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File No.: 19214-120

June 11, 2013

VIA EMAIL

Dr. Grenita Lathan
Superintendent
Peoria Public Schools District 150
3202 N. Wisconsin Ave.
Peoria, IL 61603

VIA EMAIL

Bonnie W. Noble
Executive Director
Peoria Park District
2218 N. Prospect Road
Peoria, IL 61603

VIA EMAIL

Mayor James Ardis
City of Peoria
419 Fulton Street, Room 207L
Peoria, Illinois 61602

Re: Peoria Stadium Site

Ladies and Gentlemen:

We represent Wal-Mart Stores, Inc. ("Walmart"). In that capacity, we are writing to Peoria Public Schools District 150 (the "School District"), the Peoria Park District (the "Park District") and the City of Peoria (the "City") regarding the proposed purchase by Walmart of a portion of Peoria Stadium on War Memorial Drive (the "Stadium Site") for the construction and operation of a Walmart Super Center.

We have reviewed the newspaper article on the front page of the Friday, June 7, 2013 edition of the Journal Star. Walmart fully understands that the School District and the Park District have legitimate individual interests that need to be carefully considered in connection with this transaction. Walmart is committed to working with each of the public bodies to arrive at a mutually beneficial development.

Any proposed transaction will obviously need to consider (i) the Intergovernmental Agreement, dated June 28, 2006, between the School District and Park District, essentially providing the Park District with a long-term lease from the School District ("Park District Lease") covering about 24 acres of the Stadium Site, much of which is included within the area proposed to be acquired by Walmart (the "Park District Leased Premises"); and (ii) a Project Agreement between the Park District and the Illinois Department of Natural Resources ("IDNR"), dated December, 2006, dedicating the Park District Leased Premises as "open space" for about 25 years in exchange for a \$400,000 grant received by the Park District ("Project Agreement"). Based upon a review of the applicable documents and IDNR regulations, we

understand that the Park District Leased Premises can only be converted to a new use during the next approximate 25 years in accordance with IDNR regulations and the Project Agreement, which, among other things, require the securing of replacement open space with equivalent fair market value, having comparable outdoor recreational usefulness, quality and location.

The following is a summary of a proposed transactional structure for consideration by each respective public body that attempts to address each public body's key concerns as we understand them (understanding that much detail needs to be worked out):

1. Intergovernmental Agreement. The School District, Park District and City would enter into an Intergovernmental Agreement pursuant to the Intergovernmental Cooperation Act (5 ILCS 220/5) for the development of the entire 76 acre Stadium Site (the "Intergovernmental Agreement"). The Intergovernmental Agreement would provide, among other things, as follows:

(a) The City would form a Business District covering the entire Stadium Site pursuant to the Business District Development and Redevelopment Act (65 ILCS 5/11 – 74.3 et seq.), pursuant to which, among other things, the parties would develop a master plan for the entire Stadium Site (the "Master Plan").

(b) Consistent with the Master Plan, the Park District and the School District, with the approval of IDNR, would move the Park District Leased Premises (and the uses located thereon) from the present location near War Memorial Drive to an agreed upon location within the Stadium Site closer to Lake Street (and not within the commercial site described in Paragraph 2 below) (the "New Park District Leased Premises"). The same or better improvements would be constructed on the New Park District Leased Premises as determined by the Park District and the School District after consultation with IDNR. We believe that this rearrangement of the open space within the same site will satisfy the letter and spirit of the IDNR regulations and the Project Grant with regard to the conversion of dedicated open space.

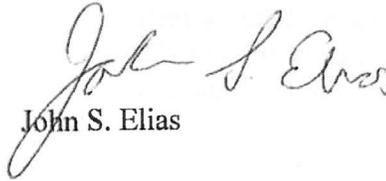
(c) Subject to, and concurrent with, the closing of the sale of an agreed upon commercial site by the City to Walmart (see Paragraph 2 below), in accordance with the Master Plan, the City would purchase from the School District the entire Stadium Site, subject to the Park District Lease. The proceeds of such sale to Walmart would be used first to fund the construction of the necessary improvements on the New Park District Leased Premises within the Stadium Site (consistent with the requirements of IDNR) with the balance of the sale proceeds payable to the School District, as owner of the Stadium Site. The proceeds from the sale of the commercial site to Walmart would be available immediately at the Walmart closing. The proceeds from the sale of the balance of the Stadium Site (to be sold consistent with the Master Plan, and subject to the Park District Lease) would be available to the School District down the road as such parcels were disposed of and developed in accordance with the Master Plan.

2. City/Walmart Purchase/Development Contract. The City and Walmart would enter into a real estate contract and related development agreement and reciprocal easement

agreements containing covenants and conditions mutually acceptable to the parties, but in all events consistent with the Master Plan. The commercial site to be acquired by Walmart would be adjacent to War Memorial Drive and New York Avenue. The development agreement would consider off site and on site infrastructure issues as well as development standards and requirements for the Walmart building and improvements and the outlots. Walmart is committed to working with the City to develop a project that is sensitive to the needs of the City and its residents, and in particular those residents in close proximity to the Stadium Site.

We look forward to working with each of you to bring this project to fruition.

Very truly yours,



John S. Elias

JSE/dd

813-0564

Enclosures

cc: Timothy Cribb
James Cole