



VILLAGE OF ORLAND PARK

SUMMARY OF TERMS AND CONDITIONS

September 13, 2011

Borrower: Village of Orland Park ("Village")

Credit Bank: Fifth Third Bank ("Bank")

Credit Facility: (1) Taxable General Obligation Revolving Line of Credit (RLOC)
(2) Converting to a Term Loan

Amount: Up to \$30,000,000.00

Term: Up to a total of ten (10) years, with
(1) Up to three (3) years
(2) Up to balance of ten (10) years

Purpose: To fund project costs and reserves related to the Main Street Triangle Development Project, located at 143rd Street and LaGrange Road in the Village ("Project")

Security: The Credit Facility shall be a general obligation of the Village, secured by a pledge of its full faith and credit as a Home Rule community.

Pricing: 1) Floating rate of 30-day LIBOR plus 90 bps.
Option available to synthetically fix the rate using an interest rate swap.
2) Floating rate of 30-day LIBOR plus 100 bps.
or
1) Fixed rate of 10-year US Treasury plus 150 bps.

2) Fixed rate of 10-year US Treasury plus 175 bps.

Fees:

Commitment fee of \$50,000.00

- Fee of \$10,000.00 due upon acceptance and signing of this proposal.
- Fee of \$15,000.00 due within one week of signing the RDA.
- Balance of fee of \$25,000.00 due at closing, no later than October 20, 2011.
- If the Village does not sign the RDA, the commitment fee of \$10,000.00 will remain intact, and the balance of \$40,000.00 will be waived.

Undrawn/unused line fees are waived, or zero per annum

Exit fee of \$20,000.00

- Applicable only if the revolving line of credit (RLOC) does not convert to a term loan.

Rate Modifiers:

To the extent the Credit Facility is declared tax-exempt, the pricing (except Undrawn and Commitment fees) will be modified by multiplying by .8.

Ratings Grid:

The above pricing will increase should the Village’s public debt rating decline below AA, as follows:

Lower of Moody’s or S&P rating:	New Floating rate (basis L equals 30 day LIBOR)	New Fixed Rate (basis T equals 10 year Treasury)
AA1/AA+, AA2/AA or AA3/AA-	L + 90 bps.	T + 150 bps.
A1/A+ or A2/A	L + 150 bps.	Add fee of 15 bps.
A3/A-	L + 190 bps.	Add 25 bps. fee to above
Below A3/A-	Default	Default

Amortization:

Interest only for first three (3) years.
Thereafter, amortize over 25 years.

Sinking Fund:

The Village agrees to make monthly deposits into a Bank-controlled sinking fund, based on Projected Annual Debt service.

Covenants:

Ordinary and Customary for this type of transaction.

Expenses: All expenses incurred by the Bank shall be paid by the Borrower, including but not limited to, legal expenses or third party reports. Such expenses shall be paid at closing, or on demand, in the event the transaction fails to close.

Due diligence findings on the developer, conducted by the Bank for the financing, will be shared with the Village.

Representations: The Village shall represent that it has taken all legal action necessary to enter into this agreement, in a form satisfactory to the Bank.

Conditions Precedent: Delivery of all documentation, including legal opinions, in a form satisfactory to the Bank;

Evidence that this Credit Facility is at parity with other Village general obligation debt;

Satisfactory review of the Project budget, contracts, and construction documents, as reasonably requested by the Bank;

Payment of all expenses, including legal fees;

Mutual agreement on recurring non-credit banking services;

Review of other documents the Bank may reasonably request

Reporting: Annual audited financial statements within 180 days of fiscal year-end

Budgets and forecasts, as necessary

Events of Default: Non-payment of principal or interest when due

Downgrade below BBB+ (S&P, Fitch) or Baa1 (Moody's)

Violation of covenants, if not cured in 30 days

Bankruptcy or insolvency

Governing Law: State of Illinois, with waiver of jury trial

This document outlines Terms and Conditions under which the Bank would consider extending credit to the Borrower, and is in no way a commitment to lend. By accepting this term sheet, the Village solicits the Bank to seek a Credit Commitment based on the terms outlined above. Acceptance must be received not later than September 23, 2011, with anticipated closing not later than October 20, 2011.

Accepted by the Village of Orland Park this _____ day of _____, 2011

By: _____

Title: _____

Laura Shallow
Vice President/Senior Relationship Manager
Public Funds Group
Fifth Third Bank