

Term Sheet

Dick's Sporting Goods / Village of Orland Park

House of Sport

The Village of Orland Park, Illinois (the “**Village**”) and Dick's Sporting Goods (“**DSG**,” and together with the Village, the “**Parties**”), are entering into this Term Sheet on _____, 2025 (the “**Term Sheet**”) and have agreed to the below framework for providing incentives to support the redevelopment of a portion of the former Sears parcel (PIN: 27-10-301-008-0000) (the “**Sears Parcel**”) located in the Orland Square Mall (the “**Center**”).

1. **PROJECT**: DSG intends to redevelop a portion of the Sears Parcel with a Dick's House of Sport, consisting of approximately 90,495 square feet of retail and 28,566 square feet of non-sales uses, which will include some or all of the following: climbing wall, indoor batting cage, golf simulator, yoga classes, juice bar, running track, and an outdoor athletic field area (“**HOS**”). It is anticipated that the lower level of the former Sears store located on the Sears Parcel will at some point be partially or fully occupied by a to-be-determined retail tenant.
2. **REDEVELOPMENT AGREEMENT**: The terms set forth in this Term Sheet represent the Parties' understanding with respect to the framework for the incentives to be provided by the Village and the details of these terms will be further defined in a redevelopment agreement (“**Redevelopment Agreement**”), as authorized by home rule authority and Article VII, Section 10 (A) of the Illinois Constitution. The Parties agree to use good faith efforts to negotiate and execute the Redevelopment Agreement on or before September 15, 2025.
3. **PAYMENTS**:
 - A. The Initial Payment: Prior to or simultaneous with the closing on the purchase of the Sears Parcel from the current owner by DSG, the Village shall make an initial payment (“**Initial Payment**”) to DSG as follows:
 - i. \$6,000,000 for the acquisition of the Sears Parcel; and
 - ii. Up to \$800,000 as reimbursement for acquisition-related, development-related, and incentive-related costs of the HOS, including but not limited to, costs of closing, building shell and construction, exterior improvements, interior renovation, predevelopment, development, design and new construction, professional services, development fees, and marketing and promotional efforts, as evidenced by paid invoices or receipts submitted by DSG to the Village at least 30 days prior to closing (the “**TIF-Eligible Costs**”).

The Village will deposit the Initial Payment into escrow pursuant to an escrow agreement to be established among the Village, DSG, and a mutually-acceptable title company (the “**Escrow**”) prior to or simultaneously with the closing date of the purchase of the Sears Parcel.

The Village will take all necessary steps to fund the Initial Payment using potential funding sources available to the Village, including but not limited to general funds, bond proceeds, or other Village-controlled sources. The Village shall take all necessary actions to fund the Initial Payment by no later than January 31, 2026.

- B. Subsequent Payments: Following the closing on the purchase of the Sears Parcel from the current owner by DSG, the Village shall make subsequent payments (“**Subsequent Payments**”) to DSG from the Escrow to reimburse DSG for additional TIF-Eligible Costs, not to exceed the difference between \$6,800,000 and the amount of the Initial Payment. Requests for Subsequent Payments shall be made no more frequently than monthly, and may continue until a total of \$6,800,000 has been paid.
4. **CONDITIONS:** The funds to be provided to DSG will be conditioned on the following:
- A. DSG opening to the public a Dick’s House of Sport retail sporting goods store, containing no less than 90,495 square feet of retail sales floor, with the elements of an HOS, including some or all of the following: climbing wall, indoor batting cage, golf simulator, yoga classes, juice bar, running track, and an outdoor athletic field area, on the Sears Parcel, for at least one day. It is anticipated that DSG will commence construction of the HOS by May of 2027 and will open in the Spring of 2029, subject to force majeure.
 - B. The Redevelopment Agreement shall not contain the following requirements:
 - i. Minimum expenditure to construct the HOS;
 - ii. Minimum number of construction or permanent jobs created and/or maintained; and
 - iii. Limitation on the ability to challenge Cook County property tax assessments or appeal property taxes, except that if, as a result of such challenge or appeal by DSG, the equalized assessed value of that portion of the Sears Parcel occupied by DSG for retail use (consisting of 90,495 square feet) is reduced below \$80.00 per square foot (the “**Tax Floor**”), subject to a 1% escalation per year, starting in 2027, DSG will pay the difference to the Village via a Payment In Lieu of Taxes. The Village reserves the right to exercise any rights that it may have to

object to or challenge DSG's property tax assessment challenges or property tax appeals.

5. **TAX INCREMENT FINANCING**: The Village may elect to create a Tax Increment Financing District (“TIF”), as authorized under the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et. seq. (“TIF Act”), to recoup, in whole or in part, the Incentive Funds, the boundary of which may include the Sears Parcel.
6. **BUSINESS DISTRICT**: The Village may elect to create a Business District (“BD”), as authorized under the Illinois Business District Development and Redevelopment Law, 65 ILCS 5/11-74.3-1, et. seq. (“BD Law”), to recoup, in whole or in part, the Incentive Funds, the boundary of which may consist of all or part of the Center. DSG consents to the inclusion of the Sears Parcel into a BD, with a business district retailers’ occupation tax and business district service occupation tax not to exceed 1.0%.

[Signatures appear on the following page]

This Term Sheet may be executed in counterparts, which together will constitute one document. Electronic signatures shall have the same legal effect as original signatures.

Village of Orland Park, Illinois

Signature

George Koczwar

Village Manager

DICK'S SPORTING GOODS, INC.

Signature

Print name

Print title