the Medical Campus onto Main Street

8. **Financing of Public Improvements.** Construction costs for the infrastructure to be completed by the City for water, sewer and road improvements as described in **Sections 5, 6, and 7** above (collectively, the "**City Improvements**") shall be paid for by the City, either from the proceeds of general obligation bonds of the City, supported by tax increment revenues from any tax increment redevelopment area created by the City for the Development Parcel, as provided for in **Section 10** hereof, or from other sources as the City shall determine. In the event that the City determines to pay for the costs of the City Improvements from the proceeds of a series of its general obligation bonds, the debt service on such bonds attributable to the City Improvements shall be paid on a subordinate basis to (i) the debt service of any series of general obligation bonds (which may be supported by tax increment revenues from any tax increment redevelopment area created by the City for the Development Parcel, as provided for in **Section 10** hereof) issued by the City for purposes of paying the costs of mine remediation in such portion of the Development Parcel as determined necessary by the Developer in order to construct the hospital, related facilities and the medical office buildings that may be constructed on the Medical Campus and (ii) the debt service attributable to the payment of the Special Service Area Assessments (as defined and discussed in **Section 14** of this Agreement) and in accordance with the terms, including priority of application of such incremental tax revenues, of the Redevelopment Agreement referenced in **Section 10**.

9. **Development; Easements.**

(a) The City shall construct roadways, easements, public improvements, water lines, and storm sewers as may be required consistent with law in conjunction with the Development Parcel in accordance with the terms of this Agreement and the Redevelopment Agreement.

(b) The Owner shall grant to the City nonexclusive utility easements ("**Utility Easements**") for maintenance and repair of the aforesaid utilities to be constructed on the Development Parcel and dedicated to the City as shown on the Plat of Annexation and/or the final plat in accordance with applicable ordinances.

(c) To the fullest extent permitted by law and except as may otherwise be provided herein, the Development Parcel shall be subject to the development laws of the City as exist on the day of annexation of the Development Parcel applicable to development in effect prior to the annexation contemplated by this Agreement; provided that prior to annexation, Owner shall be given prior notice and reasonable opportunity to cure any violation prior to enforcement by the City. The Development Parcel shall only be subject to revisions of such laws as are applicable to all properties within the City.

10. **Tax Increment Financing.** The City agrees to utilize its best efforts in order to authorize and implement tax increment financing for an area that shall have such boundaries as the City and the Developer deem appropriate, and that will include the Development Parcel and other adjacent property currently owned by Parkway Land Development LLC (collectively, the "**Redevelopment Area**"), including preparing such studies as are required and conducting such hearings as are required by law. Further the City agrees that it will take such steps as are necessary to approve a Redevelopment Agreement ("**Redevelopment Agreement**") that will authorize the issuance of general obligation bonds of the City (that may be supported by incremental tax revenues generated within the Redevelopment Area), in the maximum amount of \$10 million plus the costs of issuing such bonds and funding capitalized interest on such bonds, the proceeds of which will be used for the purpose of paying the costs of remediating undermining on such portion of the Development Parcel as determined necessary by the Developer in order to construct the hospital, related facilities and the medical office buildings that may be constructed on the Medical Campus. The City agrees that it will take such steps as are necessary to issue a second series of general obligation bonds for the purposes of paying the Special Service Area Assessments, as describe in **Section 14** below, and for paying certain eligible redevelopment project costs incurred by the Developer and by the City in connection with the Development, both series of bonds subject to applicable conditions under the terms of the Redevelopment Agreement, and the requirements of the Tax Increment Allocation and Redevelopment Act, 65 ILCS 5/11-74.4-1, *et seq.*

Such general obligation bonds will be issued in two separate series: The proceeds of one series will pay the costs of mine remediation on the Development Parcel. The proceeds from the second series of bonds will be applied, first, to pay the Special Service Area Assessments, described in **Section 14** below, and then, to the extent there are any remaining proceeds from the second series of bonds, in an equal amount, to pay the reimbursable redevelopment project costs in incurred by the City and the Developer in connection with the Development. Any incremental tax revenues generated within the Redevelopment Area will be applied first, to the payment of debt service on the first series of bonds that paid for mine remediation and any remaining incremental property taxes shall be applied, first, to pay debt service on the second series of bonds attributable to the payment of the Special Service Area Assessments and second, to the payment of debt service on the second series of bonds attributable to reimbursable redevelopment project costs that were actually paid to the Developer and to the City with bond proceeds, all in accordance with terms of the Redevelopment Agreement.

If the City does not complete all requirements for creating the Redevelopment Area and approving tax increment financing therein or if there is any legal challenge to the City's creation of the Redevelopment Area and its authorization of tax increment financing therein prior to the issuance of the bonds as described above, then the City covenants that it will issue a series of general obligation bonds at such time and in such amount as the Developer determines is necessary in order to pay the costs of remediating the undermining on a portion of the Development Parcel that is sufficient for the Developer to construct the hospital, related facilities and the medical office buildings that may be constructed on the Medical Campus and to pay the Special Service Area Assessments, as described in **Section 14** below.

11. **Alternate Funding Sources.** The City will assist the Developer in identifying alternate funding sources for the purpose of financing a portion of the construction of the new

hospital facility, related facilities and medical office buildings that may be constructed on the Medical Campus, including assisting the Developer in applying to State agencies for issuance of bonds for such purpose.

12. **Development Contingent on City's Issuance of General Obligation Bonds.** The Developer's obligations in connection with development of the Development Parcel as a Medical Campus is contingent, among other things, upon the City's issuance of general obligation bonds, as described in **Section 10** above, and application of the proceeds thereof to pay the costs of mine remediation on a portion of the Development Parcel and to pay the Special Service Area Assessments.

13. **Annexation Fee/Other City Fees.** In consideration for the development of the Development Parcel for non-residential uses, the City agrees to waive its Annexation Fee.

The City agrees to waive all customary fees associated with the development of the Medical Campus that it would impose on a developer of a development project similar in nature to the Development, including customary permit, inspection review and tap-on fees for the Development in effect as of the date of this Agreement and any such fees that may be imposed by the City on redevelopment projects of the nature of the Development in the future. Notwithstanding the foregoing, the City may seek reimbursement for any fees waived from incremental property tax revenues pursuant to the provisions of the Redevelopment Agreement governing the priority of application of the incremental property tax revenues.

14. **Special Service Area Assessments.** The City acknowledges that there is currently imposed on a portion of the Development Parcel a Special Service Area Assessment in the approximate amount of \$70,000 per year for each year through 2022. The City covenants that it will pay all Special Service Area Assessments imposed on real property acquired by the Developer as part of the Development Parcel, from the proceeds of general obligation bonds, as described above in **Section 10**, whether or not the City completes the requirements for creating the Redevelopment Area and imposing tax increment financing therein, or from other sources as determined by the City.

15. **Developer's Loss of Tax-Exempt Status.** The City agrees that if the Developer should ever lose its status as a tax-exempt organization and, as a result thereof, is required to pay real property taxes on its property located within the Redevelopment Area, the City will, if the City completes the requirements for imposing tax increment financing within the Redevelopment Area, deposit the tax revenues from the Developer's payment of real property taxes that constitute Incremental Property Taxes in the Special Tax Allocation Fund (as such terms are defined in the Redevelopment Agreement) in accordance with the requirements of the Redevelopment Agreement, if any, executed by the City and the Developer. The City further agrees that it will appropriate the revenues from the Developer's payment of real property taxes attributable to the Initial Equalized Assessed Valuation (as defined in the Redevelopment Agreement) of the Developer's real property located in the Redevelopment Area for deposit into the Special Tax Allocation Fund to be applied in accordance with the requirements of the Redevelopment Agreement. In the event that the City and the Developer do not execute a Redevelopment Agreement in connection with the Development, and the Developer loses its status as a tax-exempt organization, the City agrees that it will, to the fullest extent allowed by law, abate any real property taxes payable to the City that the Developer may be required to pay on its land acquired for the Development as result of Developer's loss of its tax-exempt status.

16. **Maintenance Obligations of Storm Water Facilities and Private Open Space.** The Developer and its successor and assigns agree to maintain any storm water facilities and private open space located on the Medical Campus.

17. **Approval of Architectural Drawings and Plans and Specifications; Inspections.**

(a) The City will approve all Developer architectural drawings and plans/specifications if approved by the Health Facilities Services Review Board and relevant State of Illinois hospital licensing authorities.

(b) The City will not conduct inspections of the Development or conduct inspections of the Medical Campus improvements once the new hospital facility becomes operational as long as inspections of the Development and the Medical Campus improvements are conducted by the appropriate state and federal authorities and the scope of such inspections cover matters otherwise inspected by the City.

18. **Health and Fitness Center at Family Sports Park.** Under terms to be agreed to and evidenced in a subsequent agreement, the City and the Developer may agree to cooperate in the development of a health and fitness center to be located in the City's existing Family Sports Park. If the parties enter into a subsequent agreement to cooperate in the development of the health and fitness center, the Developer will have an exclusive right of first refusal to provide medical treatment and education at all events held in the Family Sports Park.

19. **Miscellaneous.**

(a) Notwithstanding any other provision contained herein to the contrary, with respect to the Development Parcel, this Agreement shall be effective for a term of twenty (20) years from the date hereof, provided that any continuing obligations to the City shall survive any termination or expiration to the extent consistent with 65 ILCS 5/11-15.1-1.

(b) The Development Parcel shall be bound by the terms of this Agreement and shall be subject to all other generally applicable laws, codes, ordinances and regulations of the City, now existing or as may hereinafter be amended, enacted or enforced, and nothing herein shall be interpreted to limit the enforceability of such.

(c) This Agreement shall bind the heirs, successors, and assigns of the Developer, the City, the Corporate Authorities, and their successors in office. This Agreement shall inure to the benefit of the parties hereof, their successors, and assigns. This Agreement and the obligations of Developer hereunder shall be a covenant that shall run with the land, shall be a provision of any sale or other contract for transfer of interest in the Development Parcel, and may be recorded.

(d) Nothing herein shall in any way prevent the alienation, encumbrance, or sale of the Development Parcel or any portion thereof, and the new owner or owners shall be both benefited and bound by the conditions and restrictions herein expressed.

(e) Within thirty (30) days after the execution hereof, the text of this Agreement (or a suitable memorandum hereof) shall be recorded at the sole cost and expense of the City in the Office of the Recorder of St. Clair County, Illinois.

(f) It is further agreed that any party to this Agreement, either in law or in equity, by suit, action, mandamus, or other proceeding may enforce or compel the performance of this Agreement, or have other such relief for the breach thereof as may be authorized by law or that by law or in equity is available to them, provided that nothing in this Agreement shall waive the City's sovereign immunity or permit or give rise to an action in damages against the City or the Developer, but the Developer may seek specific performance of the City's obligations under this Agreement.

(g) It is understood by the parties hereto that time is of the essence. It is further understood that upon the occurrence of a default of any of the provisions of this Agreement, which default continues for ten (10) days after a notice specifying such default is given the defaulting party, the injured party hereto may in law or in equity, by suit, action, mandamus, or other proceeding, including specific performance, enforce or compel the performance of this Agreement by such defaulting party.

(h) The undersigned persons, whether signing individually, on behalf of a municipal corporation, or by an attorney-in-fact warrant themselves: (i) to be of lawful age, (ii) to be legally competent to execute this Agreement, (iii) to be fully authorized to execute this Agreement on behalf of themselves or the municipal corporation or other entity indicated below, and (iv) to have signed this Agreement on their own behalf or on behalf of such municipal corporation or other entity as their own free acts and deeds and/or the free acts and deeds of such municipal corporation or other entity after opportunity to consult with legal counsel.

(i) In the event any portion of this Agreement or part thereof shall be deemed invalid, such invalidity of said provision or part thereof shall not affect the validity of any other provision hereof.

(j) Unless stated otherwise herein, any notice required or permitted under this Agreement shall be in writing and shall be deemed given when mailed by registered or certified mail, return receipt requested, to the respective parties at their addresses listed below:

If to the City:

255¹² City of O'Fallon, Illinois
225 S. Lincoln Avenue
O'Fallon, IL 62269
Attention: Planning Director

with a copy to:

Mr. Dale Funk, Esq.
Attorney at Law
807 W. Highway 50, Suite #1
O'Fallon, IL 62269

with a copy to:

Terry I. Bruckert, Esq.
Belsheim & Bruckert, L.L.C.
1002 East Wesley Drive, Suite 100
O'Fallon, IL 62269

If to the Developer/Owner: James L. Burke, Esq.
Divisional VP Legal Services
Associate General Counsel
Hospital Sisters Health System
720 W. Main Street, Suite 300
Belleville, Illinois 62220

with a copy to: Bernard I. Citron, Esq.
Thompson Coburn LLP
55 East Monroe Street
37th Floor
Chicago, Illinois 60603

Deborah K. Rush
Thompson Coburn LLP
One US Bank Plaza
St. Louis, Missouri 63101

(k) Nothing in this Agreement shall waive the police powers of the City or preclude the City from enforcing its laws as to the Development Parcel regarding public health, welfare or safety irrespective of any claim of estoppel or otherwise.

[Remainder of page intentionally left blank]

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



CITY:

CITY OF O'FALLON,
a municipal Corporation, County of
St. Clair, State of Illinois

ATTEST:

By: [Signature]

Name: Philip A. Goral with

Title: O'Fallon city Clerk

By: [Signature]

Name: Gary L. Graham

Title: Mayor

DEVELOPER:

HOSPITAL SISTERS HEALTH SYSTEM, an
Illinois not-for-profit corporation

By: [Signature]

Name: Mary Starmann-Harrison

Title: President/CEO

STATE OF ILLINOIS)

COUNTY OF ST. CLAIR)

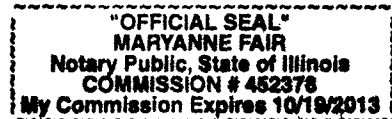
On this 21st day of November, 2011, before me appeared Gary L. Graham who being, by me duly sworn, did say that he is the Mayor, City of O'Fallon, Illinois, a home rule unit of government of the State of Illinois, and did say that the seal affixed to the foregoing instrument is the seal of said City, and that said instrument was signed and sealed on behalf of said City, by authority of the City Council of the City; and said Mayor acknowledged said instrument to be the free act and deed of said City.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

Maryanne Fair
Notary Public

My term expires:

10-19-2013



LIST OF EXHIBITS

- A. Development Parcel
- B. Annexation Parcel
- C. Petition for Annexation
- D. Annexation Plat
- E. Concept Plan

EXHIBIT A

DEVELOPMENT PARCEL

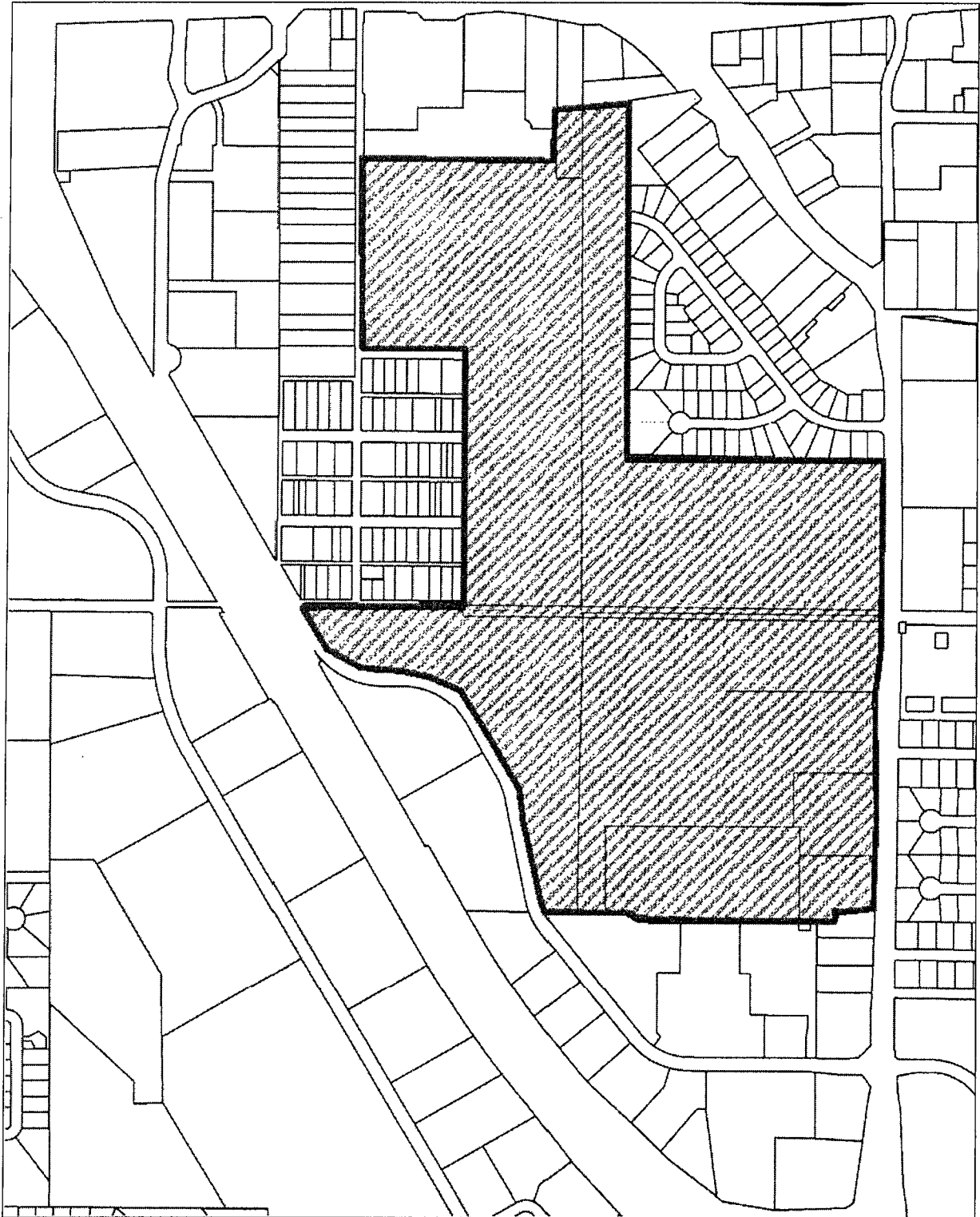


EXHIBIT B

ANNEXATION PARCEL



EXHIBIT C

PETITION FOR ANNEXATION

TO THE MAYOR AND CITY COUNCIL OF THE CITY OF O'FALLON, ST. CLAIR COUNTY, ILLINOIS

The undersigned hereby respectfully petition to annex to the City of O'Fallon, St. Clair County, Illinois, the territory described on **Exhibit A** attached hereto (the "Territory"), and state as follows:

1. The Territory hereinbefore described is not within the corporate limits of any municipality.
2. The Territory comprises approximately 72.20 acres, as so described on **Exhibit A** and as further described on the Plat of Annexation, **Exhibit B**, attached hereto.
3. The Territory hereinbefore described is contiguous to the City of O'Fallon, St. Clair County, Illinois.
4. There are no electors residing on the Territory hereinbefore described.
5. The undersigned represents that together they have title to all of the Territory for which annexation is sought, and have executed this petition for that purpose.
6. The undersigned Hospital Sisters Health System has an option to purchase all land within the Territory hereinbefore described, and they have also executed this Petition.
7. This Petition is conditioned on the provisions of a certain Annexation Agreement ("**Agreement**") between the City of O'Fallon by and through its Mayor and City Council and Hospital Sisters Health System, one of the undersigned Petitioners.

WHEREFORE, Petitioners respectfully request that the corporate authorities of the City of O'Fallon, St. Clair County, Illinois, annex the Territory hereinbefore described to said City in accordance with the provisions of this Petition and in accordance with the law in such case made and provided.

DATED: August 15, 2011.

[Signature pages follow]

[Remainder of page intentionally left blank.]

SIGNATURE PAGE FOR
PETITION FOR ANNEXATION

IN WITNESS WHEREOF, this Petition for Annexation has been fully executed by Petitioners as of the day and year first above written.

PETITIONER:

RP South, L.L.C., an Illinois limited liability company

By: *Darwin M Miles*
Name: DARWIN M. MILES
Title: MANAGING MEMBER

STATE OF ILLINOIS)
)
COUNTY OF ST. CLAIR)

On August 15, 2011, before me personally appeared **Darwin Miles**, to me personally known, who, being by me duly sworn, did say that he/she is the Managing Member of RP South, L.L.C., an Illinois limited liability company, and that said instrument was signed on behalf of said limited liability company; and **Darwin Miles** acknowledged said instrument to be the free act and deed of said limited liability company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

Rebecca Thayer
Notary Public

(SEAL)
My Commission Expires: 8/17/11

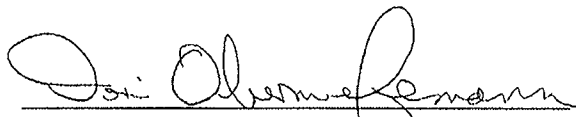
OFFICIAL SEAL
Rebecca Thayer
Notary Public, State of Illinois
My Commission Expires 8/17/11

CONTINUATION OF SIGNATURE PAGE FOR
PETITION FOR ANNEXATION

IN WITNESS WHEREOF, this Petition for Annexation has been fully executed by Petitioners as of the day and year first above written.

PETITIONER:

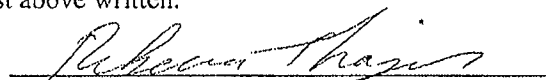
**Doris Obernuefemann, as Co-Successor
Trustee under the Second Restatement and
Amendment to the Lee T. Rasp Revocable
Trust under Agreement dated March 4, 1993**


Doris Obernuefemann, as Co-Successor Trustee
aforesaid

STATE OF ILLINOIS)
)
COUNTY OF ST. CLAIR)

On August 15, 2011, before me personally appeared **Doris Obernuefemann**, to me personally known, who, being by me duly sworn, did say that she is Co-Successor Trustee under the Second Restatement and Amendment to the Lee T. Rasp Revocable Trust under Agreement dated March 4, 1993 and that said instrument was signed on behalf of said Second Restatement and Amendment to the Lee T. Rasp Revocable Trust under Agreement dated March 4, 1993; and **Doris Obernuefemann** acknowledged said instrument to be the free act and deed of said Second Restatement and Amendment to the Lee T. Rasp Revocable Trust under Agreement dated March 4, 1993.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.


Notary Public

(SEAL)

My Commission Expires: 8/17/11

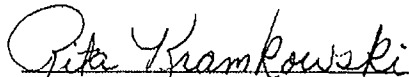
OFFICIAL SEAL
Rebecca Thayer
Notary Public, State of Illinois
My Commission Expires 8/17/11

CONTINUATION OF SIGNATURE PAGE FOR
PETITION FOR ANNEXATION

IN WITNESS WHEREOF, this Petition for Annexation has been fully executed by Petitioners as of the day and year first above written.

PETITIONER:

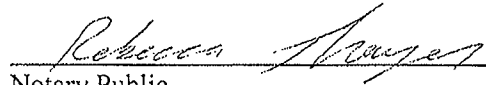
**Rita Kramkowski, as Co-Successor Trustee
under the Second Restatement and
Amendment to the Lee T. Rasp Revocable
Trust under Agreement dated March 4, 1993**


Rita Kramkowski, as Co-Successor Trustee
aforesaid

STATE OF ILLINOIS)
)
COUNTY OF ST. CLAIR)

On August 15, 2011, before me personally appeared **Rita Kramkowski**, to me personally known, who, being by me duly sworn, did say that she is Co-Successor Trustee under the Second Restatement and Amendment to the Lee T. Rasp Revocable Trust under Agreement dated March 4, 1993 and that said instrument was signed on behalf of said Second Restatement and Amendment to the Lee T. Rasp Revocable Trust under Agreement dated March 4, 1993; and **Rita Kramkowski** acknowledged said instrument to be the free act and deed of said Second Restatement and Amendment to the Lee T. Rasp Revocable Trust under Agreement dated March 4, 1993.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.


Notary Public

(SEAL)

My Commission Expires: 8/17/11

OFFICIAL SEAL
Rebecca Thayer
Notary Public, State of Illinois
My Commission Expires 8/17/11

CONTINUATION OF SIGNATURE PAGE FOR
PETITION FOR ANNEXATION

IN WITNESS WHEREOF, this Petition for Annexation has been fully executed by Petitioners as
of the day and year first above written.

PETITIONER:

**Lucille M. Rasp, as Trustee under the
Second Restatement and Amendment
to the Lucille M. Rasp Revocable Trust
under Agreement dated March 4, 1993**

Lucille M. Rasp
Lucille M. Rasp, as Trustee aforesaid

STATE OF ILLINOIS)
)
COUNTY OF ST. CLAIR)

On August ____, 2011, before me personally appeared **Lucille M. Rasp**, to me personally known,
who, being by me duly sworn, did say that she is Trustee under the Second Restatement and Amendment
to the Lucille M. Rasp Revocable Trust under Agreement dated March 4, 1993 and that said instrument
was signed on behalf of said Second Restatement and Amendment to the Lucille M. Rasp Revocable
Trust under Agreement dated March 4, 1993; and **Lucille M. Rasp** acknowledged said instrument to be
the free act and deed of said Second Restatement and Amendment to the Lucille M. Rasp Revocable Trust
under Agreement dated March 4, 1993.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the
County and State aforesaid, the day and year first above written.

Rebecca Thayer
Notary Public

(SEAL)

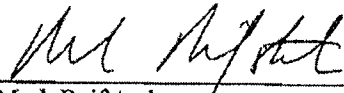
My Commission Expires: 8/17/11

OFFICIAL SEAL
Rebecca Thayer
Notary Public, State of Illinois
My Commission Expires 8/17/11

CONTINUATION OF SIGNATURE PAGE FOR
PETITION FOR ANNEXATION

Acknowledged and agreed to:

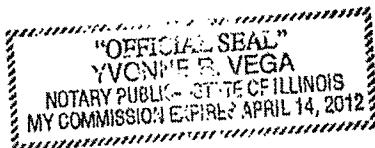
Hospital Sisters Health System, an Illinois not-
for-profit corporation

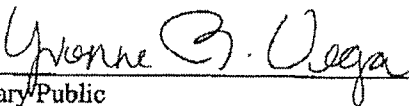
By: 
Name: Mark Reifsteck
Title: Division President,
Southern Illinois Division

STATE OF ILLINOIS)
)
COUNTY OF ST. CLAIR)

On August __, 2011, before me personally appeared Mark Reifsteck, to me personally known, who, being by me duly sworn, did say that he is the Division President, Southern Illinois Division of Hospital Sisters Health System, an Illinois not-for-profit corporation, and that said instrument was signed on behalf of said not-for-profit corporation; and Mark Reifsteck acknowledged said instrument to be the free act and deed of said not-for-profit corporation.

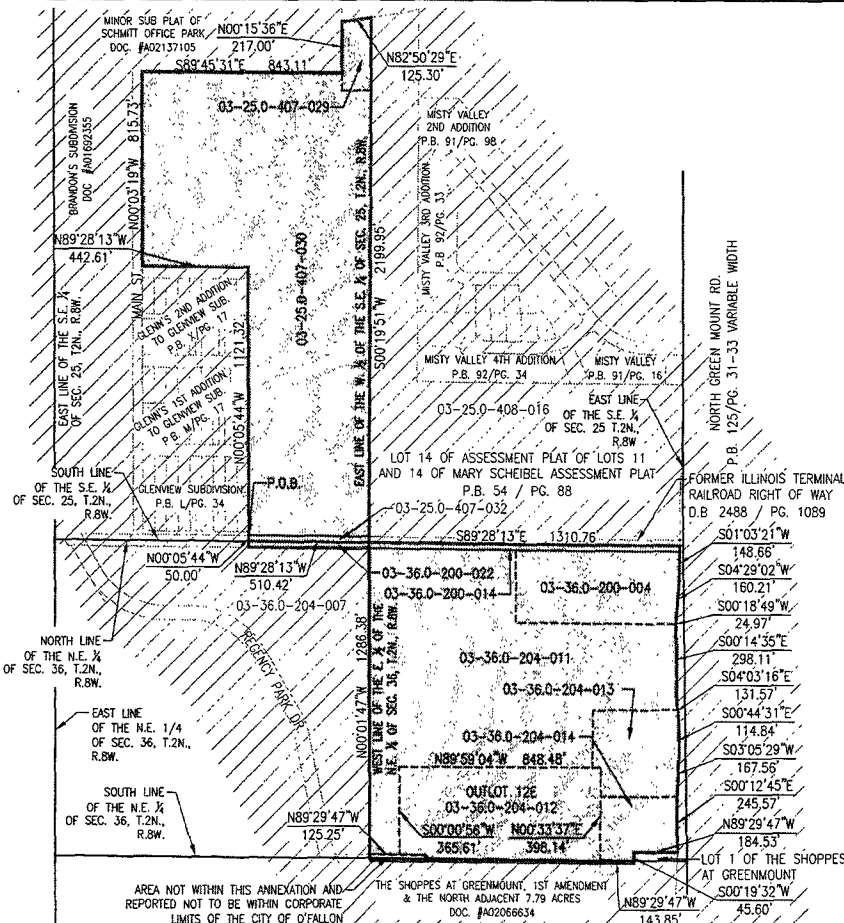
IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.




Notary Public

(SEAL)
My Commission Expires:
April 14, 2012

PLAT OF ANNEXATION FOR THE CITY OF OFALLON, ILLINOIS - EXHIBIT A

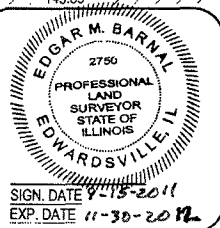


SCALE:
1"=500'

CERTIFICATION

THIS IS TO CERTIFY THAT IN THE EMPLOY OF HOSPITAL SISTERS HEALTH SYSTEM, "THOUVENOT, WADE & MOERCHEN, INC." HAS PREPARED THIS PLAT FOR ANNEXATION TO THE CITY OF OFALLON, ST. CLAIR COUNTY, ILLINOIS

Edgar M. Barnal
EDGAR M. BARNAL
P.L.S. 2750



LEGAL DESCRIPTION

THM LEGAL DESCRIPTION

PART OF THE SOUTHEAST QUARTER OF SECTION 25 AND THE NORTHEAST QUARTER OF SECTION 36, TOWNSHIP 2 NORTH, RANGE 8 WEST OF THE THIRD PRINCIPAL MERIDIAN, COUNTY OF ST. CLAIR, STATE OF ILLINOIS AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF GLENVIEW SUBDIVISION, REFERENCE BEING HAD TO THE PLAT THEREOF IN THE ST. CLAIR COUNTY RECORDER'S OFFICE IN PLAT BOOK "L" ON PAGE 34; THENCE NORTH 00 DEGREES 05 MINUTES 44 SECONDS WEST, ON THE EASTERLY LINE OF SAID GLENVIEW SUBDIVISION, THE EASTERLY LINE OF GLENVIEW'S 1ST ADDITION TO GLENVIEW SUBDIVISION, REFERENCE BEING HAD TO THE PLAT THEREOF IN THE ST. CLAIR COUNTY RECORDER'S OFFICE IN PLAT BOOK "L" ON PAGE 17 AND THE EASTERLY LINE OF GLENVIEW'S 2ND ADDITION TO GLENVIEW SUBDIVISION, REFERENCE BEING HAD TO THE PLAT THEREOF IN PLAT BOOK "X" ON PAGE 17; A DISTANCE OF 1,121.32 FEET TO THE NORTHEAST CORNER OF SAID GLENVIEW'S 2ND ADDITION; THENCE NORTH 89 DEGREES 28 MINUTES 13 SECONDS WEST, ON THE NORTHERLY LINE OF SAID GLENVIEW'S 2ND ADDITION, 442.61 FEET TO THE EASTERLY RIGHT OF WAY LINE OF MAIN STREET AS DESCRIBED IN DOCUMENT NUMBER AD01015472; THENCE NORTH 00 DEGREES 03 MINUTES 19 SECONDS WEST, ON SAID EASTERLY RIGHT OF WAY LINE OF MAIN STREET, 815.73 FEET TO THE SOUTHERLY LINE OF A MINOR SUBDIVISION PLAT SCHMITT OFFICE PARK, REFERENCE BEING HAD TO THE PLAT THEREOF IN THE ST. CLAIR COUNTY RECORDER'S OFFICE IN DOCUMENT NUMBER AD1955027; THENCE SOUTH 89 DEGREES 45 MINUTES 31 SECONDS EAST, ON SAID SOUTHERLY LINE OF MINOR SUBDIVISION PLAT SCHMITT OFFICE PARK, A DISTANCE OF 843.11 FEET TO THE SOUTHEAST CORNER OF SAID MINOR SUBDIVISION PLAT OF SCHMITT OFFICE PARK; THENCE NORTH 00 DEGREES 15 MINUTES 36 SECONDS EAST, ON THE EASTERLY LINE OF SAID MINOR SUBDIVISION PLAT SCHMITT OFFICE PARK, A DISTANCE OF 217.00 FEET TO THE NORTHERLY LINE OF A TRACT OF LAND DESCRIBED IN DEED BOOK 2501 ON PAGE 2136; THENCE NORTH 82 DEGREES 50 MINUTES 29 SECONDS EAST, ON SAID NORTHERLY LINE OF A TRACT OF LAND DESCRIBED IN DEED BOOK 2501 ON PAGE 2136, A DISTANCE OF 125.30 FEET TO THE EAST LINE OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 25; THENCE SOUTH 00 DEGREES 19 MINUTES 51 SECONDS WEST, ON SAID EAST LINE OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 25, A DISTANCE OF 2,199.95 FEET TO THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SECTION 25; THENCE SOUTH 89 DEGREES 28 MINUTES 13 SECONDS EAST, ON SAID SOUTH LINE OF THE SOUTHEAST QUARTER OF SECTION 25, A DISTANCE OF 1,310.76 FEET TO THE WESTERLY RIGHT OF WAY LINE OF NORTH GREENMOUNT ROAD (AKA COUNTY HIGHWAY 88), REFERENCE BEING HAD TO THE PLAT THEREOF IN THE ST. CLAIR COUNTY RECORDER'S OFFICE IN PLAT BOOK 125 ON PAGES 31-33; THENCE ON SAID WESTERLY RIGHT OF WAY LINE OF NORTH GREENMOUNT ROAD THE FOLLOWING EIGHT (8) COURSES AND DISTANCES: 1.) SOUTH 01 DEGREES 03 MINUTES 21 SECONDS WEST, 148.66 FEET; 2.) SOUTH 04 DEGREES 29 MINUTES 02 SECONDS WEST, 160.21 FEET; 3.) SOUTH 00 DEGREES 18 MINUTES 49 SECONDS WEST, 24.97 FEET; 4.) SOUTH 00 DEGREES 14 MINUTES 35 SECONDS EAST, 289.11 FEET; 5.) SOUTH 04 DEGREES 03 MINUTES 16 SECONDS EAST, 131.57 FEET; 6.) SOUTH 00 DEGREES 44 MINUTES 31 SECONDS EAST, 114.84 FEET; 7.) SOUTH 03 DEGREES 05 MINUTES 29 SECONDS WEST, 167.56 FEET; 8.) SOUTH 00 DEGREES 12 MINUTES 45 SECONDS EAST, 245.57 FEET TO THE NORTHERLY LINE OF LOT 1 OF THE SHOPPES AT GREENMOUNT, REFERENCE BEING HAD TO THE PLAT THEREOF IN THE ST. CLAIR COUNTY RECORDER'S OFFICE IN PLAT BOOK 105 ON PAGE 92; THENCE NORTH 89 DEGREES 29 MINUTES 47 SECONDS WEST, ON THE NORTHERLY LINE OF SAID LOT 1 OF THE SHOPPES AT GREENMOUNT, 184.53 FEET TO THE NORTHWESTERLY CORNER OF SAID LOT 1 OF THE SHOPPES AT GREENMOUNT; THENCE SOUTH 00 DEGREES 19 MINUTES 32 SECONDS WEST, ON SAID WESTERLY LINE OF LOT 1 OF THE SHOPPES AT GREENMOUNT, 45.60 FEET TO A NORTHERLY LINE OF SAID THE SHOPPES AT GREENMOUNT; THENCE NORTH 89 DEGREES 29 MINUTES 47 SECONDS WEST, ON SAID NORTHERLY LINE OF THE SHOPPES AT GREENMOUNT, 143.85 FEET TO THE EASTERLY LINE OF OUTLOT 12E OF THE SHOPPES AT GREENMOUNT 1ST AMENDMENT AND NORTH ADJACENT 7.79 ACRES, REFERENCE BEING HAD TO THE PLAT THEREOF IN THE ST. CLAIR COUNTY RECORDER'S OFFICE IN DOCUMENT NUMBER AD0206634; THENCE NORTH 00 DEGREES 33 MINUTES 37 SECONDS EAST, ON SAID EASTERLY LINE OF OUTLOT 12E OF THE SHOPPES AT GREENMOUNT 1ST AMENDMENT AND NORTH ADJACENT 7.79 ACRES, 398.14 FEET TO THE NORTHEAST CORNER OF SAID OUTLOT 12E OF THE SHOPPES AT GREENMOUNT 1ST AMENDMENT AND NORTH ADJACENT 7.79 ACRES, THENCE NORTH 89 DEGREES 59 MINUTES 04 SECONDS WEST, ON THE NORTHERLY LINE OF SAID OUTLOT 12E OF THE SHOPPES AT GREENMOUNT 1ST AMENDMENT AND NORTH ADJACENT 7.79 ACRES, 848.48 FEET TO THE NORTHWESTERLY CORNER OF SAID OUTLOT 12E OF THE SHOPPES AT GREENMOUNT 1ST AMENDMENT AND NORTH ADJACENT 7.79 ACRES; THENCE SOUTH 00 DEGREES 00 MINUTES 58 SECONDS WEST, ON THE WESTERLY LINE OF SAID OUTLOT 12E OF THE SHOPPES AT GREENMOUNT 1ST AMENDMENT AND NORTH ADJACENT 7.79 ACRES, 365.61 FEET TO THE NORTHERLY LINE OF A TRACT OF LAND DESCRIBED IN THE ST. CLAIR COUNTY RECORDER'S OFFICE IN DOCUMENT NUMBER AD02054556; THENCE NORTH 89 DEGREES 29 MINUTES 47 SECONDS WEST, ON SAID NORTHERLY LINE OF A TRACT OF LAND DESCRIBED IN DOCUMENT NUMBER AD02054557, A DISTANCE OF 125.25 FEET TO THE WEST LINE OF THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 36; THENCE NORTH 00 DEGREES 01 MINUTES 47 SECONDS WEST, ON SAID WEST LINE OF THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 36, A DISTANCE OF 1,286.38 FEET TO THE FORMER SOUTHERLY RIGHT OF WAY LINE OF THE ILLINOIS TERMINAL RAILROAD COMPANY DESCRIBED IN THE ST. CLAIR COUNTY RECORDER'S OFFICE IN DEED BOOK 2488 ON PAGE 1089; THENCE NORTH 89 DEGREES 28 MINUTES 13 SECONDS WEST, ON SAID SOUTHERLY RIGHT OF WAY LINE OF THE ILLINOIS TERMINAL RAILROAD COMPANY, A DISTANCE OF 510.42 FEET; THENCE NORTH 00 DEGREES 05 MINUTES 44 SECONDS WEST, 50.00 FEET TO THE POINT OF BEGINNING

ALSO OUTLOT 12E OF THE SHOPPES AT GREENMOUNT, 1ST AMENDMENT AND THE NORTH ADJACENT 7.79 ACRES REFERENCE BEING HAD TO THE PLAT THEREOF IN THE ST. CLAIR COUNTY RECORDER'S OFFICE IN DOCUMENT NUMBER AD0206634.

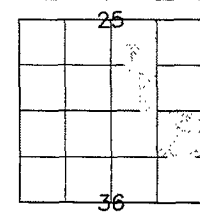
SITUATED IN ST. CLAIR COUNTY, ILLINOIS.

SAID PARCEL CONTAINS 72.15 ACRES, MORE OR LESS.

SUBJECT TO EASEMENTS, RIGHT-OF-WAY, CONDITIONS AND RESTRICTIONS OF RECORD.

ALSO ANY RIGHT-OF-WAY ADJACENT TO THE ABOVE DESCRIBED TRACTS NOT CURRENTLY WITHIN THE CORPORATE LIMITS OF ANY MUNICIPALITY

EXCEPTING THEREFROM ANY PORTION OF THE ABOVE DESCRIBED TRACTS OR RIGHT-OF-WAY CURRENTLY WITHIN THE CORPORATE LIMITS OF ANY MUNICIPALITY.



PART OF SEC. 25 & 36
TOWNSHIP 2N., RANGE 8W.
3RD P.M., ST. CLAIR COUNTY, IL

DATE: 09/02/2011

ORDINANCE NO. _____

LEGEND:

PROP. CORP. LIMITS -----
EXIST. CORP. LIMITS -----
AREA TO BE ANNEXED [Hatched Box]
EXISTING CITY LIMITS [Hatched Box]

PROJECT NO: L12110394



THOUVENOT, WADE & MOERCHEN, INC.

CORPORATE OFFICE
4940 OLD COLLINSVILLE RD.
SWANSEA, ILLINOIS 62226
(618) 624-4488
FAX (618) 624-6688

Exhibit D

EXHIBIT E

CONCEPT PLAN

As part of our long-range planning process, Hospital Sisters Health System intends to purchase approximately 106 acres in O'Fallon, Illinois, located on the North side of Interstate 64 between exits 14 and 16.

Hospital Sisters Health System is considering all options for the services to be offered at this location and the timeline for developing this property. One of the options being considered is the development of a complete medical campus that could include both inpatient and outpatient services, diagnostic testing, laboratory services, radiology, and a range of related services.

While no decisions have been made about what to develop on this property, or when to do so, the concept contemplated in this document would represent a substantial investment and no further feasibility work can be done on this concept until and unless the City of O'Fallon can provide assurances that appropriate infrastructure and adequate mine remediation would be undertaken by the City of O'Fallon on and around the site.

Ultimately, the decision about how and when to develop this property will be made based on the overall healthcare needs of the entire region and will be part of the Hospital Sisters Health System's commitment to provide region leading, high value healthcare to the individuals, families, and communities we serve.

EXHIBIT I

Projected Debt Service on Series A Bonds Supported by Medical Office Building Revenue

<u>Date</u>	<u>Projected Series A Bonds Debt Service Supported by Medical Office Building Space¹</u>
12/01/2012	\$ -
12/01/2013	-
06/01/2014	-
12/01/2014	-
06/01/2015	177,801.25
12/01/2015	177,801.25
06/01/2016	177,801.25
12/01/2016	177,801.25
06/01/2017	177,801.25
12/01/2017	177,801.25
06/01/2018	177,801.25
12/01/2018	177,801.25
06/01/2019	177,801.25
12/01/2019	177,801.25
06/01/2020	177,801.25
12/01/2020	177,801.25
06/01/2021	177,801.25
12/01/2021	177,801.25
06/01/2022	177,801.25
12/01/2022	387,801.25
06/01/2023	174,231.25
12/01/2023	394,231.25
06/01/2024	170,381.25
12/01/2024	400,381.25
06/01/2025	166,183.75
12/01/2025	436,183.75
06/01/2026	161,121.25
12/01/2026	446,121.25
06/01/2027	155,635.00
12/01/2027	450,635.00
06/01/2028	149,808.75
12/01/2028	1,149,808.75
06/01/2029	129,558.75

¹ Based on projected Incremental Property Taxes in the amount of \$14,185,283.98 attributable to MOB space to be constructed by the Developer pursuant to Section 5.2(a) of the Agreement. The City engaged an outside consultant to determine projected Incremental Property Taxes for the Redevelopment Project Area. Such consultant's projections indicated projected Incremental Property Taxes for the entire Redevelopment Project Area of \$22,204,970.10, which projected Incremental Property Taxes of \$14,185,283.98 are expected to be generated by the MOB space, based on an assumed fair market value of \$190/square foot for all medical office buildings.

<u>Date</u>	<u>Projected Series A Bonds Debt Service Supported by Medical Office Building Space¹</u>
12/01/2029	1,174,558.75
06/01/2030	107,875.00
12/01/2030	1,197,875.00
06/01/2031	84,985.00
12/01/2031	1,299,985.00
06/01/2032	58,862.50
12/01/2032	1,328,862.50
06/01/2033	31,240.00
12/01/2033	1,356,240.00
06/01/2034	2,090.00
12/01/2034	<u>97,090.00</u>
TOTAL	<u>\$14,178,765.00</u>

EXHIBIT I

Projected Debt Service on Series A Bonds Supported by Medical Office Building Revenue

<u>Date</u>	<u>Projected Series A Bonds Debt Service Supported by Medical Office Building Space¹</u>
12/01/2012	\$ -
12/01/2013	-
06/01/2014	-
12/01/2014	-
06/01/2015	177,801.25
12/01/2015	177,801.25
06/01/2016	177,801.25
12/01/2016	177,801.25
06/01/2017	177,801.25
12/01/2017	177,801.25
06/01/2018	177,801.25
12/01/2018	177,801.25
06/01/2019	177,801.25
12/01/2019	177,801.25
06/01/2020	177,801.25
12/01/2020	177,801.25
06/01/2021	177,801.25
12/01/2021	177,801.25
06/01/2022	177,801.25
12/01/2022	387,801.25
06/01/2023	174,231.25
12/01/2023	394,231.25
06/01/2024	170,381.25
12/01/2024	400,381.25
06/01/2025	166,183.75
12/01/2025	436,183.75
06/01/2026	161,121.25
12/01/2026	446,121.25
06/01/2027	155,635.00
12/01/2027	450,635.00
06/01/2028	149,808.75
12/01/2028	1,149,808.75
06/01/2029	129,558.75

¹ Based on projected Incremental Property Taxes in the amount of \$14,185,283.98 attributable to MOB space to be constructed by the Developer pursuant to Section 5.2(a) of the Agreement. The City engaged an outside consultant to determine projected Incremental Property Taxes for the Redevelopment Project Area. Such consultant's projections indicated projected Incremental Property Taxes for the entire Redevelopment Project Area of \$22,204,970.10, which projected Incremental Property Taxes of \$14,185,283.98 are expected to be generated by the MOB space, based on an assumed fair market value of \$190/square foot for all medical office buildings.

<u>Date</u>	<u>Projected Series A Bonds Debt Service Supported by Medical Office Building Space¹</u>
12/01/2029	1,174,558.75
06/01/2030	107,875.00
12/01/2030	1,197,875.00
06/01/2031	84,985.00
12/01/2031	1,299,985.00
06/01/2032	58,862.50
12/01/2032	1,328,862.50
06/01/2033	31,240.00
12/01/2033	1,356,240.00
06/01/2034	2,090.00
12/01/2034	<u>97,090.00</u>
TOTAL	<u>\$14,178,765.00</u>