

This Summary of Terms and Conditions is not a commitment or an offer to lend and does not create any obligation on the part of the Bank. The Bank will not be deemed to extend any commitment of the Borrower unless and until a formal commitment letter is issued. This outline is only a brief description of the principal terms of the suggested facility and is intended for discussion purposes only.

Village of Orland Park **SUMMARY OF TERMS AND CONDITIONS**

Revised August 25, 2011

<u>Borrower</u>	Village of Orland Park ("the Village" or the "Borrower")
<u>Bank</u>	PNC Bank, National Association (PNC or "the Bank")
<u>Credit Facility</u>	PNC proposes to provide a 3 year \$30,000,000 Taxable, General Obligation Revolving Line of Credit. Upon expiration of the Revolving Line of Credit, PNC will provide a Taxable, General Obligation Term Loan for the outstanding principal balance up to a maximum loan amount of \$20,000,000.
<u>Maturity</u>	Revolving Line of Credit – 3 years from closing Term Loan – 3, 5, and 7 year options
<u>Purpose</u>	To fund capital expenditures for the construction of a mixed use residential complex as part of the redevelopment of Main Street Triangle.
<u>Collateral</u>	The Revolving Line of Credit and the Term Loan will be taxable general obligations of the Village of Orland Park to the payment of which the Village will pledge its full faith and credit.
<u>Pricing and Amortization</u>	Revolving Line of Credit: 30-day Libor plus 55bps Monthly interest only payments At expiration of the line of credit, a principal balance of up to \$20,000,000 can be refinanced into a Term Loan. Any principal in excess of \$20,000,000 shall be payable at maturity.

Term Loan:

- 3 year term, LIBOR + 95bps
 - Subject to ratings based pricing grid
 - 20 year amortization
- 5 year term, LIBOR + 120bps
 - Subject to ratings based pricing grid
 - 20 year amortization for remaining term
- 7 year term, LIBOR + 150bps
 - Subject to ratings based pricing grid
 - 20 year amortization for remaining term

Level	S&P Rating	Moody's Rating	3 year term pricing	5 year term pricing	7 year term pricing
Current	AA+	Aa2	L + 95 bps	L + 120bps	L + 150 bps
Level 1	A+	A1	L + 105bps	L + 130bps	L + 160bps
Level 2	A-	A3	L + 115bps	L + 140bps	L + 170bps
Level 3	BBB	Baa2	L + 125bps	L + 150bps	L + 180bps

Interest Periods

The Borrower may elect interest periods of one, two or three months during the Term Loan. The Borrower shall notify the bank 3 business days prior to the date on which the borrower requests that any interest period be created or continued. Failure by the Borrower to request a LIBOR interest period shall be deemed to have elected the one month LIBOR period. Customary breakage fees will apply if a prepayment of the Loan is made prior to the end of an interest period.

Interest Rate Protection

The Borrower may, at its option enter into and maintain an interest rate protection agreement (the "Hedge Agreement"), which conforms to ISDA standards and has terms and is with a counterparty satisfactory to the Bank, enabling the Borrower to protect itself against fluctuations in interest rates with respect to all or a portion of the principal amount of Credit Facility. If the Bank is the counterparty to the Hedge Agreement, all obligations of the Borrower to the Bank arising pursuant thereto shall be on parity with existing indebtedness. If the Bank is not the counterparty, such Hedge Agreement shall be unsecured.

Default Rate

3.00% over the effective interest rate.

Covenants

Affirmative and negative covenants, including financial covenants, will be specified by the Bank for inclusion in the Loan Documents. Covenants are expected to include but may not be limited to (a) limitation on the use of proceeds from a liquidation event of the development for use other than paying down bank exposure (b) best efforts issuance of General Obligation Bonds, other legally permissible debt to refinance the debt incurred related to this development, or debt reduction from existing reserves in the agreed upon amounts.

Expenses

All expenses incurred by the Bank shall be paid by the Borrower. These include, but are not limited to, fees and expenses of legal counsel (inside and outside) and any other expenses in connection with documenting, closing, monitoring or enforcing the Credit Facility and shall be payable at closing or otherwise on demand. Payment by Borrower of expenses described above shall not be contingent upon the closing of the Credit Facility. The bank will negotiate a cap on legal fees.

**Representations
And Warranties**

The Borrower shall make representations and warranties standard for this type of transaction, in form and substance satisfactory to the Bank.

Conditions Precedent

Including, but not limited to, the following all of which shall be in form and substance satisfactory to the Bank:

- 1) All documentation relating to the Facility in form and substance satisfactory to the Bank.
- 2) Satisfactory review of other agreements relating to credit facilities.
- 3) Evidence that Facility is on parity with all other general debt obligations.
- 4) Evidence that Borrower is authorized to enter into this transaction.
- 5) No material adverse change in the condition, financial or otherwise, operations, properties, assets or prospects of the Borrower.
- 6) No material threatened or pending litigation against the borrower or additional material contingent obligations of the Borrower.
- 7) Delivery of opinions of counsel.
- 8) Payment of all legal fees.
- 9) Satisfactory review of project budget, contracts and other construction documents as reasonably requested by the bank.

**Conditions Precedent
Prior to Term Loan
Conversion**

- 1) Best efforts issuance of General Obligation Bonds, other legally permissible debt to refinance the debt incurred related to this development, or debt reduction from existing reserves in the agreed upon amounts.
- 2) Minimum S&P rating of A and Moody's rating of A2.
- 3) No event of default.

**Reporting
Requirements**

- 1) Annual audited financial statements for the borrower 210 days after FYE.
- 2) Budgets, forecasts and other items as may be reasonably requested by the Bank which are prepared by the borrower
- 3) Construction reporting as may be reasonably requested by the bank.

Events of Default

- 1) Payment default.
- 2) Breach of Representations or Warranties.
- 3) Violation of covenant(s).
- 4) Bankruptcy, insolvency.
- 5) Cross Default to other indebtedness or any condition which results in the acceleration of other indebtedness of the Borrower.
- 6) Loan documents unenforceable.
- 7) Adverse judgments.
- 7) The borrower would be deemed in default if downgraded below BBB / Baa2.

Other Events of Default as appropriate

Documentation

Loan Documents in form and substance satisfactory to the Bank must be executed and delivered containing representations, warranties, covenants, indemnities, conditions to lending, events of default and other provisions as are appropriate in the Bank's opinion and specified by the Bank.

Ancillary Services

The Borrower will establish and maintain a Purchase Card program with PNC Bank.

Governing Law

Illinois. Consent to Illinois Jurisdiction. Waiver of jury trial.

*Village of Orland Park
Summary of Terms and Conditions*

This document includes a description of the principal terms of the proposal and is subject to a final review of the most recent audited financial statements and successful credit approval. These approvals will be sought upon acceptance of this term sheet.

Acceptance of these terms must be received in writing by September 23, 2011 and a closing on or about November 30, 2011. After such date the Bank reserves the right to withdraw or modify this proposal in any way.

Sincerely,



Barbara Fahnstrom
Vice President
Public Finance

ACCEPTED with the intent to be legally bound hereby:

The Village of Orland Park

By: _____

Title: _____

Date: _____