

**COMMUNITY UNIT SCHOOL DIST. NO. 196
RESOLUTION AUTHORIZING AND APPROVING
CERTAIN "SPECIAL COVENANT" AMENDMENTS TO
CAREER CENTER OF SOUTHERN ILLINOIS' ("CCSI")
INTERGOVERNMENTAL AGREEMENT BETWEEN PARTICIPATING DISTRICTS
TO PERMIT AND AUTHORIZE
AN INTERGOVERNMENTAL AGREEMENT AND BUILD-TO-SUIT LEASE
WITH SOUTHWESTERN ILLINOIS COLLEGE ("SWIC")
FOR THE DEVELOPMENT AND OCCUPANCY OF
A NEW CAMPUS AND FACILITY FOR CCSI'S OPERATIONS**

WHEREAS, the Board of Education ("Board") of Community Unit School Dist. No. 196 (Dupo 196) of St. Clair County/Counties, Illinois ("District") has the power and authority under the laws of the state of Illinois (including but not limited to the Intergovernmental Cooperation Clause of the Illinois Constitution (Ill. Const. 1970, Art. VII, Sec. 10), the provisions of the Intergovernmental Cooperation Act (5 ILCS 220/1 et. seq), and School Code provisions including Section 10-22.31a (105 ILCS 5/10-22.31a)) to contract or otherwise associate among other units of local government to obtain or share services, and to exercise, combine, or transfer any such power or function in any manner not prohibited by law or by ordinance, and may use their credit, revenues, and other resources to pay costs related to intergovernmental activities; and

WHEREAS, the District has previously availed itself of the opportunities so authorized in order to enter into an "Intergovernmental Agreement Between Participating Districts for the Career Center of Southern Illinois" ("CCSI") and to obtain services pursuant thereto; and

WHEREAS, Southwestern Illinois College ("SWIC") is also a unit of local government and has entered into negotiations with CCSI and Perandoe Special Education District ("Perandoe"; another unit of local government) in order to pursue the development of a new campus ("Campus") for CCIS to occupy and use while providing services to CCSI's membership; and

WHEREAS, SWIC's most recent proposal ("Proposal") for the Campus includes a proposed Intergovernmental Agreement and Build-To-Suit Lease ("IGA/Lease") and is attached hereto and incorporated herein as **Exhibit A**; and

WHEREAS, the District finds that the general terms and provisions set forth in SWIC's Proposal would benefit the District, yet additional negotiations among CCSI, Perandoe, and SWIC are necessary to modify and finalize terms set forth therein; and

WHEREAS, the District wishes to memorialize its support for the development of the Campus and to provide SWIC and Perandoe assurances that the District intends to participate in the development of the Campus, subject to the successful and complete final negotiation of the Campus project's terms and conditions by CCSI's Board of Control; and

WHEREAS, the District wishes to authorize and direct its representative on CCSI's Board of Control to advance said negotiations on behalf of the District pursuant to the best discretion and judgment of the District's representative and in a manner substantially consistent with both: (a) the

proposed draft "Special Covenant" amendments to CCSI's Intergovernmental Agreement Between participating Districts that are attached hereto and incorporated herein as **Exhibit B**; and (b) the general terms (subject to ongoing negotiations) outlined in SWIC's Proposal attached hereto as **Exhibit A**.

NOW THEREFORE, be it, and it is hereby, Resolved by the Board of Education of Community Unit School Dist. No. 196 (Dupo 196), of St. Clair County/Counties, Illinois, as follows:

Section 1. Incorporation of Preambles. The above preamble recitals are hereby incorporated into the text of this Resolution as if set out herein in full.

Section 2. Authorization of "Special Covenant" Amendments to CCSI's Intergovernmental Agreement Between Participating Districts. It is hereby determined by the Board that it is advisable and necessary for the District, by this Resolution and by and through its representative on CCSI's Board of Control, to approve the "Special Covenant" amendments (in substantially the form attached hereto as **Exhibit B**, subject to potential additional modifications deemed appropriate and/or otherwise beneficial as reflected by an affirmative vote by CCSI's Board of Control), but that such approval is expressly contingent upon the final negotiation and approval (by an affirmative vote by CCSI's Board of Control) of final terms for the Project's IGA/Lease Agreement with SWIC for the Project.

Section 3. Authorization of Intergovernmental Agreement and Build-To-Suit Lease with SWIC. It is hereby determined by the Board that it is advisable and necessary for the District, by this Resolution and by and through its representative on CCSI's Board of Control, to approve an Intergovernmental Agreement and Build-To-Suit Lease with SWIC, (upon terms generally reflected and attached hereto as **Exhibit A**, subject to potential additional modifications deemed appropriate and/or otherwise beneficial as reflected by an affirmative vote by CCSI's Board of Control), but that such approval is expressly contingent upon the final negotiation and approval (by an affirmative vote by CCSI's Board of Control) of final terms for the IGA/Lease with SWIC for the Project.

Section 4. Delegation of Authority to the District's Representative. The District's representative on CCSI's Board of Control is expressly authorized and directed to take all such actions that the District's representative deems appropriate and/or otherwise beneficial (in the representative's best discretion and judgment) to advance the Campus at SWIC project. Said powers of the District's representative shall expressly include (but shall not be limited to) the consideration and approval (upon further negotiations) of both: (a) the "Special Covenant" amendments to CCSI's Intergovernmental Agreement; and (b) the proposed IGA/Lease with SWIC for the Campus project. The District's representative is hereby authorized and directed to work in cooperation with SWIC and Perandoe in furtherance of the premises set forth herein.

Section 5. Repealer and Effective Date. All resolutions or other proceedings in conflict herewith are, to the extent of such conflict, hereby repealed. This Resolution shall be effective forthwith upon its adoption.

Members Voting Aye: _____

Members Voting Nay: _____

Members Absent: _____

Adopted: _____, 2025

By: _____
President, Board of Education

Attest: _____
Secretary, Board of Education

EXHIBIT A
CCSI/ Perandoe Campus Project Summary

The Red Bud SPC project is Red Bud "Southwestern Illinois College, Perandoe Special Education District, and Career Center of Southern Illinois" project.

Leases - two Intergovernmental Triple-Net Build-to-Suit lease agreements.

- Southwestern Illinois College (SWIC)(Landlord/Lessor) and Perandoe Special Education School District (Perandoe)(Tenant/Lessee); and,
- Southwestern Illinois College (Landlord/Lessor) and Career Center of Southern Illinois (CCSI) (Tenant/Lessee); and,

Applicable Law

Article VII, Section 10(a) of the Constitution of the State of Illinois provides that units of local government may jointly contract or otherwise associate to obtain or share services and to exercise, combine, or transfer any power or functions, in any manner not prohibited by law or by ordinance. Furthermore, the Illinois Intergovernmental Cooperation Act (5 ILCS 220/1 *et seq.*) provides that any power or powers, privileges or authority exercised or which may be exercised by a public agency may be exercised and enjoined jointly with any other public agency. Moreover, Section 3-40.1 of the Illinois Public Community College Act (110 ILCS 805/3-40.1) and Section 10-22.20a of the Illinois School Code (105 ILCS 5/10-22.20a) authorize community college districts and school districts to contract for the acquisition and improvement of sites, construction and equipping of facilities thereon and leasing and equipping of facilities deemed necessary by the parties to the contract, and such statutory provisions do not restrict or prohibit the rights of community college districts and school districts to enter into joint agreements under the provisions of the Intergovernmental Cooperation Act.

Building(s) Owner

SWIC will retain ownership of the building located on its West South 4th Street, Red Bud, IL property (18.8 acres) in Red Bud Illinois. The Debt Certificates to finance the project are guaranteed by District 522 taxpayers, therefore; the new building must remain District 522 property.

Term:

The initial build-to-suit Lease term (the "Initial Term") shall be twenty-five (25) full Lease Years (as hereinafter defined) (i.e., a total of 300 full calendar months plus any partial month) commencing on the Lease Commencement Date (as herein defined). The Initial Term and any exercised Renewal Term (defined below) shall be collectively known as the "Term".

Lease Commencement Date:

Lease commencement date shall be the first to occur of (a) the date Tenant(s) take occupancy of the building for the conduct of Tenant's intended business therein, or (b) the date which is five (5) calendar days following Substantial Completion of SWIC's construction work.

Renewal Term

Provided that these Lease(s) are then in full force and effect (and no Event of Default has occurred and is continuing on the date Tenant delivers its Renewal Notice to Landlord); Tenant shall have the right to renew this Lease for three (3) renewal terms (each, a "Renewal Term") of five (5) years each, each immediately following the expiration of the Initial Term or the first or second Renewal Term, as the case may be, on the same terms, conditions, and provisions as are set forth in this Lease.

Rent**Security Deposit:**

Tenant(s) shall not be required to deliver, and has not delivered, any form of security deposit hereunder.

Rental Obligation:

Commencing on the Lease Commencement Date, Tenant shall be obligated to pay and shall pay Basic Annual Rent (as defined below).

Triple Net Lease:

The tenant(s) will be responsible for the Base Annual Rent payments plus insurance premiums and operating expenses (as defined below).

Operating Expenses

In this triple net lease, all operating expenses are the responsibility of the Tenant(s).

Operating expenses are, but not limited to insurance, security services, utilities, custodial/janitorial services, normal day-to-day maintenance & repairs, e.g., routine cleaning, and preventative measures to keep plumbing systems in good working order; addressing leaks, clogs, pipe damage, or other plumbing issues that arise unexpectedly; lighting, heating, ventilation, and air conditioning required for the comfortable occupancy and operation of the Premises during all hours of Tenant's operation.

Operating expenses also include water, gas, light, power, electricity, internet access, telephone, trash pick-up, snow removal of parking lots and salting/sanding of parking lot sidewalks to prevent a slippery walkway and sewer services and such other utilities to the Premises as are reasonable and customary for tenants engaged in Tenant's business at the Premises.

Capital Expenses

Capital Expenses are funds spent to buy, improve, or maintain a building and/or other physical assets that's expected to benefit the Landlord for more than one year. Expenses capital in nature are, i.e., significant building improvements; roof; shell; new heating, ventilation and air conditioning ("HVAC") equipment; adding new plumbing and/or electric; pavement and resurfacing of the parking lot and sidewalks.

Security & Internet Expenses

Infrastructure wiring for security video monitoring system, alarm system and internet are included in the initial construction of the building and are the responsibility of the Landlord. Security video monitoring cameras are the responsibility of the Landlord with access given to the Tenant(s).

Internet hardware and software, i.e., computers, printers, copiers, switches, hubs, battery backups, etc. are the responsibility of the Tenant(s).

Basic Annual Rent - Estimated at May 27, 2025:

Tenant(s) agree to pay Landlord "Basic Annual Rent". The Basic Annual Rent is on a triple net basis and is **2.0%** of the final construction cost plus SWIC's property insurance cost. **For example:** if the **estimated** final total construction cost for the Red Bud SPC project is \$25,000,000 for 42,000 square feet. The Basic Annual Rent payable in equal monthly installments, is **Twelve and 28/100 Dollars (\$12.28)** times the Rentable Area per year for the first (1st) Lease Year, which initial Basic Annual Rent is on a triple net basis, and which shall be increased each Lease Year thereafter by the latest 12 month CPI index of the previous Lease Year's Basic Annual Rent.

The cost parameters (dollar amount and square footage) used in the Basic Annual Rent calculation above are estimates and subject to change based on actual final construction costs of the new building(s).

Perandoe (Build-to Suit Lease):

Perandoe build-to-suit building is **estimated** to be approximately 13,700 square feet with a shared common area with CCSI of 8,750 square feet based on architect and Perandoe discussions dated May 2024.

Career Center of Southern Illinois (Build-to-Suit Lease):

Career Center of Southern Illinois (CCSI) build-to-suit building is **estimated** to be approximately 15,600 square feet with a shared common area with Perandoe of 8,750 square feet based on architect and Perandoe discussions dated May 2024.

All terms of the proposed lease are proposed and subject to negotiation.

EXHIBIT B

SPECIAL COVENANT AMENDMENTS TO CAREER CENTER OF SOUTHERN ILLINOIS' ("CCSI") INTERGOVERNMENTAL AGREEMENT BETWEEN PARTICIPATING DISTRICTS

Notwithstanding anything in the Intergovernmental Agreement Between Participating Districts for the Career Center of Southern Illinois ("CCSI IGA") to the contrary, and to the fullest extent permitted by law, CCSI'S Member Districts do hereby authorize, adopt, and approve the following "Special Covenant" amendments to the CCSI IGA. These Special Covenants shall apply to the governance and operation of CCSI, but only to the extent, and only in the event, that CCSI, Perandoe Special Education District ("Perandoe"), and Southwestern Illinois College ("SWIC") finalize and complete terms (expected to be in the form of an Intergovernmental Agreement and Build-To-Suit Lease) for the construction and operation of a new campus ("Campus") for CCSI to occupy and use while providing services to CCSI's membership.

1. The CCSI IGA shall be, and is hereby authorized to be, amended to permit and discharge all payment and operational requirements proposed for the Campus project at SWIC and reflected in a final Intergovernmental Agreement and Build-To-Suit Lease ("IGA/Lease") negotiated by and among CCSI, Perandoe, and SWIC.

2. To the fullest extent permitted by law, these Special Covenants shall: (a) apply only to the Campus project at SWIC and the for the duration of any Intergovernmental Agreement and/or Lease relating thereto; and (b) with respect only to the Campus project at SWIC and for the duration of any Intergovernmental Agreement and/or Lease relating thereto, shall take precedence over all contrary or conflicting payment, membership, withdrawal, accounting, financing and/or other terms otherwise set forth in the CCSI IGA.

3. Subject to the fulfillment of all prerequisites set forth in Section 3, below, the CCSI IGA is hereby amended to include the following terms and conditions applicable to the Campus project:

Article VII - Special Covenants regarding the new Campus at SWIC Project

a. Upon approval of the final IGA/Lease among SWIC, CCIS, and Perandoe by the CCSI Governing Board, all participating member districts shall be required to commit to participation and membership in CCSI for a minimum of five (5) years after substantial completion of the Campus at SWIC project. After that time, any member district requesting to withdraw from CCSI must provide a minimum of five (5) years advance written notice of that intent to withdraw from CCSI. Under this terms and arrangement, each district that is a members of CCSI at the time of approval of the IGA/Lease will be obligated to pay its pro rata (based on that member's enrollment compared to the aggregate full enrollment of all participating members) share of costs for the Campus at SWIC project for a minimum of ten (10) years. Specifically, payments under the IGA/Lease shall be shared by each member

district based on its pro rata share of the total secondary (Grades 9-12) enrollments of all participating districts as determined by the previous year's September 30th Fall Housing Report. Twenty five percent of the total lease assessment will be sent to the participating districts on a quarterly basis in each fiscal year.

b. Any participating member district that wishes to "opt out" from participating in the Campus project at SWIC must tender its request to fully withdraw from CCSI by providing notice of such intent, on or before the expiration of deadlines currently established in the CCSI IGA or as may be established in the future through formal amendments thereto.

After the Campus project at SWIC is formally approved and authorized by CCSI's Board of Control by approval of the IGA/Lease, no participating member district may withdraw unless and until providing the aforementioned minimum of at least five (5) years advance written notice to CCSI's Board of Control, which five (5) year notice period shall not commence until the expiration of the initial five (5) year non-termination term.

A participating member district may elect to withdraw and opt out of obligations relating to the Campus project at SWIC by providing advance written notice to the CCSI Governing Board members of such intent to withdraw, which notice must be tendered before formal approval of the IGA/Lease is approved. In such an event, that member may continue receiving membership services only upon terms approved by the Governing Board.

c. Any school district that wishes to become a participating member district after formal approval by the Board of Control of the IGA/Lease and the Campus project at SWIC will be permitted membership only upon approval by, and subject to terms and conditions established by, CCSI's Board of Control. While considering such applications for membership, the Board of Control shall consider (among other factors) whether additional assessment revenue offsets CCSI's overall assessment costs, or if the same shall be added to the cash balance.

d. Non-member districts wishing to receive services after formal approval of the Campus project at SWIC by the CCSI Board of Control shall be subject to the following considerations:

- Non-member participation should not be incentivized
- Non-member districts shall be subject to rates higher than member districts, to the extent permitted by law and as determined by the CCSI Board of Control

4. The proposed amendments to the CCSI IGA shall take effect and be implemented upon approval by the SWIC Governing Board, but shall become effective expressly contingent upon the occurrence of the later of: (a) approval of the IGA/Lease and Campus project by SWIC; (b) ratification of the proposed IGA/Lease and Campus project by the governing bodies of both CCSI and Perandoe; (c) approval of the foregoing amendments to the CCSI IGA by the requisite number of representatives on CCSI's Board of Control; and (d) the procurement by SWIC of all required funding for the Campus Project.

5. CCSI's Director is hereby authorized and directed to undertake all actions necessary, beneficial, and/or otherwise contemplated by these Special Conditions (including the referral of additional resolutions and requests for approvals to the CCSI Governing Board in the future) in order to advance the Campus Project at SWIC.

6. The CCSI Governing Board hereby determines that any and all net proceeds from the sale of real property currently owned by CCSI shall be allocated and used for the furnishing of the new facilities that CCSI will occupy upon completion of the Campus project at SWIC.