

Prepared By And After Recording Mail  
To:

Howard J. Kirschbaum  
Barack Ferrazzano Kirschbaum Perlman  
& Nagelberg  
333 West Wacker Drive, Suite 2700  
Chicago, Illinois 60606



Eugene "Gene" Moore Fee: \$54.00  
Cook County Recorder of Deeds  
Date: 04/24/2003 09:10 AM Pg: 1 of 16

For Recorder's Office Use Only

**FIRST AMENDMENT TO SUBORDINATION,  
NON-DISTURBANCE AND ATTORNMENT AGREEMENT**

THIS FIRST AMENDMENT TO SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT (this "First Amendment") made the 10th day of January, 2003, by and between FIRST BANK AND TRUST COMPANY OF ILLINOIS, an Illinois banking corporation (the "Bank"), and the CITY OF PROSPECT HEIGHTS, ILLINOIS, An Illinois municipal corporation, with city offices at 14 East Camp McDonald Road, Prospect Heights, Illinois 60070 (the "City").

**RECITALS**

A. The City desires the Bank to execute and deliver a loan commitment dated November 15, 2002, between the Bank and Prospect Development II, Inc., a Delaware corporation and Prospect Development II Land, LLC (collectively, together with certain affiliates, "Borrower") relating to certain financing and re-financing (collectively, the "New Loan") to be provided by the Bank to Borrower as more specifically set forth in said commitment (the "Commitment"). A copy of the Commitment is attached as Exhibit A hereto.

B. The parties hereby acknowledges that (a) the City is the ground lessee of a certain "Leased Parcel" (as defined in the Commitment) from First Bank and Trust Company of Illinois, not personally, but as Trustee ("Fee Owner Trustee") under Trust Agreement dated June 30, 1999 and known as Trust No. 10-2286 ("Fee Owner"), as ground lessor, pursuant to a certain ground lease dated as of July 23, 1999 (as same may be amended or modified from time to time, the "Ground Lease"), (b) the City is the sublessor of the Leased Parcel to First Bank and Trust Company of Illinois, not personally, but as Trustee under Trust Agreement dated July 14, 1999 and known as

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Trust No. 10-2313, as sublessee, pursuant to a certain sublease dated as of July 23, 1999 (as same may be amended or modified from time to time, the "Sublease"), (c) Fee Owner executed and delivered to the Bank a certain first mortgage on the fee interest in the Leased Parcel ("Existing Mortgage"), and (d) in connection with said Existing Mortgage, the Bank and the City entered into a certain subordination, non-disturbance and attornment agreement dated July 23, 1999 ("SNDA") which was recorded in Cook County, Illinois as document 99712339.

C. In connection with the closing of the New Loan, it is contemplated that the Fee Owner will convey to the City the "Two Acre Parcel" (as defined in the Commitment), which Two Acre Parcel is depicted on Exhibit A attached to the Commitment and is part of the Leased Parcel described therein.

D. As a condition to the execution and delivery of the Commitment, the Bank is requiring the execution and delivery of this First Amendment.

**NOW, THEREFORE**, in consideration of the mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged, the parties agree as follows:

**Section 1.** The SNDA shall be deemed terminated as of the date ("Termination Date") that is the earlier of the closing of the New Loan and March 31, 2003, unless the New Loan fails to close: (x) in whole or in part, as a result of a default by the Bank under the Commitment; or (y) after: (i) closing of the issuance by the City of \$43,000,000 or more of tax increment financing bonds and the deposit, on or before March 31, 2003, of \$43,000,000 or more of the proceeds thereof with LaSalle Bank or some other financial institution located in the U.S.A.; and (ii) the deposit on or before March 31, 2003 of all additional equity required under the Commitment in a financial institution located in the U.S.A., solely on account of either or both of the following:

- (a) an environmental condition existing as of the date hereof which is known to the Bank as of the date hereof or disclosed by written reports actually furnished to Bank prior to the date hereof;
- (b) easements, covenants, conditions or restrictions (other than the Ground Lease, the Sublease or SNDA) or similar encumbrances existing as of the date hereof or matters disclosed by a survey previously delivered to Bank (the circumstances specified in (x) and (y) above being collectively described as the "Bank Default or Condition Failure").

In connection with such termination, upon request by the Bank, the City shall execute and deliver to the Bank a termination of the SNDA, which termination shall be effective as of the Termination Date, shall be in recordable form, shall be subsequently signed by the Bank in its capacity as Fee Owner Trustee and as the Bank and shall be recorded in Cook County, Illinois.

**Section 2.** Notwithstanding anything contained herein or in any of the loan documents evidencing and securing the Existing Loan (as defined in the Commitment) (the "Existing Loan Documents") or in the SNDA, and regardless of whether the New Loan closes (unless the New Loan

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fails to close on account of the Bank Default or Condition Failure), the City hereby agrees that, as of the Termination Date, the Ground Lease shall become subordinate and junior in all respects to the Existing Loan and the lien of the Existing Mortgage, it being understood that the Bank shall have the right to foreclose the Existing Mortgage and terminate the Ground Lease and the Sublease in the event that there is a default, beyond all applicable cure periods, under the Existing Loan Documents.

**Section 3.** Notwithstanding anything to the contrary contained herein, promptly following the written request of Borrower from and after the execution and delivery by the City to the Bank of the termination of the SNDA referred to in Section 1 hereof, the Bank shall consent in writing to the conveyance of the Two Acre Parcel by the Fee Owner to the City and, upon the consummation of such conveyance, the Bank shall execute a partial release releasing such Two Acre Parcel from the lien of the Existing Mortgage; provided, however, that the Bank shall have no obligation to consent to such conveyance or grant such partial release unless and until each of the guarantors under the personal guarantees of the loan secured by the Existing Mortgage shall have executed and delivered to the Bank a document in form and content satisfactory to the Bank in which such guarantors consent to such conveyance and partial release, and acknowledge that the consent of the Bank to such conveyance and the Bank's granting of such partial release shall not modify, limit, impair or otherwise adversely affect in any respect any of their respective obligations under such personal guarantees. In the event that such conveyance by the Fee Owner has not occurred for any reason and the Bank acquires title to all or any portion of the property encumbered by the Existing Mortgage that includes the Two Acre Parcel pursuant to foreclosure of the Existing Mortgage or a deed in lieu of foreclosure, the Bank shall promptly thereafter convey to the City the Two Acre Parcel by quit-claim deed, without further consideration, but at the cost and expense of the City. In the event that such conveyance by the Fee Owner has not occurred for any reason and a third party acquires all or any portion of the property encumbered by the Existing Mortgage that includes the Two Acre Parcel at a foreclosure sale held pursuant to a foreclosure of the Existing Mortgage or by any transaction in lieu of foreclosure, such third party shall acquire title to the Two Acre Parcel subject to the right of the City to obtain title thereto by quit-claim deed, without further consideration, but at the cost and expense of the City, which right shall be specifically enforceable against such third party by the City.

**Section 4.** Notwithstanding anything to the contrary contained herein, the Fee Owner or the Bank may, at any time, relocate the City from the Two Acre Parcel to another parcel of similar size and utility within the Leased Parcel (the "Alternative Parcel"), provided that (i) the Alternative Parcel is reasonably acceptable to the City, (ii) the Alternative Parcel is improved, at the expense of the Fee Owner or the Bank, as the case may be, with improvements similar to those then located on the Two Acre Parcel reasonably acceptable to the City, and (iii) the Fee Owner or the Bank, as the case may be, pays or reimburses all of the City's reasonable out-of-pocket costs of relocating to the Alternative Parcel. In the event that the Fee Owner or the Bank, as the case may be, elects to relocate the City to an Alternative Parcel in accordance with the foregoing provisions, then the City shall reconvey the same by quit-claim deed to the Fee Owner or the Bank, as the case may be, and the Fee Owner or the Bank, as the case may be, shall convey the Alternative Parcel to the City.

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**Section 5.** The documents evidencing and securing the New Loan (the “New Loan Documents”) shall include a subordination agreement between the Bank and the City which subordination agreement shall provide that the Ground Lease is and at all times shall be subordinate and junior in all respects to the New Loan and the lien of the Bank’s mortgage(s) (whether fee or leasehold or both) on the Leased Parcel in connection with said New Loan, it being understood that the Bank shall have the right to foreclose its mortgage(s) and terminate the Ground Lease and the Sublease in the event that there is a default, beyond all applicable cure periods, under the New Loan Documents.

**Section 6.** Concurrently with the City’s delivery of this letter, it shall cause to be delivered to the Bank an opinion of Schiff Hardin & Waite, counsel to the City, opining that this First Amendment has been duly authorized, executed and delivered by the City and is enforceable against the City in accordance with its terms and otherwise in the form attached hereto as Exhibit B.

**Section 7.** This First Amendment shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. This First Amendment may not be modified orally or in any other manner than by an agreement in writing signed by the parties hereto or their respective successors in interest. Except as modified by this First Amendment, the SNDA remains in full force and effect.


**IN WITNESS WHEREOF**, each party hereto has executed and sealed this First Amendment or caused it to be executed and sealed on its behalf by its duly authorized representatives, on the day and year first above written.

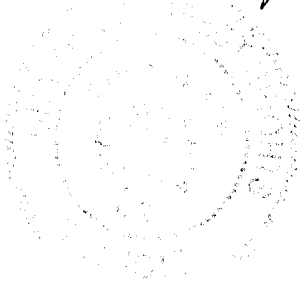
**CITY OF PROSPECT HEIGHTS,**  
an Illinois municipal corporation

**FIRST BANK AND TRUST COMPANY OF  
ILLINOIS**

By:   
Edward P. Rotchford, Mayor

By: 

Attest:   
Carol Jung, Acting City Clerk



0030100123

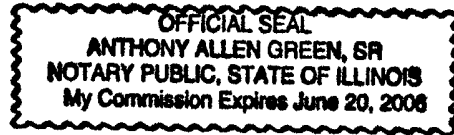
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STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF COOK )

I, Anthony Allen Green, Sr., a Notary Public in and for the county and state aforesaid, DO HEREBY CERTIFY that Rich Schuler, the President of FIRST BANK AND TRUST COMPANY OF ILLINOIS, an Illinois state banking corporation, appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument as his own free and voluntary act and as such President, and as the free and voluntary act of said banking corporation, for the uses and purposes therein set forth.

Given under my hand and notarial seal, this 20<sup>th</sup> day of JANUARY, 2002

Anthony Allen Green, Sr.  
Notary Public

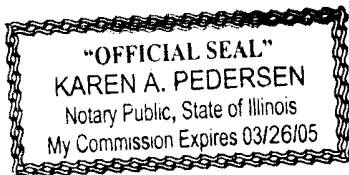


STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF COOK )

I, Karen A. Pedersen, a Notary Public in and for the county and state aforesaid, DO HEREBY CERTIFY that Edward P. Rotchford, Mayor, and Carol Jung, Acting City Clerk of the CITY OF PROSPECT HEIGHTS, ILLINOIS, an Illinois municipal corporation, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Mayor and City Clerk, respectively, appeared before me this day in person and acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act and as such Mayor and City Clerk, respectively, and as the free and voluntary act of said municipal corporation for the uses and purposes therein set forth.

Given under my hand and notarial seal, this 5<sup>th</sup> day of Dec., 2002.

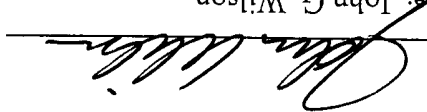
Karen A. Pedersen  
Notary Public



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Name: John G. Wilson

By: 

Prospect Land Acquisition, L.L.C. and Prospect Development, L.L.C., as beneficiary of Fee Owner ("Fee Owner Beneficiary"), hereby consents to the execution and delivery of the termination of the SNDA by the Bank in its capacity as Fee Owner Trustee pursuant to Section 1 of the foregoing Amendment, and Fee Owner Beneficiaries' signature hereon shall constitute direction to the Bank in its capacity as Fee Owner Trustee to so execute and deliver such termination of the SNDA.

CONSENT



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The Loan shall mature two (2) years from its funding. At maturity, any and all outstanding balances shall be due and payable in full. Borrower shall have two (2) options to extend the Loan each for a six (6)-month period, provided that the Loan is not in default at the time and provided that all construction of the Project shall have been completed substantially in accordance with the plans and specifications theretofore and otherwise in accordance with the loan documents; in connection with each extension option, Borrower shall pay a fee of 1% of the amount of the Loan that is outstanding at the time of exercise of the applicable option, which fee(s) shall be payable upon the earlier of original maturity or prepayment of the Loan.

### Maturity and Extension:

Construction of an Arena and Parking Facility (the "Project") on the improved property in Prospect Heights, Illinois (other than the Palwaukee Center Property and the Two Acre Parcel, each as defined below) encumbered by the existing loans (the "Existing Loans") from the Bank to Borrower (such improved property other than the Two Acre Parcel being referred to herein collectively as the "Property").

### Purpose:

### Amount:

\$22,500,000.00 construction loan.

### Borrower:

Prospect Development II, Inc., Prospect Development II Land, LLC, Land Trust No. 10-2313 and Land Trust No. 10-2286.

### Conditions:

First Bank and Trust Company of Illinois (the "Bank") is pleased to commit to lend \$22,500,000 (the "Loan") to the Borrower specified below on the following terms and conditions:

### Gentlemen:

Mr. John G. Wilson  
 Prospect Development LLC  
 33 East Palatine Road, Suite 200  
 Prospect Heights, Illinois 60010

November 15, 2002

First Bank and Trust Company of Illinois  
 300 East Northwest Highway  
 Palatine, Illinois 60067

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The Bank will receive a first mortgage on the Property, including, without limitation, the fee interest and the sub-leasehold estate in the portion of the Property which is subject to a ground lease (the "Leased Parcel") and all improvements located thereon from time to time, and a collateral assignment of the beneficial interests in the land trusts included in Borrower, provided, however, that such mortgage shall be subordinate to required payments of real estate taxes thereon during the term of the Loan pursuant to an agreement with the Bond (defined below) trustee, which agreement provides that, in the event of a default in the payment of such taxes, which default is not cured within 60 days after written notice thereof to the Bank (the "Tax Default Notice"), (a) the Bank agrees that it will proceed to foreclose its mortgage on the Property and amounts realized by the Bank in respect of the Loan following receipt of the Tax Default Notice shall be applied to the payment of such taxes until the same have been paid in full and (b) in the event that the Bank does not use its best efforts to foreclose its mortgage on the Property, the holders of the Bonds shall have the right, in addition to any other rights at law or in equity, to have the Bond trustee be appointed as the Bank's agent in connection with a foreclosure of such mortgage and to have such taxes paid. The ground lease covering the

Collateral:

(i) A 2.00% Loan Origination Fee will be due and payable on the earlier of maturity (as extended, if applicable) or prepayment of the Loan; and (ii) a 2.00% Exit Fee will be due and payable on the earlier of maturity (as extended, if applicable) or prepayment of the Loan, with a pro-rata portion of such Exit Fee being due and payable upon any partial prepayment. In addition, Borrower shall be responsible for paying at closing the Bank's legal fees and other expenses incurred in connection with this transaction.

Fees:

Interest shall accrue at the greater of (a) the Prime rate established by the Bank plus two percent per annum and (b) nine percent (9%) per annum. Interest shall be paid at the Prime rate established by the Bank plus two percent (2%) per annum (but in no event shall interest be paid at a rate that is less than six and three-quarters percent (6.75%) per annum). The difference between the interest accrued and the interest paid shall not itself bear interest. Interest shall be due and payable at the beginning of each calendar month during the term of the Loan.

Interest Rate; Repayment:



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Except for the employee compensation as provided for in the Budget and except for the \$3,000,000 to be distributed to Prospect Development, LLC pursuant to the terms of the Section 351 Exchange Agreement by and among Prospect Development II, Inc., Prospect Development, LLC and Club Insurance Company, no distributions shall be made by Borrower to any members, beneficiaries, shareholders, owner or affiliates until the Loan is repaid in full, provided that: (x) the "First Incentive Fee" and "Second Incentive Fee" referred to in the Volume Services America ("VSA") Management Agreement may be paid to VSA; and (y) an amount equal to

Financial Covenants:

The Loan will be subject to documentation drawn in form and substance acceptable to the Bank in its sole discretion. Borrower will be responsible for the Bank's legal and other costs relating to such documentation.

Documentation:

Overall Project Budget: of \$76,000,000. That Overall Project Budget, in the form attached hereto as Exhibit B, (the "Budget") has been approved by Bank.

Project Budget:

Borrower will provide financial statements to the Bank at least quarterly during the time that this proposal is outstanding.

Financial Statements:

Leased Parcel (the "Ground Lease") shall be subordinate in all respects to the Bank's mortgage, provided that the Bank will not terminate the Ground Lease in connection with a foreclosure of its mortgage unless there is a default under the loan documents that has not been cured within all applicable cure periods set forth therein. The Bank will also receive a first priority security interest in all other currently existing collateral for the Existing Loans, if any, including securities, if any, and money market accounts, if any; provided that Borrower has advised Bank that there is no such other collateral existing as of the date hereof and if true, this sentence will be deemed for all purposes deleted from this Commitment. At closing, Borrower shall convey to the City of Prospect Heights (the "City") a certain two (2)-acre parcel of the property secured by the Existing Loans (the "Two Acre Parcel"), which Two Acre Parcel is depicted on Exhibit A attached hereto; in connection therewith, at closing, the Bank shall execute a partial release releasing such Two Acre Parcel from the lien of the mortgage securing the Existing Loans.

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Property (but not the Palwaukee Center Property under the this subparagraph, the Bank will release its lien on the following payment of the amount due under clause (i) of due under the Existing Loans from such sale proceeds; and 2002; the Borrower must repay \$3,500,000 of the amounts and in any event must be sold not later than December 31, use best efforts to conclude as soon as reasonably practicable ("Palwaukee Center Property") (which the Borrower shall (ii) upon the sale of the Palwaukee Center property indirectly) such Bond proceeds and/or additional equity, and amounts due under the Existing Loans from (directly or Bond proceeds, the Borrower must repay \$17,000,000 of the • (i) By the earlier of ~~December 23, 2002~~ receipt of such

*January 24, 2003*  
*ES*

trade fixtures and equipment for the Project. budgeted costs of, and secured by a first lien on furnishings, contributed by VSA, and which shall be expended on Management Agreement in the form and substance previously reviewed by the Bank, which is expected to be VSA to contribute such \$3,000,000 pursuant to the to have a material adverse effect on VSA) commitment of under the Management Agreement which is reasonably likely unconditional (except in the event of a default by Borrower received a \$3,000,000 additional contribution (or the any Bank funding under the Loan, Borrower must have Project prior to the initial disbursement of the Loan. Prior to expended in accordance with the Budget on the costs of the Bond trustee or another bank acceptable to the Bank and deposited and maintained in an account with the Bank, the Project) in additional equity contributions, which shall be and (ii) \$7,000,000 (or more if required by the budget for the expended at the times and for the purposes set forth below; (the "Bonds") relating to the Project, which shall be (i) \$43,000,000 in proceeds from the sale of municipal bonds • By ~~December 23, 2002~~ the Borrower must have received:

*January 24, 2003*  
*ES*

fulfilled at Borrower's sole cost and expense. Each of the following additional conditions shall have been

Other Conditions:

such First Incentive Fee and Second Incentive Fee may be paid to an affiliate of Borrower if and only if: (i) there is no default or breach under the Loan; (ii) such amounts are paid from operating revenues of the Project; and (iii) the amounts specified in (x) above are required to be paid under the Management Agreement.

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• Following any application of the proceeds of the Bonds received by the Borrowers and/or their affiliates to repayment of the Existing Loans as aforesaid, the balance of such proceeds shall be expended, and until so expended shall be held by the Bond trustee, and expended as provided in the Indenture. Borrowers will apply amounts that shall be withdrawn by it from the Project Costs Account under the Indenture on budgeted costs of the Project as follows: (i) not less than \$2,000,000, shall be withdrawn from the Project Cost Account and expended on TIF-eligible budgeted costs of the Project, prior to the initial disbursement of the Loan; and (ii) remaining monies in the Project Cost Account shall be used to pay TIF-eligible costs of the Project specified in the Budget and the Borrower shall apply such monies to pay such costs in lieu of using Loan proceeds therefore. Notwithstanding anything to the contrary contained herein, the Bank shall have no obligation to fund any amount under the Loan at any time that the Loan is "out of balance."

mortgage securing the Existing Loans) and thereupon: (x) the remaining indebtedness outstanding under the Existing Loans shall be deemed to be only \$3,500,000; and (y) the personal guarantees relating to the Existing Loan shall apply only to such \$3,500,000 balance, plus all costs of collection related thereto incurred after ~~December 31, 2002~~ if such \$3,500,000 is not paid in full on or before ~~December 31, 2002~~ (collectively, the "Additional Costs"). The Existing Loan shall be satisfied and all notes and guarantees with respect to the Existing Loan shall be released upon payment in accordance with (i) above of the \$17,000,000 specified in (i) above, together with such \$3,500,000, plus all Additional Costs, if applicable. If, for any reason, \$3,500,000 of sale proceeds ("Palwaukee Proceeds") from the Palwaukee Center Property are not paid to Bank as repayment of a portion of the Existing Loan, then the difference (the "Palwaukee Shortfall") between \$3,500,000 and the amount of the Palwaukee Proceeds paid to Bank in repayment of the Existing Loan must be paid to Bank by Borrower before any disbursement by Bank under the Loan. Notwithstanding anything to the contrary contained herein, there shall be no funding of the Loan until \$17,000,000 of the amounts due under the Existing Loans has been repaid as provided in clause (i) of this subparagraph.

CF  
 January  
 24, 2003

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• All real estate taxes and assessments then due and payable with respect to the Property, the Two-Acre Parcel, and/or the Palwaukee Center Property (including related interest, penalties and other amounts) shall have been paid in full, and the Bank shall have been furnished with evidence of such payment satisfactory to the Bank.

• There shall have been delivered to the Bank evidence that a title company ("Title Company") satisfactory to the Bank is prepared to issue to the Bank an ALTA Loan Policy ("Title Policy") satisfactory to the Bank in the full amount of the Loan (a) naming the Bank as the insured party, (b) naming Borrower as the owner and holder of a sub-leasehold estate in the Leased Parcel and fee simple title to the balance of the Project, other than the Leased Parcel, (c) naming an entity controlling, controlled by or under common control with Borrower as the owner and holder of fee simple title to the Leased Parcel, and (d) insuring the lien of the mortgage granted to the Bank as a first and prior lien upon the Project (including, without limitation, the fee interest in the Leased Parcel), subject to no exceptions other than exceptions approved by the Bank or provided for herein. The Title Policy shall include endorsements satisfactory to the Bank, including, without limitation, (i) an ALTA Form 3.1 Zoning Endorsement (amended to include parking and to exclude the marketability limitation) based on the plans and specifications for the Project, (ii) a Comprehensive Endorsement No. 1, (iii) a usury endorsement, (iv) an access endorsement, (v) a survey endorsement, (vi) waiver of creditor's rights exception, (vii) tax parcel endorsement, (viii) a pending disbursements endorsement, and (ix) such other endorsements and affirmative coverages as the Bank may reasonably require. Such Title Policy shall be delivered to the Bank at Loan closing.

• There shall have been delivered to the Bank, prior to any funding of the Loan, an appraisal of the Property and improvements thereon prepared by a licensed or certified appraiser, complying with all regulatory requirements and the Bank's appraisal policies, and otherwise satisfactory to the Bank, indicating a fair market value for the Property and improvements thereon of not less than \$43,500,000. The Bank acknowledges that the Bank has approved the appraisal methodology previously furnished to the Bank.

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By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Their: \_\_\_\_\_

Prospect Development II, Inc. and  
Prospect Development II Land, LLC

AGREED AND ACCEPTED:

C. Richard Schuler



Sincerely,

If you have any questions, please feel free to contact us.

We are very pleased to make this proposal to your company. We look forward to working with you and your associates in completing this transaction and enhancing our relationship with your company. If this commitment is acceptable to you, please sign the enclosed acknowledgment copy and return it to our attention by 5:00 C.S.T. on ~~November 20, 2002~~ or it will otherwise expire and be of no further force or effect. This letter represents the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior oral and written agreements.

January 15, 2003

CS

If any of the conditions and requirements described in this letter are not satisfied by the 2002 or as otherwise set forth herein), then this commitment will expire and be of no further force or effect.

• The Loan must close by ~~December 23, 2002~~  
January 24, 2003. CS

Page 7  
November 15, 2002

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Piper Lane  
Prospect Heights, Illinois

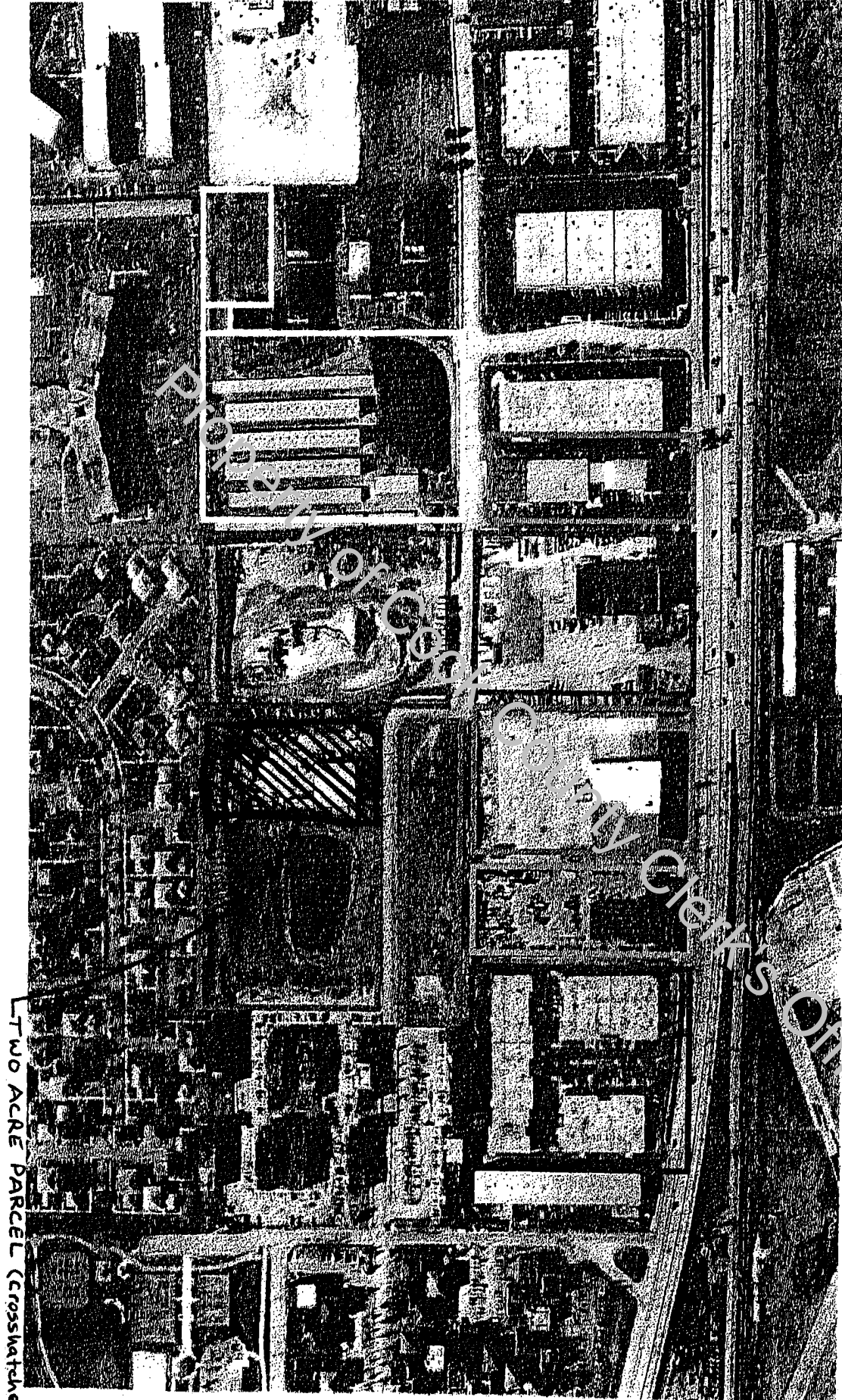
Part of PI #03 24 101 048

THAT PART OF LOT TWO IN BRIARLAKE RESUBDIVISION, BEING A PART OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION TWENTY-FOUR, TOWNSHIP FORTY-TWO NORTH, RANGE ELEVEN, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED OCTOBER 20, 1989 AS DOCUMENT NO. 89499649, BOUNDED AND DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHWEST CORNER OF SAID LOT TWO; THENCE SOUTH 0 DEGREES 45 MINUTES 34 SECONDS EAST, BEING AN ASSUMED BEARING ON THE WEST LINE OF SAID LOT 2, A DISTANCE OF 426.32 FEET TO THE SOUTHWEST CORNER OF SAID LOT 2; THENCE SOUTH 89 DEGREES, 44 MINUTES 37 SECONDS EAST, ON THE SOUTHWEST CORNER OF SAID LOT 2, A DISTANCE OF 223.57 FEET; THENCE NORTH 0 DEGREES 27 MINUTES 02 SECONDS WEST, A DISTANCE OF 426.15 FEET TO THE NORTH LINE OF SAID LOT 2; THENCE NORTH 89 DEGREES 42 MINUTES 29 SECONDS WEST, ON THE NORTH LINE OF SAID LOT 2, A DISTANCE OF 225.87 FEET TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

EXHIBIT A



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Two Acre Parcel (crosshatched)



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**EXHIBIT B**

## Prospect Heights Entertainment Center: Project Budget

Sources of funds:	\$	75,830,081
TIF Bond Issue	\$	43,000,000
Mini-perm loan - First Bank & Trust	\$	22,500,000
Volume Services America	\$	3,000,000
Tickets.com	\$	750,000
Additional partner equity	\$	4,000,000
Other sources (rents, pre-paid revenue, etc.)	\$	2,380,520
Interest earnings	\$	199,561
<b>Uses of funds:</b>	<b>\$</b>	<b>75,830,081</b>
Payoff of First Bank loan	\$	17,918,504
Architecture & Engineering	\$	1,463,626
Development Services and existing liabilities	\$	4,050,972
Salaries, Taxes, Benefits (FTE and temp costs for pre-opening and final operational org chart; Includes all VSA employees)		
	\$	2,761,804
	\$	313,646
	\$	975,523
Construction - Hard costs (including contingency)	\$	22,312,637
Construction - Site	\$	4,058,467
Furniture, Fixtures & Equipment	\$	2,822,379
Legal, Financial, Management, Insurance, Consulting	\$	1,522,964
Marketing & Leasing, including commission on sales	\$	639,293
Immediate funding items	\$	10,228,426
Investment banker fee - UBS/Paine Webber		
	\$	1,000,000
	\$	4,640,171
	\$	2,087,928
	\$	216,000
	\$	500,000
	\$	1,784,327
	\$	100,000.00
	\$	125,000.00
	\$	195,019.51
	\$	21,760.78
	\$	40,428.49
	\$	10,000.00
	\$	850,000.00
	\$	442,118.55
Capitalized interest expense	\$	6,727,813
Debt Service Reserve Fund	\$	4,085,000
<b>Calculation of bank payoff amount = \$10.5 million:</b>	<b>\$</b>	<b>20,500,000</b>
TIF bond closing	\$	17,918,504
Cash from Pal Center closing	\$	2,160,782
Earnest \$\$ from Pal Center closing	\$	100,000
Pal Center deposits held @ bank	\$	50,135
Holdback for taxes - escrowed from Pal Center close; to be funded to bank	\$	20,000
Insurance proceeds from Pal Center fire - paid out of closing proceeds from Pal Center	\$	42,579
Escrow for Manhard lien - to be released to bank @ TIF bond closing	\$	208,000

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