

RESOLUTION NO. R05-024

RESOLUTION AUTHORIZING VILLAGE PRESIDENT TO SIGN AN AMENDMENT AGREEMENT BETWEEN THE VILLAGE OF SCHAUMBURG, SCHAUMBURG PARK DISTRICT AND SCHAUMBURG PROFESSIONAL BASEBALL, L.L.C.

WHEREAS, the corporate authorities of the Village of Schaumburg wish to execute an Amendment Agreement between the Village of Schaumburg, Schaumburg Park District and Schaumburg Professional Baseball, L.L.C.; and

WHEREAS, the corporate authorities have received the written Amendment Agreement, which is attached hereto and marked as Exhibit "A"; and

WHEREAS, the corporate authorities find that it is in the best interests of the Village of Schaumburg to execute the written agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF SCHAUMBURG:

SECTION ONE: That the Village President be and hereby is authorized and directed to execute the attached Amendment Agreement between the Village of Schaumburg, Schaumburg Park District and Schaumburg Professional Baseball, L.L.C.

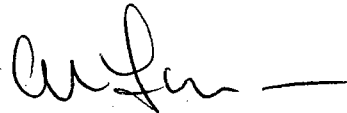
SECTION TWO: That this Resolution shall be in full force and effect after passage and approval as required by law.

AYES: TRUSTEES: Riley, Sullivan, Dunham, Dailly, Connelly, Curcio

NAYS: 0

ABSENT: 0

PASSED AND APPROVED this 22nd day of February, 2005.




Village President

ATTEST:



Village Clerk

APPROVED:



Assistant Village Attorney
S:\legal\resolv - Baseball

AMENDMENT AGREEMENT

THIS AMENDMENT AGREEMENT (this "Agreement") is made as of March 23, 2005, by and among The Village of Schaumburg (the "Village") and The Schaumburg Park District (the "Park District"), on the one hand, and Schaumburg Professional Baseball, L.L.C., on the other hand (the "Club"). The Park District and the Village are referred to herein collectively as "Schaumburg."

RECITALS

WHEREAS, Schaumburg and the Club entered into that certain Lease Agreement on May 1, 1999 (the "Lease Agreement");

WHEREAS, the Club and Schaumburg mutually agreed to terminate the Lease Agreement on or about September 25, 2002;

WHEREAS, concurrently with termination of the Lease Agreement, Schaumburg and the Club entered into that certain Permit and Operating Agreement dated as of September 25, 2002 (as amended, modified, supplemented or restated from time to time, the "Permit Agreement");

WHEREAS, pursuant to the terms of the Permit Agreement, Schaumburg granted the Club permission to use the facility known as Alexian Field; and

WHEREAS, Schaumburg and the Club desire to (i) settle certain disputes among them relating to the Lease Agreement and the Permit Agreement; (ii) amend the Permit Agreement in certain respects; and (iii) mutually release one another with respect to certain matters as provided herein.

NOW, THEREFORE, in consideration of the promises, representations and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Payments.**

a. Notwithstanding the provisions of Section 2 or Section 7 of the Permit Agreement, the Club will pay to Schaumburg the total settlement sum of Four Hundred Eighty-One Thousand Nine Hundred Sixty-Nine Dollars (\$481,969.00) (the "Settlement Amount"), in full and final payment and satisfaction of any amounts due or claimed to be due under (i) the Lease Agreement and/or (ii) Section 2 of the Permit Agreement, for the period beginning May 1, 1999 and ending December 31, 2003 (the "Settlement Period"). The Settlement Amount shall be paid by the Club in installments to Schaumburg as follows:

<u>Payment Description</u>	<u>Assignment/Payment Date</u>	<u>Payment Amount</u>
Assignment of Naming Rights Agreement Payments	Upon Execution of Agreement	\$240,000 ¹
Installment Payment	January 31, 2005	\$50,000
Installment Payment	February 28, 2005	\$25,000
Final Installment	April 15, 2005	\$166,969
Total Settlement Amount		\$481,969

b. In the event that the Club fails to make an installment payment as required above, and such failure is not cured within fifteen (15) days after written notice from Schaumburg that such installment payment is late, Schaumburg shall have all of its rights and remedies under this Agreement and the Permit Agreement and all of its rights and remedies under applicable law.

c. All payments to be made pursuant to this Section 1 (and not already paid) shall be remitted by check, or by wire transfer to an account specified by Schaumburg in writing.

2. **Security.** The parties acknowledge and agree that, in order to provide Schaumburg with security for the installment and final payments referred to in Section 1 above, the Club shall cause its managing member to enter into a pledge agreement, in substantially the form of Exhibit A attached hereto.

3. **Permit Agreement Amendments.** The parties acknowledge and agree that the Permit Agreement shall be amended as follows:

The first paragraph of Section 3. **CLUB USE RIGHTS.** (i.e., through and including clause (d) thereof) shall be deleted and amended in its entirety to read as follows:

¹ Pursuant to that certain Naming Rights Sponsorship Agreement entered into on or about August 15, 1999 (as amended, modified or restated from time to time, the "Naming Rights Agreement"), between the Club and Alexian Brothers Health System, Inc. ("Alexian"), and acknowledged and approved by Schaumburg, the Club is entitled to receive the Sponsorship Fee (as defined in the Naming Rights Agreement). The Sponsorship Fee is paid directly to Schaumburg by Alexian notwithstanding that only 80% thereof is due to Schaumburg from the Club under the Permit Agreement. The remaining 20% of the Sponsorship Fee is due and owing to the Club (the "Club's Portion"). The parties acknowledge and agree that, as of the date of this Agreement, the aggregate future value of the amount of the Club's Portion being assigned to Schaumburg is \$349,050 and the amount payable by the Club is determined as follows: (i) the Club's Portion of the six (6) years remaining pursuant to the Naming Rights Agreement is \$240,000, and the present value of this amount is \$165,000 and (ii) the Club's Portion of an additional five (5) years of naming rights fees that will be assigned by the Club to Schaumburg is \$109,050, and the present value of this amount is \$75,000. Thus, the present value of these amounts is equal to \$240,000 (the "Naming Rights Fee"). The parties further acknowledge and agree that, in the event the Club prepays all or any portion of the Naming Rights Fee pursuant to Section 6.1. of this Agreement, Schaumburg shall no longer have the right to withhold the Club's Portion of the Sponsorship Fee.

“Subject to the limitations set forth below, (collectively, the “Club Use Rights”) Schaumburg shall have the exclusive rights to use and occupy the Facility and all its appurtenances during the Term.

- (a) Field. From May through September each year, the Club may use the Field for scheduled practices, Home Games, and Other Professional Baseball Games during the Championship Season, and such other events as permitted hereunder.
- (b) Schaumburg Club and Suites. The Club may use the Schaumburg Club and the Suites as a private banquet and/or meeting facility and may keep the Schaumburg Club open year-round for such purposes. The Club shall be responsible for winterizing the premises of the Schaumburg Club, and such winterizing shall comply with the reasonable specifications of Schaumburg. Except for during Home Games, under no circumstances shall the Schaumburg Club and Suites be open to the general public as a restaurant facility, but shall only be available for private banquets and meetings at reasonable hours of the day commensurate with comparable banquet facilities in and around Schaumburg, IL, which hours shall not extend beyond the hours of operation permitted under the liquor license. The Village will assist the Club in seeking from the Liquor Commissioner of the Village a liquor license for such purposes. The Club shall pay to Schaumburg ten percent (10%) of the Net Profits realized by the Club from the Club’s operations of the Schaumburg Club and the Suites, which amount shall be paid to Schaumburg within thirty (30) days from the date of the event.
- (c) Parking. The Club may use the METRA Parking Lot and the West Parking Lot for Home Games, and Club Events.
- (d) Team Areas. The Club shall have the exclusive use of the Team Areas at all times during the Club’s use of the Facility.
- (e) Skyboxes. The Club agrees to provide Schaumburg with a total of two (2) Suites per Home Game, together with accompanying tickets for Home Games, parking passes and Schaumburg Club membership. In each case, one such Suite will be for the use of the Village and the other such Suite will be for the use of the Park District (with a consistent Suite number during each Operating Year consistent with the Suite numbers used during the 2004 Championship Season). The individual users of such Suites shall be responsible for paying for any and all food and beverage costs charged to such Suites, together with a customary gratuity to servers. In addition, a total of two (2) Suites (together with accompanying parking passes and Schaumburg Club membership) shall be made available to Schaumburg for

each Special Event. The users of such Suites shall be responsible for paying for all costs associated with the tickets for each such Special Event, together with any and all food and beverage costs charged to such Suites and customary gratuity to servers. With regard to the Village Entertainment Tax, it is understood and agreed that either (a) Suites are not subject to the Entertainment Tax generally or (b) Schaumburg will pay to the Club the Village Entertainment Tax with respect to Suites.

- (f) Fireworks. Subject to conditions in Schaumburg ordinances, Schaumburg shall cause the Club to be pre-approved by the Village Board and any other applicable governing body for eight (8) fireworks dates (on Friday nights, weekends and holidays) during each Operating Year (all selected at the Club's discretion). All fireworks dates will be submitted to Schaumburg and approved, which approval shall not be unreasonably denied or delayed, prior to the Championship Season schedule being distributed. Fireworks dates will comply with the existing fireworks policy adopted by the Village board. Should dates outside the policy be requested by the Club, the Village board must specifically approve such dates as a variance to the policy, which approval shall not be unreasonably denied or delayed.
- (g) Special Events. The Club shall be permitted to use the Field for up to five (5) "Special Events" (as hereinafter defined) each Operating Year, selected at the Club's discretion. For purposes of this Agreement, a "Special Event" shall mean a Club Event including, without limitation, concerts and promotional events unrelated to Home Games and other events listed in clause (a) above, all of which the Club and Schaumburg reasonably expect to draw crowd sizes comparable to a typical Home Game. All Special Events must be approved by Schaumburg in advance, which approval shall not be unreasonably delayed or denied, and may be subject to content restrictions to insure compatibility with community standards. Club Events must adhere to all ordinances of the Village including sound levels. Nothing contained in this paragraph (g) shall be construed as the Village relinquishing or limiting their respective corporate powers or duties as a governmental body. The Club shall pay to Schaumburg ten percent (10%) of the Net Profits realized by the Club from such Special Events, which amount shall be paid to Schaumburg within thirty (30) days from the date of such Special Event."

4. **Compromise.** It is further agreed and understood that this Agreement represents a compromise of disputed claims and defenses and that neither the above consideration nor anything in this Agreement is intended or should be construed as an admission of any liability or of any wrongdoing of any kind or nature on the part of the Club, on the one hand, or Schaumburg, on the other hand, or any other person or entity hereby released.

5. **Mutual Releases.**

a. Upon the full execution and delivery of this Agreement, the Club Released Parties (as defined below) do hereby release and discharge Schaumburg and their respective directors, officers, employees, representatives, agents, successors and assigns (collectively, the "Schaumburg Released Parties"), of and from, and agree not to sue the Schaumburg Released Parties in connection with, any and all liability, claims, actions, damages, debts, obligations, covenants, warranties, undertakings, promises, agreements and/or demands, of any kind, nature or description whatsoever, whether at law or in equity, known or unknown, liquidated or unliquidated, direct or indirect, due or to become due, contingent or otherwise, that the Club ever had, may have had or now has for, based upon, arising from, contained in, by reason of or related to any and all obligations of Schaumburg (i) under or pursuant to the Lease Agreement, or (ii) during the Settlement Period, under or pursuant to the Permit Agreement; except that nothing contained herein shall relieve the parties to this Agreement of any obligations hereunder.

b. Upon the full execution and delivery of this Agreement, the Schaumburg Released Parties do hereby release and discharge the Club and its employees, representatives, agents, members, managers, successors and assigns (collectively, the "Club Released Parties"), of and from, and agree not to sue the Club Released Parties in connection with, any and all liability, claims, actions, damages, debts, obligations, covenants, warranties, undertakings, promises, agreements and/or demands, of any kind, nature or description whatsoever, whether at law or in equity, known or unknown, liquidated or unliquidated, direct or indirect, due or to become due, contingent or otherwise, that they, or any of them, ever had, may have had or now have for, based upon, arising from, contained in, by reason of or related to any and all obligations of the Club (i) under or pursuant to the Lease Agreement including with respect to amounts due during the Settlement Period, or (ii) during the Settlement Period, under or pursuant to the Permit Agreement; except that nothing contained herein shall relieve the parties to this Agreement of any obligations hereunder.

c. After giving effect to the provisions hereof, each of the Village and the Park District hereby represents and warrants to the Club that it has no knowledge of any facts that constitute, without or without the giving of notice or both, a default by the Club under the Permit Agreement.

6. **General Provisions.**

a. Entire Agreement. This Agreement contains the entire agreement of the parties with respect to the subject matter contained herein, supercedes all prior oral and written agreements among the parties relating to the subject matter contained herein and merges all prior and contemporaneous discussions among them with respect to the subject matter contained herein. No party shall be bound by any definition, condition, representation, warranty, covenant or other provision other than as expressly stated in this

Agreement. This Agreement may not be modified or amended except in a writing signed by all the parties hereto or their respective successors or assigns, as the case may be.

b. Binding Agreement. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Each of the parties acknowledges that in executing this Agreement it has not relied upon any representation or statements made by any of the parties or their respective advisers or agents with regard to the subject matter, basis or effect of this Agreement, except as is otherwise set forth herein.

c. Headings. The headings of the several sections and paragraphs hereof are for convenience only and do not define, limit or construe the contents of such sections or paragraphs.

d. Usage. The singular usage includes the plural and the plural includes the singular. The masculine, feminine and neuter genders include each other.

e. Representations. By executing below, each person signing on behalf of Schaumburg and the Club, respectively, represents and warrants that such person has all requisite power, authority and legal right to sign and enter into this Agreement and to bind the entities on whose behalf such person is signing. The parties respectively represent and warrant that the execution of this Agreement and the performance of the parties' respective obligations hereunder have been duly authorized and do not and will not (i) violate any provision of any law, rule, regulation, order, judgment, injunction, decree, or determination applicable to such party or of the organizational or similar documents of such party, or (ii) result in a breach of or constitute a default under any agreement or instrument to which such party may be bound or affected. Each party represents and warrants with respect to itself that it has not previously transferred, assigned or conveyed any right or claim released in this Agreement.

f. Counterparts. This Agreement may be executed in counterparts, each of which may be a separate document, and all of which together shall be deemed and considered an original of this Agreement. The parties agree to accept facsimile or electronic transmission of copies of signature pages as, and in place of, originals.

g. Severability. In the event that any provision(s) of this Agreement, or portion thereof, is determined to be invalid or unenforceable for any reason, such provision or portion thereof shall be severed from this Agreement and the remaining provisions of this Agreement and portions thereof shall be unaffected thereby and shall remain in full force and effect to the fullest extent permitted by law.

h. Non-Disparagement. Each party further agrees that it shall use its best efforts not to at any time communicate, either orally or in writing, any negative, adverse or derogatory information, facts, opinions or beliefs concerning each other party

including, without limitation, regarding such other party's management, to any person or entity.

i. Counsel. ALL PARTIES ACKNOWLEDGE THAT THEY ARE AND HAVE BEEN REPRESENTED THROUGHOUT THE NEGOTIATION OF THIS AGREEMENT BY THEIR RESPECTIVE ATTORNEYS; THAT THEY HAVE READ AND UNDERSTAND THE TERMS AND EFFECT OF THIS AGREEMENT; THAT THEY HAVE HAD A REASONABLE PERIOD IN WHICH TO CONSIDER WHETHER TO EXECUTE THIS AGREEMENT; AND THAT THEY KNOWINGLY AND VOLUNTARILY EXECUTE THIS AGREEMENT AND INTEND TO BE LEGALLY BOUND BY ITS TERMS.

j. Press Release and Announcements. No party shall issue any press release or make any public announcement relating to the subject matter of this Agreement without the prior written approval of the other parties; provided, that, notwithstanding the foregoing, any party, upon prior written notice to the other parties, and upon granting the other parties a reasonable opportunity to discuss its contents, may make any public disclosure such party believes in good faith is required or permitted by applicable Law.

k. Governing Law. This Agreement shall be construed and interpreted in accordance with the internal laws of the State of Illinois.

l. Prepayment. The Club shall have the ability to prepay all or any portion of the amounts due under this Agreement without premium or penalty.

Signature Page Follows

Signature Page to Amendment Agreement

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the day and year written above.

THE CLUB:

SCHAUMBURG PROFESSIONAL
BASEBALL, L.L.C.

By: 

Richard Ehrenreich, Managing Member

SCHAUMBURG:

VILLAGE OF SCHAUMBURG

By: 

Name: KEN FRITZ

Title: Village President

~~MANAGER~~

SCHAUMBURG PARK DISTRICT

By: 

Name: NANCY WROBLEWSKI

Title: President

PLEDGE AGREEMENT

THIS PLEDGE AGREEMENT is entered into as of March 23, 2005 (this "Agreement"), by and among Richard Ehrenreich ("Pledgor"), and The Village of Schaumburg and The Schaumburg Park District (collectively, "Secured Party").

WITNESSETH:

WHEREAS, Pledgor is the record and beneficial owner of all of the "Membership Interests" and "Economic Interests" (as such terms are defined in the Operating Agreement (as defined below)) (collectively, the "Pledgor's Interests"), in Schaumburg Professional Baseball, L.L.C., an Illinois limited liability company (the "Club");

WHEREAS, the Club has entered into that certain Amendment Agreement by and among the Club and Secured Party of even date herewith, as amended, modified or supplemented (the "Amendment Agreement"), providing for the amendment of the Permit Agreement (as defined below), the settlement of certain disputes and the payment of monies by the Club to Secured Party;

WHEREAS, as an owner and member of the Club, Pledgor will receive a substantial benefit if the Amendment Agreement is executed; and

WHEREAS, as the sole and exclusive security for all of the Obligations (as defined below), the execution and delivery of this Pledge Agreement is required by Secured Party.

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter contained and to induce the Secured Party to enter into the Amendment Agreement, it is agreed as follows:

1. Definitions. Unless otherwise defined herein, capitalized terms used herein shall have the meanings assigned to such terms in the Amendment Agreement, and the terms below shall have the following meanings:

"Collateral" shall mean all of the Pledgor's Interests, together with dividends and other payments with respect thereto, and all proceeds of the foregoing and all rights and privileges of Pledgor with respect thereto.

"Obligations" shall have the meaning assigned to such term in Section 3 hereof.

"Operating Agreement" shall mean that certain Operating Agreement for Schaumburg Professional Baseball, L.L.C., dated as of May 10, 1998, as amended, modified or supplemented from time to time.

"Permit Agreement" shall mean that certain Permit and Operating Agreement dated as of September 25, 2002, as amended, modified, supplemented or restated from time to time.

2. Pledge. Pledgor hereby assigns, delivers, transfers, pledges and grants to Secured Party a security interest in all of the Collateral, and all distributions, cash, instruments and other

rights, property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Collateral.

3. Security for Obligations. This Agreement secures, and the Collateral is the sole and exclusive security for, the prompt payment by the Club of the "Settlement Amount", as such term is defined in Section 1.a. of the Amendment Agreement (the "Obligations"). The parties hereby acknowledge and agree that this Agreement shall not secure any other obligation of the Club or Pledgor to Secured Party under the Permit Agreement, the Amendment Agreement or otherwise.

4. Representations and Warranties. Pledgor represents and warrants to Secured Party that:

(a) Pledgor is, and will be so long as the Obligations remain outstanding, the sole holder of record and the sole beneficial owner of the Collateral free and clear of any lien thereon or affecting the title thereto except the lien created by this Agreement.

(b) Pledgor has the capacity and authority to pledge, assign, transfer, deliver and set over the Collateral to Secured Party, as provided herein.

(c) The Collateral has not been transferred in violation of the securities registration, securities disclosure or similar laws of any jurisdiction to which such transfer may be subject.

(d) No consent, approval, authorization or other order of any person or entity, and no consent, authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required to be made or obtained by Pledgor either (i) for the pledge by Pledgor of the Collateral pursuant to this Agreement or for the execution, delivery or performance of this Agreement by Pledgor or (ii) for the exercise by Secured Party of the rights provided for in this Agreement or the remedies in respect of the Collateral pursuant to this Agreement, except as may be required in connection with such disposition by laws affecting the offering and sale of securities generally.

(e) This Agreement has been duly executed and delivered by Pledgor and constitutes a legal, valid and binding obligation of Pledgor enforceable in accordance with its terms.

(f) As of the date hereof, there are no existing options, warrants, calls or commitments of any character whatsoever relating to any Collateral.

5. Covenants. Pledgor covenants and agrees that until the payment in full of the Settlement Amount Pledgor shall not, without the prior written consent of Secured Party, except as otherwise expressly permitted herein, sell, assign, transfer, pledge or otherwise encumber any of his rights in or to the Collateral or any unpaid dividends or other distributions or payments with respect to any part of the Collateral or grant a lien in any part thereof.

6. Pledgor's Rights. As long as no payment default shall have occurred and be continuing under the Amendment Agreement, and until written notice shall be given to Pledgor in accordance with Sections 7 and 13 hereof:

(a) Pledgor shall have the right, from time to time, to vote and give consents with respect to the Collateral or any part thereof for all purposes not inconsistent with the provisions of this Agreement.

(b) Pledgor shall be entitled, from time to time, to collect and receive for his own use and shall not be required to deliver to Secured Party pursuant to Section 2, all distributions paid in respect of the Collateral.

(c) All distributions (other than such distributions as are permitted to be paid to Pledgor in accordance with Section 6(b) above) in respect of the Collateral shall, if received by Pledgor, be received in trust for the benefit of Secured Party, be segregated from the other property or funds of Pledgor, and be forthwith delivered to Secured Party as Collateral in the same form as so received (with any necessary endorsement).

7. Defaults and Remedies.

(a) Except as otherwise provided herein, upon the occurrence and during the continuance of any default in payment of the "Settlement Amount" under the Amendment Agreement (provided that such payment default is not waived by Secured Party) Secured Party shall have the right to (i) exercise any voting rights with respect to the Collateral, (ii) collect and receive all distributions made on the Collateral, (iii) sell in one or more sales (after sixty (60) days' written notice of the time and place of any public sale or of the time after which a private sale is to take place) the whole or any part of the Collateral and (iv) otherwise act with respect to the Collateral as though Secured Party was the outright owner thereof; provided, however, that in the event of any default in payment of the "Settlement Amount" under the Amendment Agreement, Secured Party shall not exercise any of its rights or remedies with respect to the Collateral unless and until (A) fifteen (15) days have elapsed from the time written notice of such payment default is given to Pledgor and (B) Pledgor has failed to cure such payment default during such 15-day period. Secured Party shall not have any duty to exercise any of the foregoing rights or to preserve the same and shall not be liable for any failure to do so or for any delay in doing so. Any sale of the Collateral pursuant hereto shall be made at a public or private sale at Secured Party's place of business, or at any public building in the Village of Schaumburg, or elsewhere to be named in the notice of sale, for cash or upon credit at such price as the auctioneer conducting such sale deems fair. Each sale shall be made to the highest bidder, but Secured Party reserves the right to reject any and all bids at such sale which, in its discretion, it shall deem inadequate. Any sale hereunder shall be conducted by an auctioneer knowledgeable in the Club's industry. Pledgor and the Club shall have the opportunity to bid and otherwise participate in any sale of the Collateral, except that neither the Pledgor nor the Club shall be allowed to bid an amount less than the amount then due under the Amendment Agreement.

(b) In the event of any sale of the Collateral hereunder, Secured Party shall apply the proceeds of such sale to the payment or reduction, either in whole or in part, of the Obligations in accordance with the agreements and instruments governing and evidencing the Obligations, returning the surplus, if any, to Pledgor.

8. Successors and Assignment. This Agreement shall be binding upon and inure to the benefit of the parties named herein and their respective successors and permitted assigns. No party may assign either this Agreement or any of their rights, interests or obligations hereunder without the prior written approval of the other party.

9. Termination. Immediately following the payment of the Obligations, Secured Party shall deliver to Pledgor the Collateral, free and clear of the liens hereof, and any assignment required to be executed by Secured Party to effect such redelivery and, except as otherwise provided herein, all of Pledgor's obligations hereunder shall at such time terminate.

10. Amendment and Waiver. None of the terms or provisions of this Agreement may be waived, altered, modified or amended except in writing duly signed by Secured Party and Pledgor.

11. Governing Law. The terms of this Agreement shall be governed by, and shall be construed and enforced in accordance with, the laws of the State of Illinois (exclusive of any rules as to conflict of laws).

12. Severability. If for any reason any provision or provisions hereof are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid.

13. Notices. Except as otherwise provided herein, whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other party, or whenever any of the parties desires to give or serve upon any other a communication with respect to this Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and shall be delivered in person with receipt acknowledged, or telecopied and confirmed immediately in writing by a copy mailed by registered or certified mail, return receipt requested, postage prepaid, addressed as hereinafter set forth, or sent by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Secured Party, at:

Village President
Village of Schaumburg
101 Schaumburg Court
Schaumburg, Illinois 60193-1899
Fax: (847) 895-7806

With a copy to:

Village Manager
Village of Schaumburg
101 Schaumburg Court
Schaumburg, Illinois 60193-1899
Fax: (847) 923-4467

With a copy to:

President
Schaumburg Park District Board
235 East Beech Drive
Schaumburg, Illinois 60193
Fax: (847) 985-2114

With a copy to:

Director
Schaumburg Park District
235 East Beech Drive
Schaumburg, Illinois 60193
Fax: (847) 985-2114

If to Pledgor, at:

Richard F. Ehrenreich
Schaumburg Professional Baseball, L.L.C.
Alexian Field
1999 S. Springinsguth Road
Schaumburg, Illinois 60193
Fax: (847) 891-6441

With a copy to:

Michael A. Nemeroff, Esq.
Vedder, Price, Kaufman & Kammholz, P.C.
222 North LaSalle Street, Suite 2400
Chicago, IL 60601
Fax: (312) 609-5005

or at such other address as may be substituted by notice given as herein provided. The giving of any notice required hereunder may be waived in writing by the party entitled to receive such notice. Every notice, demand, request, consent, approval, declaration or other communication hereunder shall be deemed to have been duly given or served on the date on which personally delivered, with receipt acknowledged, or the date of the telecopy transmission, or three (3) business days after the same shall have been deposited in the United States mail. Failure or delay in delivering copies of any notice, demand, request, consent, approval, declaration or other communication to the persons designated above to receive copies shall in no way adversely affect the effectiveness of such notice, demand, request, consent, approval, declaration or other communication.

14. Section Titles. The Section titles contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto.

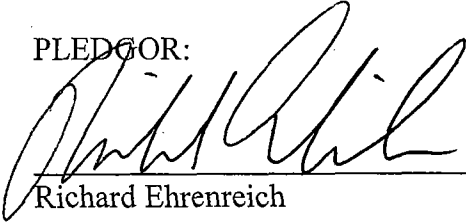
15. Counterparts. This Agreement may be executed in any number of counterparts, which shall, collectively and separately, constitute one agreement.

Signature Page Follows

Signature Page to Pledge Agreement

IN WITNESS WHEREOF, the parties hereto have executed this Pledge and Security Agreement as of the date first above written.

PLEDGOR:


Richard Ehrenreich

THE VILLAGE OF SCHAUMBURG

By: Ken Fritz
Name: Ken Fritz
Its: Village Manager

THE SCHAUMBURG PARK DISTRICT

By: Nancy Wroblewski
Name: NANCY WROBLEWSKI
Its: PRESIDENT