ALA Executive Board Conference Call (5/15/12) - *Vote Tally*

On the May 15, 2012 conference call, the Executive Board took the following action:

On a motion by Jim Neal, seconded by Courtney Young, the Executive Board

Voted to authorize a loan in the amount of $10,100,000 at a rate of 3.47% to consolidate loans. (EBD #4.18)

	Raphael	Sullivan	Stevens	Neal	Ho	Hogan	Matthews	Norton	Porter	Reynolds	Williams	Young
Publishing request to the Executive Board	P	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

Y = Yes, N = No, P = Presiding Officer (does not vote), A = Abstain, NP = Not Present

RESOLUTIONS OF THE EXECUTIVE BOARD OF THE AMERICAN LIBRARY ASSOCIATION

The Executive Board (the "Board") of the American Library Association (the "Borrower") has determined that it is advisable and in the best interest of the Borrower to obtain a loan in the original principal amount of up to Ten Million One Hundred Thousand Dollars ($10,100,000.00) (the "Loan") to (i) refinance costs incurred in connection with the acquisition and renovation of office condominium unit(s) containing approximately 7,635 square feet located in a building constructed at 575 Main Street, Middletown, Connecticut and the leasing of twenty (20) assigned parking spaces located in the parking area next to that building, together with other property functionally related thereto and related costs; (ii) to refinance costs incurred in connection with the acquisition of certain office condominium units containing approximately ten thousand (10,000) square feet located in a building located at 1615 New Hampshire Avenue, N.W., Washington, D.C., together with four (4) assigned parking spaces therein, together with other property functionally related thereto and related costs (collectively, the "D.C. Project"); (iii) finance the termination expense to be incurred in connection with the early termination of an interest rate swap transaction that was entered into in connection with the financing of the D.C. Project; (iv) finance a portion of the cost incurred by the Borrower in the acquisition of substantially all of the assets of Neal Schuman Publishers, Inc.; and (v) finance related transactions costs.

NOW, THEREFORE, BE IT RESOLVED, as follows:

1) The Borrower is hereby authorized to borrow money upon the terms and conditions described in the term sheet from JP Morgan Chase Bank, attached hereto as <u>Exhibit A</u> (the "Loan"), with such modifications and alterations that either of the below-identified Authorized Officers deems necessary or appropriate to consummate the Loan or to otherwise implement and carry out the intent and purpose of these Resolutions.

2) Each of Keith Michael Fields, Executive Director, and Gregory Calloway, Associate Executive Director of Finance (each, an "Authorized Officer"), is hereby authorized, empowered and directed to execute and deliver for and on behalf of the Borrower those documents necessary or desirable to implement the Loan and all other agreements, financing statements and documents that such Authorized Officer deems necessary or appropriate to consummate the Loan, or to otherwise implement and carry out the intent and purpose of these Resolutions (collectively, the "Documents"), including necessary counterparts, in such form as such Authorized Officer, it is sole and absolute discretion, from time to time, deems necessary, desirable, advisable or appropriate and in the best interests of the Borrower, such Authorized Officer's execution of the Documents to constitute conclusive evidence of his approval.

3) Each of the Authorized Officers is hereby authorized and directed to take any action and to execute and deliver any and all documents as may be necessary or desirable to facilitate the purposes of these Resolutions.

4) The provisions of these Resolutions shall be separable, and if any section, phrase or provision of these Resolutions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases or provisions of these Resolutions.

5) These Resolutions shall be effective as of May ___, 2012.

<u>Exhibit A</u>

Commitment

(See Attached)

May 10, 2012

ALA American Library Association

J.P. Morgan

CREDIT FACILITY: TAXABLE TERM LOAN

Taxable Term Loan in the amount of up to $10,100,000

J.P.Morgan

Delivery via Email

May 10, 2012

Gregory Calloway
Associate Executive Director, Finance
American Library Association
50 East Huron Street
Chicago, Illinois 60611-2795
gcalloway@ala.org

Dear Greg:

On behalf of JPMorgan Chase Bank, National Association ("JPMorgan Chase"), we are pleased to propose for discussion indicative terms to American Library Association ("Borrower") in an amount of up to $10,100,000 via a Taxable Term Loan to support the acquisition of Neal-Schuman Publishers, Inc., to refinance the Series 2006 Bonds, refinance a term loan related to a commercial condo office in Middleton, Connecticut, to fund a swap termination payment, and to fund certain costs of issuance.

JPMorgan Chase has been the market leader in providing credit for over 35 years. JPMorgan Chase ranks among the largest providers of credit facilities in the Not for Profit market today. Our deep familiarity with this sector is viewed as a strong benefit by the Not for Profit clients with whom we do business. We believe that our experience in providing credit support, coupled with our long experience in deal execution, will ensure an efficient, cost-effective transaction for American Library Association. Client references are available upon request.

The proposed indicative terms provided here for discussion do not represent an offer or commitment to lend on the part of JPMorgan Chase, and would be subject due diligence, credit analysis and approval, and documentation of detailed terms and conditions satisfactory to JPMorgan Chase. Should any part of this proposal conflict with American Library Association's structuring parameters, we would be happy to discuss mutually acceptable alternatives.

Should you have any questions about any aspect of this proposal, please do not hesitate to contact me at 312-732-6921. Thank you and we look forward to working with American Library Association and its financing team.

Yours sincerely,

Laura Mishlove
Relationship Manager

CC: David Chan
Julie Seymour

American Library Association

Taxable Term Loan

Summary of Terms and Conditions

May 10, 2012

This Summary of Terms and Conditions (the "Term Sheet") is confidential and is intended as a statement of indicative terms only, and is provided to facilitate additional discussion. It is a proposal only and not a commitment by JPMorgan Chase Bank, N.A. (the "Bank") to provide financing, liquidity support or credit enhancement. *The Bank shall not have any commitment or obligation hereunder unless and until it executes a commitment letter or a definitive loan agreement.* The pricing and terms included in this Term Sheet are based on market conditions on the date hereof and are subject to change.

Borrower:	American Library Association (the "Borrower")
Lender:	JPMorgan Chase Bank, N.A. ("JPMorgan Chase" or the "Bank"). Please refer to Exhibit I for information on JPMorgan Chase Bank, N.A.
Facility:	Term Loan ("Facility").
Facility Amount:	Up to $10,100,000
Purpose:	The proceeds of the Facility shall be used to support the acquisition of Neal-Schuman Publishers, Inc., to refinance the Series 2006 Bonds, refinance a term loan related to a commercial condo office in Middleton, Connecticut, to fund a swap termination payment, and to fund certain costs of issuance.
Stated Expiration Date:	The Facility shall have a Stated Expiration Date of as set forth in Exhibit II.
Interest Rates and Fees:	Please see Exhibit II for interest rates and fees for the Facility.
Indicative Pricing Perishability:	Rates and fees on Exhibit II are indicative as of May 10, 2012, are subject to market conditions at all times until Bank shall commit in writing. This term sheet shall expire on May 24, 2012 unless accepted prior to that date by Borrower.
Prepayment:	Prepayment of any principal amounts accruing interest at a fixed rate will be subject to a make whole provision.
Amortization:	Annual principal payments plus accrued interest beginning the first year after closing over a period as set forth in Exhibit II. Interest is paid monthly based on the fixed rate option.

Security: The Facility will be a senior parity obligation of the Borrower with other creditors, both present and future. The obligation of the Borrower under the Facility will be evidenced by a promissory note of the Borrower. The obligation must be an accelerable instrument. The Facility will be unsecured and the Borrower will not create or suffer to exist any pledge, mortgage, security interest or other lien on any of its assets subject to customary carve outs for equipment leases.

Conditions Precedent: Usual and customary conditions for like situated borrowers and the Facility's type and tenor, to issuance of the Facility (including absence of default or unmatured default, absence of material litigation and lack of material adverse change from the Borrower's financial condition and operations as reflected in the financial statements of the Borrower as of August 31, 2011. Additional conditions precedent to the issuance of the Facility will include:

1. The Bank not becoming aware of any information affecting either the Borrower or this transaction which is inconsistent in a material manner with what has been previously disclosed to the Bank and such information is true and correct in all material respects.

2. The absence of any situation occurring which would, in the opinion of the Bank, materially adversely affect the Borrower or this transaction.

3. The Borrower currently maintains all necessary approvals, orders, authorizations, consents, licenses, certificates and permits from all applicable governmental authorities, which are or may be required to operate its facilities.

4. The Borrower shall have delivered other customary closing documentation, including, without limitation, legal opinions of counsel to the borrower, acceptable to the Bank.

5. The Borrower shall have delivered a Promissory Note securing the Borrower's obligations under the Facility, and an opinion of Borrower's Counsel as to the execution and delivery of the Promissory Note, and all other loan documents, each in form and substance acceptable to the Bank.

6. The Borrower shall not have a perfected first priority lien with any other creditor.

7. Provide certain reports related to the acquisition which include but not limited to the Purchase Agreement, valuation report(s), and financial information of the target company.

Representations and Warranties: Usual representations and warranties for like situated borrowers and the Facility's type and tenor, including, without limitation, absence of material adverse change, absence of material litigation, absence of default or potential default and continued accuracy of representations.

Covenants:

The facility will contain customary affirmative covenants including, without limitation, delivery of financial statements, reports, accountants' letters, projections, officers' certificates and other information requested by the Bank; payment of other obligations; continuation of business and maintenance of existence and material rights and privileges; compliance with laws and material contractual obligations; maintenance of property and insurance; maintenance of books and records; right of the Bank to inspect property and books and records; notices of defaults, litigation and other material events; and compliance with environmental laws.

The Facility will also contain customary negative covenants, including, without limitation, restrictions on the following: liens and encumbrances; indebtedness and guarantees with customary carve-outs for a line of credit, equipment leases, endorsements in the ordinary course; sale and transfer of assets; consolidations and mergers; investments, loans and advances with customary carve-outs; capital expenditures with customary carve-outs; operating leases; transactions with affiliates; changes in line of business; prepayment of other debt.

Financial Covenants:

The Bank will also require the following covenants:

1. Unrestricted Cash and Liquid Investments to Funded Debt ratio, reported quarterly, of at least 150%. If at the reported date the Unrestricted Cash and Liquid Investments to Funded Debt Ratio falls below 150%, then the financial covenant set forth in paragraph 2 of this section (regarding Annual Debt Service – based Debt Service Coverage) will be included. At no time will the Unrestricted Cash and Liquid Investments to Funded Debt ratio be below 110%.

2. Annual Debt Service-based Debt Service Coverage ratio calculated on a rolling twelve month basis and reported quarterly of at least 1.00 to 1.00.

3. Any financial covenant whether existing or so negotiated with any other creditor during the term of the Facility shall also be deemed incorporated into the Facility, with survivability, and shall be governed by all such rights and remedies.

Reporting Covenants:

Unless otherwise requested, the Borrower will provide the following items in an electronic format acceptable to the Bank.

1. Annual, audited, consolidated and consolidating financial statements of the Borrower within 150 days of the fiscal year end

2. Quarterly, unaudited, Borrower-prepared, consolidated and consolidating financial statements of the Borrower within 60 days of each of the first three fiscal quarters.

3. Together with the above financial statements, the Borrower will provide a no-default and covenant compliance certificate signed by an Authorized Officer of the Borrower and to his/her knowledge.

4. Additional information as reasonably requested by the Bank.

Events of Default: The Events of Default will be those usual and customary for like situated borrowers and the Facility's type and tenor, including, without limitation, failure to pay principal, interest, and other facility obligations when due; failure of representations and warranties; breach of covenants in facility loan documents; failure to pay judgments when due; commencement bankruptcy, or similar proceeding or act of insolvency; compromise of guaranty, collateral or other credit support; material defaults related to employee benefit plans; merger, dissolution or similar corporate event; and cross-default to payment and terms of other obligations.

Participations: The Bank may, in its sole discretion, sell participations in the Facility and share, at its option, any fees with such participants at any time after the close of the Facility. The Borrower agrees that the Bank, may at any time sell, assign or transfer one or more interests or participations in all or any part of its rights and obligations in the facilities described in this letter to one or more purchasers whether or not related to the Bank, at any time after the close of the Facility. The Borrower agrees that the Bank may provide any information or knowledge the Bank may have about the Borrower or about any matter relating to the facilities described in this Term Sheet to any one or more purchasers, potential purchasers, participants or assignees of facilities described in this letter, at any time after the close of the Facility.

Governing Law: All aspects of the credit(s) being discussed including this Term Sheet and any loan documents would be governed by the laws of the State of Illinois.

Legal Counsel: JPMorgan Chase will engage Ungaretti and Harris as the Bank's legal counsel. Julie Seymour will be acting in the capacity of lead attorney representing the Bank. The Bank will agree to cap such expenses at $15,000, plus disbursements, based on the scope of the financing as presented.

Julie Seymour
Ungaretti and Harris, LLP
Phone - 312-977-4353
Fax – 312-977-4405
JSeymour@jhlaw.com

Expenses: Provided the Bank issues a commitment consistent with the terms of the term sheet, legal expenses of the Bank plus costs and expenses and other documentation fees incurred as a direct or indirect result of the preparation and review of the loan documents, will be reimbursed by the Borrower whether or not the loan closes.

Expected Timing of Bank Credit Decision: Satisfactory due diligence, in the Bank's sole discretion, consists of, but may not be limited to, a full review of requested financial statements and financing documents and discussions with management.

Should the Borrower request financing substantially on the terms outlined herein, Bank's credit decision would be made within approximately two weeks after such request and completion of due diligence.

Any offer or commitment, if and when made, will be in a separate writing so stating, following credit decision by Bank. No offer or commitment should be implied or relied upon prior to the Bank's issuance of an express written commitment.

Yield Protection: The Borrower will be required to reimburse the Bank for any increased costs in the issuance or maintenance of the Facility imposed by a change in any law, rule, or regulation affecting the Bank's commitment or its ability to act in accordance with such commitment of general applicability uniformly applied to similarly situated customers of the Bank.

Information Sharing:	The Borrower agrees that the Bank may provide any information or knowledge the Bank may have about the Borrower or about any matter relating to the facilities described in this Term Sheet to JPMorgan Chase & Co., or any of its subsidiaries or affiliates or their successors.
Confidentiality Statement:	The terms of this Term Sheet are for Borrower's confidential use and may not be disclosed by it to any other person other than its employees, attorneys, board members and financial advisors (but not other commercial lenders), and then only in connection with the transactions being discussed and on a confidential basis, except where disclosure is required by law, or where the Bank consents to the proposed disclosure. The Bank may, from time to time, be providing debt financing, equity capital or other services (including financial advisory services) to other companies in respect of which the Borrower may have conflicting interests regarding the transaction described herein and otherwise. The Bank confirms that it will not use confidential information obtained from the Borrower by virtue of the potential transaction contemplated by this commitment or our other relationships with the Borrower in connection with the performance by Bank of such services for other companies. The Bank will not use in connection with the potential transaction contemplated by this commitment, or furnish to you, confidential information obtained from other companies.

* * *

This Term Sheet is intended as an outline only and does not purport to summarize all the conditions, covenants, representations, warranties and other provisions which would be contained in definitive legal documentation for the financing contemplated hereby.

Exhibit I

INFORMATION ON JPMORGAN CHASE

Bank's Credit Ratings:

Public Ratings for JPMorgan Chase Bank, N.A.

	S&P	Moody's	Fitch
Long Term Ratings:	A+	Aa1	AA-
Short Term Ratings:	A-1	P-1	F1+
Outlook:	Stable	Negative	Stable

*All three rating agencies upgraded JPMorgan ratings during February and March 2007. Standard and Poor's subsequently downgraded the Bank's Long Term Rating while maintaining the negative outlook on December 19, 2008. On February 25, 2011, S&P changed its outlook from negative to stable. Moody's downgraded the Bank's Long Term Rating from Aaa on January 15, 2009 and changed the outlook from Stable on March 4, 2009. On November 29, 2011, S&P downgraded the Bank's Long Term Rating from AA-, Short Term Rating from A-1+, and changed its outlook to stable.

Annual Report: The Bank's most recent annual report can be accessed via the following website:

http://www.jpmorgan.com

Bank Contacts:

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10 South Dearborn
Chicago, Illinois 60603
(Work) 312-732-6921
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Exhibit II
Pricing and Other Fee Information

Interest and Facility Fees [1/4]

Tenor	Interest Rate[3]	Upfront Fee[4]	Amortization[5]
7-years	Fixed Rate[2] 3.47%	N/A	7-years

1. All interest, principal, and fee payments will be paid via direct debit from a Chase account.
2. Fixed rates are available and will be based on current market conditions. The proposed rates are based on a 7-year tenor and custom amortization. Interest Rates are based on a 360-day year and are quoted on a per annum basis. Based on current rates, the following indicative Fixed Rate (as of May 9, 2012) is available and subject to change daily. Upon the signing of a commitment letter, the fixed rate may be locked.

   Upon the occurrence of any default under any note between Borrower and Bank, whether or not Bank elects to accelerate the maturity of Borrower's obligations, interest would be computed at the Default Rate.

3. Pricing shall be subject to a grid based on the Borrower's unrestricted cash and investment to funded debt ratio as follows:

	Unrestricted C&I/FD	Fixed Rate Interest
Level 1	>= 1.50x	closing interest rate
Level 2	<1.50x and >= 1.10x	*

*If Level 2, add 20 bps to closing interest rate or closing spread rate.

4. There is no upfront fee for this facility.
5. Amortization is based on $10.1MM Term Loan:

In $	
Year 1	647,500
Year 2	647,500
Year 3	647,500
Year 4	1,147,500
Year 5	1,147,500
Year 6	1,147,500
Year 7	4,715,000
Total	$ 10,100,000

Default Rate = Base Rate* + 4.00%

*Base Rate is defined as the higher of (i) JPMorgan Chase Bank's Prime Rate and (ii) the one month LIBOR Rate plus 2.50%.
LIBOR Rate for the relevant Interest Period shall be defined as the quotient of (a) the LIBOR Rate applicable to such Interest Period, divided by (b) one minus the Reserve Requirement (expressed as a decimal) applicable to such Interest Period.