

ORDINANCE NO. 8384-15

AN ORDINANCE
APPROVING AND AUTHORIZING THE EXECUTION OF A
DEVELOPMENT AND FINANCING AGREEMENT (MATHEWS
STREET SANITARY SEWER IMPROVEMENT PROJECT)

WHEREAS, it is desirable and in the best interests of the City of Urbana, a Municipal Corporation of the State of Illinois, to enter into a Development and Financing Agreement with The Carle Foundation and Mercy Hospital for the Mathews Street Sanitary Sewer Improvement Project; and

WHEREAS, a written copy of such Agreement, entitled Development and Financing Agreement (Mathews Street Sanitary Sewer Improvement Project), dated as of September 1, 1983, (the "Agreement"), has been presented to and is now before this meeting.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. That the Agreement, in substantially the form thereof submitted to this meeting, be and the same is hereby authorized and approved.

Section 2. That the Mayor be and the same is hereby authorized to execute and deliver the Agreement and the City Clerk be and the same is authorized to attest to such execution thereof, both with such changes therein as are not inconsistent herewith and as may be approved by the Mayor, the execution or acceptance thereof, as the case may be, to constitute conclusive evidence of such approval.

Section 3. This Ordinance is hereby passed by the affirmative vote, the "ayes" and "nays" being called, of a majority of the members of the Council of the City of Urbana, Illinois, at a regular meeting of said Council on the 3rd day of October, 1983.

PASSED by the City Council this 3rd day of October, 1983.

Ruth S. Brookens
Ruth S. Brookens, City Clerk

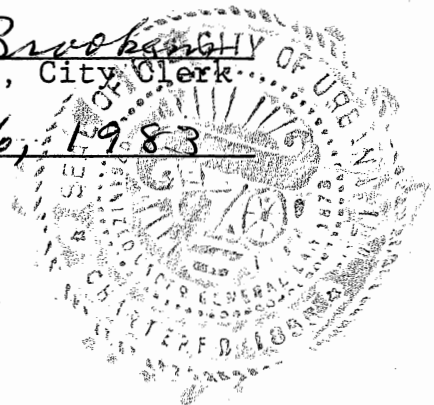
October APPROVED by the Mayor this 10th day of October, 1983.

Jeffrey T. Markland
Jeffrey T. Markland, Mayor

THIS IS THE ATTACHMENT WHICH IS REFERRED TO IN
ORDINANCE NO. 8384-15 AND IS INCORPORATED
THEREIN BY REFERENCE.

Ruth S. Brookens
Ruth S. Brookens, City Clerk

October 6, 1983
Date



DEVELOPMENT AND FINANCING AGREEMENT
(MATHEWS STREET SANITARY SEWER IMPROVEMENT PROJECT)

Dated as of September 1, 1983

BY AND BETWEEN

CITY OF URBANA, CHAMPAIGN COUNTY, ILLINOIS

AND

THE CARLE FOUNDATION, AN ILLINOIS NOT FOR PROFIT CORPORATION,
DOING BUSINESS AS CARLE HOSPITAL

AND

MERCY HOSPITAL, AN ILLINOIS
NOT FOR PROFIT CORPORATION

This Instrument Prepared By:

Kurt P. Froehlich
Evans & Froehlich
44 Main Street
Post Office Box 737
Champaign, Illinois 61820

DEVELOPMENT AND FINANCING AGREEMENT dated as of September 1, 1983, by and among the CITY OF URBANA, CHAMPAIGN, COUNTY, ILLINOIS (hereinafter sometimes referred to as the "Municipality"), and The Carle Foundation, an Illinois not for profit corporation, doing business in Urbana, Illinois as Carle Hospital and Mercy Hospital, an Illinois not for profit corporation (hereinafter collectively referred to as the "Hospitals"),

W I T N E S S E T H:

WHEREAS, the Hospitals are presently served by an existing 10-inch sanitary sewer located between Park Street and University Avenue in the Municipality (the "existing sanitary sewer"); and

WHEREAS, the existing sanitary sewer has capacity deficiencies as described or referred to in the Report on Sanitary Sewer System, June 1, 1981 (Greeley & Hanson); and

WHEREAS, such deficiencies will be alleviated and improved by the construction of a relief sewer to consist of a 10 inch sanitary sewer with 6 manholes approximately 1,692 linear feet in length in order to connect such existing sanitary sewer to an existing 30 inch sewer located at the intersection of Mathews Street and Western Avenue in the Municipality, as more fully described in the Plans for Proposed Sanitary Sewer Improvement, Mathews Street Sanitary Sewer, City Section 83-00232-00-SR (the "Plans") and in the Contract Documents and Specifications for Mathews Street Sanitary Project (the "Contract Documents and Specifications") referred in the Application for Permit or Construction Approval (the "Application") in connection with Illinois Environmental Protection Agency ("EPA") Water Pollution Control Permit No. 1983-HB-1959 issued June 21, 1983 (the "Permit") (the "Project"); and

WHEREAS, pursuant to this Development and Financing Agreement, to induce the Municipality to immediately undertake the Project, the Hospitals are willing to finance a portion of the total cost of the Project.

In consideration of the premises, the acceptance by the Municipality of the hereinafter described Notes and the respective representations and agreements herein contained, the parties hereto agree as follows:

ARTICLE I

Definitions

Certain words and terms as used in this Development and Financing Agreement shall have the meanings given them in the preambles hereto and otherwise herein and the meanings given them, as follows

"Agreement" or "Development and Financing Agreement" means this agreement and any supplements or amendments hereto.

"Completion Date" means the date of completion of the construction and the installation of the Project as that date shall be certified as provided in Section 3.4 hereof.

"Construction Period" means the period between the beginning of the construction of the Project and the Completion Date.

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

"Independent Counsel" means an attorney duly admitted to practice law before the highest court of any state and not an officer or a full time employee of the Issuer or the Borrower, but who may be counsel to the Issuer or the Borrower.

"Independent Engineer or Architect" means an engineer or architect registered and qualified to practice the profession of engineering or architecture under the laws of the State of Illinois and who or which is not a full time employee of either the Issuer, or the Borrower.

"Interest Rate" means the rate per annum as follows: (a) from the date of the Notes until December 31, 1983, nine percent (9%), and (b) from January 1, 1984 until maturity at the rate per annum equal to the interest rate borne by twenty-six (26)-week United States Treasury Bills at the auction of short term United States government bills next preceding January 1, 1984, and next preceding each July 1 and January 1 thereafter, such rate to be effective until the next semiannual determination thereof.

"Notes" means the promissory note of each of the Hospitals issued pursuant to Section 3.1 of this Loan Agreement.

"Overdue Rate" means two percent plus the prime interest rate as defined and established from time to time by Busey First National Bank, Urbana, Illinois, which rate may change from day to day.

"Project Costs" with respect to the Project shall be deemed to include, the sum total of all reasonable or necessary costs incidental to the Project and shall include, but not be limited to, the following items:

- (i) obligations incurred or assumed for real or personal property, or any interests therein, labor, materials, equipment and services in connection with the Project;
- (ii) the cost of performance, labor and material bonds and of insurance of all kinds that may be required or necessary during the course of completing the Project;
- (iii) all costs of engineering or architectural services, including the costs incurred or assumed for preliminary design and development work, test borings, surveys, estimates, and plans and specifications, and for supervision construction, as well as for the performance of all other duties required by or consequent upon the proper construction of the Project;
- (iv) all expenses incurred in connection with the Notes for the purpose of providing part of the funds for the Project, including without limitation overhead and administrative expenses, the costs of preparation of all documents, costs of insurance, permit related costs and expenses, legal expenses and fees, costs of recording and filing fees incurred by the Municipality;
- (v) all costs which shall be required to be paid under the terms of any contract or contracts, for the completing or financing of the Project;
- (vi) expenses incurred in seeking to enforce any remedy against any contractor or subcontractor in respect of any default under a contract relating to the Project.

"Total Project Cost" means the sum of all costs comprising the Project Costs as certified by the Municipality to the Hospitals.

(End of Article I)

ARTICLE II

Representations

Section 2.1. Representations by the Municipality.

The Municipality makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Municipality is a municipal corporation, and home rule unit under the Illinois Constitution, duly organized and existing under the laws of the State of Illinois, is authorized and empowered by the provisions of the Illinois Constitution to enter into the transactions contemplated by this Development and Financing Agreement and to carry out its obligations hereunder, and by proper action of its corporate authorities has been duly authorized to execute and deliver this Development and Financing Agreement.

(b) The Municipality enters into this Development and Financing Agreement for one or more of the purposes set forth in the preambles hereto.

(c) The acceptance of the Notes and the execution of this Development and Financing Agreement have been approved by the corporate authorities of the Municipality.

(d) The completed Project will be substantially consistent with the Plans and Contract Documents and Specifications, subject to EPA requirements, as they may be from time to time.

Section 2.2. Representations and Covenants by the Hospitals. Each of the Hospitals makes the following representations as the basis for the undertakings on their respective parts herein contained and hereby covenants and agrees:

(a) Each of the Hospitals is a duly established and legally existing not for profit Illinois corporation and is in good standing under the laws of the State of Illinois and all other applicable provisions of law and to carry on its business as now being conducted.

(b) Each of the Hospitals has the power to enter into and perform under this Development and Financing Agreement and to issue and deliver and perform under the Notes and has duly authorized the same by necessary corporate action.

(c) Neither the execution and delivery of this Development and Financing Agreement or the Notes, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Development and Financing Agreement or the Notes conflict with or

result in a breach of any of the terms, conditions or provisions of any agreement or instrument to which each of the Hospitals is now a party or by which it is bound, or constitute a default under any of the foregoing. No condition exists which would, upon the execution of this Development and Financing Agreement, with the lapse of time or the giving of notice or both, become an event of default hereunder.

(d) The Hospitals have reviewed the Application, Permit, Plans and Contract Documents and Specifications.

(e) The Hospitals lawfully own and are possessed of their respective properties and assets.

(f) There are no actions, suits or proceedings pending (nor, to the knowledge of either of the Hospitals, any actions, suits or proceedings threatened nor, to their respective knowledge, is there any basis therefor) against, or in any other manner relating adversely to, either of them or any of their respective properties in any court or before any arbitrator of any kind or before or by a governmental body. No default by either of them has occurred and is continuing with respect to any order of any court, arbitrator or governmental body, which would have a material adverse effect on their business, assets, liabilities, financial condition, results of operations or business prospects or on their ability to perform their respective obligations hereunder.

Except claims & litigation being defended by insurance companies on behalf of the Hospitals, the probable recoveries in which, & the estimated costs & expenses of defense, of which, will be entirely within the Hospitals' insurance policy limits.

(g) Each of the Hospitals is not a party to any indenture, loan or credit agreement, lease or any contract or other instrument nor is subject to any charter or corporate restriction which would have a materially adverse effect on their business, assets, liabilities, financial condition, results of operations or business prospects or on their respective abilities to perform their obligations hereunder.

Except obligations as disclosed by the Hospitals' most recent financial statements.

(End of Article II)

ARTICLE III

Financing of Project

Section 3.1. The Financing. The Municipality will advance funds necessary to complete the Project and to pay Project Costs from the proceeds available for such purpose, and not otherwise previously encumbered, received from the tax imposed under Section 24-16, "Sewer use charges" of Article II, "Sewers" of Chapter 24 of the Municipality's City Code, as supplemented and amended. The Hospitals will reimburse the Municipality for a part of the Project Costs. Each of the Hospitals shall reimburse the Municipality for one-third (1/3) of the Total Project Costs up to a maximum amount of \$57,500.000. The obligation of each of the Hospitals to so reimburse the Municipality shall be evidenced by each of the Hospitals issuing to the Municipality its promissory note (collectively the "Notes") payable to the order of the Municipality in an aggregate principal amount equal to the principal amount of one-third of the Total Project Costs up to a maximum amount of \$57,500.00. Each Note shall be initially issued in the amount of \$57,500.00 subject to the reissuance by each of the Hospitals and acceptance thereof by the Municipality in the actual amount of one-third of the Total Project Costs in the event that one-third (1/3) the Total Project Costs is less than \$57,500.00. In such event the previous Notes shall be cancelled. The Notes are more fully described in Article IV of this Development and Financing Agreement.

Section 3.2. Security for the Notes. The Notes shall be unsecured obligations of the Hospitals. However each of the Hospitals pledges its full faith and credit to the timely and full payment of the principal of and interest on their respective Note and all other amounts respectively owing by them hereunder and thereunder. This Development and Financing Agreement creates and establishes no mortgage on or security interest in any property of either of the Hospitals.

Section 3.3. Repayment of Loan. Notwithstanding any provision expressly or inferentially to the contrary contained herein or in the Notes, each of the Hospitals unconditionally agrees that it shall make payments to the Municipality in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, and in such amounts and at such times (if not sooner required under the terms of this Development and Financing Agreement) as shall be necessary to make full and prompt payment when due (whether at stated maturity, upon call for prepayment prior to stated maturity, or upon acceleration of stated maturity), of the principal of, premium, if any, and interest on, the Notes issued and outstanding. The obligation of the Hospitals to make the payments required in this Section 3.3 shall be absolute and unconditional and shall not be subject to diminution by set off, counterclaim, abatement or otherwise; and until such time as the

principal of, premium, if any, and interest on the Notes shall have been fully paid or provision for the payment thereof shall have been made in a manner accepted by the Municipality, each of the Hospitals: (i) will not suspend or discontinue, or permit the suspension or discontinuance of, any payments provided for in this Section 3.3; (ii) will perform and observe all of its other agreements contained in this Development and Financing Agreement; and (iii) will not terminate this Development and Financing Agreement for any cause including without limiting the generality and specifications therefor, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Project, commercial frustration of purpose, any change in the tax or other laws or administrative rulings of or administrative actions by the United States of America or the State of Illinois or any political subdivision of either, or any failure of the Municipality to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or in connection with this Development and Financing Agreement other than the obligation to complete the Project in accordance with the applicable Plans and Contract Documents and Specifications.

Section 3.4. Issuance of Notes. Simultaneously with the delivery of this Development and Financing Agreement, each of the Hospitals shall issue, sell and deliver its respective Note in order to induce the Municipality to complete the Project.

Section 3.5. Establishment of Completion Date and Total Project Costs. The Completion Date shall be evidenced to the Hospitals by a certificate signed by the Municipality's Administrative Officer stating that, except for amounts retained for Project Costs not then due and payable, (i) construction, acquisition and installation of the Project have been completed to the satisfaction of the Municipality in accordance with the Plans and Contract Documents and Specifications therefor, and (ii) all costs labor, services, materials and supplies used in such construction have been paid.

Notwithstanding the foregoing, such certificate may state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being.

Section 3.6. Authorized Hospital Representatives. Prior to the delivery of the Notes each of the Hospitals shall appoint an Authorized Hospital Representative for the purpose of taking all actions and making all certificates required to be taken and made by the Authorized Hospital Representative under the provisions of this Development and Financing Agreement. Without any designation, certification or other writing being required, any of the officers of the Hospital executing this Development and Financing Agreement shall be and are hereby jointly and severally designated and appointed as an Authorized Hospital

Representative. In the event such Authorized Hospital Representative, or any successor appointed pursuant to the provisions of this Section, should resign, become unavailable or unable to take any action or make any certificate provided for in this Development and Financing Agreement, another Authorized Hospital Representative or alternate Authorized Hospital Representative shall thereupon be appointed by each of the Hospitals.

Whenever under the provisions of this Development and Financing Agreement the approval of the Hospitals is required or the Municipality is required to take some action at the request of the Hospitals, such approval or such request shall be made by the Authorized Hospital Representative unless otherwise specified in this Development and Financing Agreement and the Municipality shall be authorized to act on any such approval or request and the Hospital shall have no complaint against the Municipality as a result of any such action taken.

(End of Article III)

ARTICLE IV

The Notes

Section 4.1. Maturities and Interest Rates. The Notes shall be substantially in the form attached as Exhibit A hereto; shall be dated the date of delivery; and, subject to Section 4.2 hereof, shall be payable to the order of the Municipality in the amounts, in the manner and at the times as set forth in the Notes or any payment schedule attached thereto, and bearing interest on the unpaid principal amount thereof outstanding from time to time at the Interest Rate, payable in the amounts, in the manner and at the times set forth in the Notes or any payment schedule attached thereto. The Notes shall bear interest on any overdue principal and interest at the Overdue Rate until paid. Both the principal of and interest on the Notes shall be payable in immediately available funds at the principal office of the Municipality as set forth in Section 7.1 hereof.

Section 4.2. Optional Prepayment of the Notes. The Hospitals shall each have the option at any time to prepay their respective Note in whole or in part.

If any Note shall be prepaid in full in accordance with this Section 4.2, such Note shall be cancelled and returned to the respective Hospital. If any Note shall be prepaid in part in accordance with this Section 4.2, such Note shall be endorsed to show the amount of such principal payment and the amount of the remaining principal. Prepayment in part of any Note shall be applied in the reverse order of the due date or maturity of the principal of such Note and shall not abrogate, diminish or impair the obligation to make the next following payment thereon.

(End of Article IV)

ARTICLE V

Special Covenants

Section 5.1. No Warranty of Condition or Suitability.

The Municipality makes no warranty, either express or implied, as to the condition of the Project or any part thereof or that it will be suitable for the Hospitals purposes or needs. The Hospitals have reviewed the Plans and the Contract Documents and Specifications for such purposes.

Section 5.2. Hospitals Right of Access to the Project.

The Municipality agrees that the Hospitals or either of their duly authorized agents shall have the right at all reasonable times to enter upon the Project and to examine and inspect the Project. The Municipality further agrees that the Hospitals and their duly authorized agents shall have, subject to such limitations, restrictions and requirements as the Municipality may reasonably prescribe such rights of access to the Project as may be reasonably necessary to observe the progress of the Project.

(End of Article V)

ARTICLE VI

Default Provision

Section 6.1. Defaults; Events of Default. If any one or more of the following events occur, it is hereby defined as and declared to be and to constitute an "Event of Default":

(a) Default for ³⁰~~10~~ days in the due and punctual payment of any interest on the Note (in which event interest shall be payable, to the extent permitted by law, on any overdue installments of interest in each case at the Overdue Rate);

(b) Default for ³⁰~~10~~ days in the due and punctual payment of any installment of principal on the Note, whether at the stated maturity thereof, or at the date for prepayment thereof, or upon the maturity thereof by declaration or otherwise;

(c) Default in the performance or observance of any other of the covenants, agreements, representations, or conditions on the part of the Municipality or Hospitals in this Development and Financing Agreement or in the Notes, and the continuance thereof for a period of 30 days after receipt by the Municipality or Hospitals of written notice specifying such default and requesting that it be corrected. If such default be such that it cannot be corrected within such period, it shall not constitute an Event of Default if corrective action is instituted within such period and diligently pursued until the default is corrected and such default is timely and diligently corrected;

(d) A Hospital shall: (i) become insolvent; or (ii) be unable, or admit in writing its inability, to pay its debts as they mature; or (iii) make a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its property; or (iv) be adjudicated a bankrupt; or (v) file a petition in bankruptcy or to effect a plan or other arrangement with creditors; or (vii) apply to a court for the appointment of a receiver for any of its assets; or (viii) have a receiver appointed for any of its assets (with or without the consent of the Hospital) and such receiver shall not be discharged within 60 days after his appointment; or

(e) Default by one of the Hospitals shall not result in or effect a default by the other.

The foregoing provisions of this Section are subject to the following limitations: If by reason of force majeure the Municipality is unable in whole or in part to carry out the agreements on its part herein contained, the Municipality shall not be deemed in

default during the continuance of such inability. The term "force majeure" as used herein shall mean, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the government of the United States or of Illinois or any of their departments, agencies, or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquake; fire; hurricanes; storms; floods; washouts; drought; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities; shortages or delays with regard to transportation or materials; or any other cause or event not reasonably within the control of the Municipality or its contractors. The Municipality agrees, however, to remedy with all reasonable dispatch the cause or causes preventing the Municipality from carrying out its agreements; provided that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Municipality, and the Municipality shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the Municipality unfavorable to the Municipality.

Section 6.2. Acceleration Upon the occurrence of an Event of Default by the Hospitals, the Municipality may (by written notice to the affected Hospital) declare the entire outstanding principal balance of the particular Note together with all interest accrued thereon to be immediately due and payable; and such principal and interest shall thereupon become and be immediately due and payable.

Section 6.3. Remedies. Upon the occurrence of an Event of Default, the Municipality and Hospitals may pursue any available remedy by suit at law or in equity.

Section 6.4. Payments of Costs and Expenses. In the event the Hospitals or either of them should default under any of the payment provisions of this Development and Financing Agreement and the Municipality should employ attorneys or incur other expenses for the collection of payments due or for the enforcement of performance or observance of any other obligation or agreement on the part of the Hospitals herein contained, the Hospitals agree that the respective Hospital will on demand therefor pay to the Municipality the reasonable fees of such attorneys and such other reasonable expenses so incurred by the Municipality.

Section 6.5. Limitation on Waivers. In the event any agreement contained in this Development and Financing Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive the same, any other or further breach hereunder on a future occasion.

Section 6.6. Performance by Third Parties. The parties agree that third parties may perform any and all acts or take such action as may be necessary for and on default hereunder, and the parties shall take or accept such performance. The acceptance by the Municipality of any such performance by third parties for the Hospitals shall not in any way diminish or absolve the Hospitals of primary liability hereunder for payments due under the Notes.

(End of Article VII)

ARTICLE VII

Miscellaneous

Section 7.1. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by registered or certified mail, postage prepaid, addressed as follows:

<u>Municipality</u>	<u>Carle</u>	<u>Mercy</u>
City of Urbana 400 S. Vine Urbana, IL 61801 Attention: Administrative Office	Carle Hospital 611 West Park St. Urbana, IL 61801 Attention:	Mercy Hospital 1400 West Park St. Urbana, IL 61801 Attention:

A duplicate copy of each notice, certificate or other communication given hereunder shall be given to all parties. The Municipality and the Hospitals, may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 7.2. Binding Effect. This Development and Financing Agreement shall inure to the benefit of and shall be binding upon the Municipality, the Hospitals and their respective successors and assigns.

Section 7.3. Severability and Governing Law. In the event any provision of this Development and Financing Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof. This Development and Financing Agreement shall be governed exclusively by the applicable laws of the State of Illinois.

Section 7.4. Termination. Upon full payment of all principal and interest on the Notes:

(a) This Development and Financing Agreement shall terminate and neither the Municipality nor the Hospitals shall thereafter have any rights hereunder, saving and excepting those that shall have theretofore vested; and

(b) The Municipality shall cause the Notes to be cancelled and delivered to the Hospitals.

Section 7.5. Amendments, Changes and Modifications. Except as otherwise provided in this Development and Financing Agreement, subsequent to the initial issuance of the Notes and

prior to payment in full of all principal installments thereof this Development and Financing Agreement and the Notes may not be effectively amended, changed, modified, altered or terminated without the written consent of all of the parties.

Section 7.6. Execution Counterparts. This Development and Financing Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

(End of Article VIII)

IN WITNESS WHEREOF, the Municipality has caused this Development and Financing Agreement to be executed in its corporate name and its corporate seal to be hereunto affixed and attested by its duly authorized officers and each the Hospitals has duly executed this Development and Financing Agreement, all as of the date first above written.

CITY OF URBANA, ILLINOIS

By _____
Mayor

(SEAL)
Attest:

City Clerk

THE CARLE FOUNDATION, AN ILLINOIS
NOT FOR PROFIT CORPORATION, DOING
DOING BUSINESS IN URBANA, ILLINOIS
AS CARLE HOSPITAL

By _____
Its _____

(SEAL)
Attest:

By _____
Its _____

MERCY HOSPITAL, AN ILLINOIS NOT
FOR PROFIT CORPORATION

By _____
Its _____

(SEAL)
Attest:

By _____
Its _____

STATE OF ILLINOIS)
) SS
COUNTY OF CHAMPAIGN)

On this _____ day of _____, 1983, before me personally appeared Jeffrey T. Markland and Ruth S. Brookens, to me personally known, who being by me duly sworn, say that they are the Mayor and City Clerk of the City of Urbana, Illinois, that the seal affixed to the foregoing instrument is the official seal of said City of Urbana, that said instrument was signed and sealed on behalf of said City of Urbana by authority of its City Council, and they acknowledged that the execution of the foregoing instrument was the free act and deed of the City of Urbana, Illinois.

Notary Public

(SEAL)

My Commission expires:

STATE OF ILLINOIS)
) SS
COUNTY OF CHAMPAIGN)

On this _____ day of _____, 1983, before me, a Notary Public in and for said County, personally appeared _____ and _____ to me personally known to be the same persons who executed the within instrument, who, being by me duly sworn did depose, acknowledge and say: that they are respectively a _____ Trust Officer and _____ of The Carle Foundation, an Illinois not for profit corporation, doing business in Urbana, Illinois as Carle Hospital described in and which executed the foregoing instrument; that they know the seal of the corporation; that said instrument was signed and sealed by them as such officers of and on behalf of the corporation; and the corporation acknowledged the execution of said instrument to be the free and voluntary act and deed of the corporation by it freely and voluntarily executed.

IN WITNESS WHEREOF, I have hereunder set my hand and official seal.

Notary Public

(SEAL)

My commission expires:

STATE OF ILLINOIS)
) SS
COUNTY OF CHAMPAIGN)

On this _____ day of _____, 1983, before me, a Notary Public in and for said County, personally appeared _____ and _____ to me personally known to be the same persons who executed the within instrument, who, being by me duly sworn did depose, acknowledge and say: that they are respectively a _____ Trust Officer and _____ of Mercy Hospital, an Illinois not for profit corporation described in and which executed the foregoing instrument; that they know the seal of the corporation; that said instrument was signed and sealed by them as such officers of and on behalf of the corporation; and the corporation acknowledged the execution of said instrument to be the free and voluntary act and deed of the corporation by it freely and voluntarily executed.

IN WITNESS WHEREOF, I have hereunder set my hand and official seal.

Notary Public

(SEAL)

My commission expires:

EXHIBIT A

PROMISSORY NOTE

\$_____, 1983

FOR VALUE RECEIVED, the undersigned, _____

(hereinafter referred to as the "Hospital"), which term shall be construed to include the successors and assigns of the Hospital, promises to pay to the order of the City of Urbana, Champaign County, Illinois (hereinafter called the "Municipality") the principal sum of _____

(\$_____,_____) payable in the manner as follows: the principal of this Note shall mature and become due and payable in ten (10) equal semi-annual installments, the first such installment of principal maturing and becoming due and payable in an amount equal to ten percent (10%) of the above principal sum hereof on July 1, 1984, with the same amount maturing and becoming due and payable on each January 1 and July 1 thereafter until January 1, 1989, at which time all of the principal sum hereof not previously paid shall mature and become due and payable.

The principal hereof outstanding and unpaid (and not overdue) from time to time shall bear interest at the rate or rates per annum as follows: (a) from the date hereof until December 31, 1983, nine percent (9%); and (b) from January 1, 1984 until maturity at the rate per annum equal to the interest rate borne by twenty-six (26)-week United States Treasury Bills at the auction of short term United States government bills next preceding January 1, 1984, and next preceding each July 1 and January 1 thereafter, such rate to be effective until the next semiannual determination thereof. Interest shall be due and payable on January 1 and July 1 of each year beginning January 1, 1984. Interest shall be computed based upon a year of 360 days with 30-day months. This Note shall bear interest on any overdue principal, and overdue interest as provided by law, at two percent (2%) plus the prime interest rate as defined and established from time to time by _____

Illinois, which rate may change from day to day (the "Overdue Rate"). Both principal and interest on this Note shall be payable in immediately available funds at the principal office of the City of Urbana, Illinois, 400 South Vine Street, Urbana, Illinois. Each of said installments of principal and interest, as and when made, shall be noted on the Payment Schedule attached to this Note.

This Note constitutes the Note issued under a Development and Financing Agreement dated as of September 1, 1983, made by and among the Hospitals described therein, including the Hospital, and the Municipality, to which Development and Financing

Agreement reference is hereby made for a statement of the terms and conditions on which the debt evidenced hereby was made, for a description of the circumstances under which the Hospital is entitled to be released of liability hereunder and under which there shall be credits allowed against the installments of principal and interest on this Note and for a description of the terms and conditions upon which this Note may be prepaid, in whole or in part, or its maturity accelerated. The provisions of the Development and Financing Agreement are incorporated herein by this reference thereto.

The principal of this Note is subject to prepayment in whole in the manner and under the circumstances set forth in Article IV of the Development and Financing Agreement, at a price equal to 100% of the principal amount hereof to be prepaid plus accrued and unpaid interest hereon to the date fixed for prepayment. Under certain circumstances as set forth in said Article IV optional prepayment shall be in inverse order of payments due.

This Note shall be an unsecured obligation of the Hospital. However, the Hospital pledges its full faith and credit to the timely and full payment of the principal of and interest on this Note and all other amounts respectively owing by it hereunder and under the Development and Financing Agreement. The Development and Financing Agreement creates and establishes no mortgage on or security interest in any property of the Hospital.

All principal installments of this Note or portion thereof designated for prepayment will cease to bear interest on the specified prepayment date, provided funds for their prepayment are effectively made at the place of payment at that time.

AN ILLINOIS NOT FOR PROFIT
CORPORATION

By _____
Its _____

(Seal)

Attest: _____
Its _____

PAYMENT SCHEDULE

Pursuant to Article IV of the Development and Financing Agreement described above, this Note has been prepaid in part on the date and in the principal amounts shown below:

[illegible]