

**STRUCTURE FOR ADDITIONAL (BANK FINANCED) FUNDING
FOR BROOKSTOWN DEVELOPMENT PROJECT
Proposed Amendments**

1. The current proposal for completing the ballpark (the “stadium”) calls for an additional financing infusion of \$27.7 million from 1) a loan to the developer by a banking consortium for \$15 million and 2) a City secured bank financing for \$12.7 million.
2. The banking consortium loan for \$15 million (Bank Loan I) would be 100% secured through stadium revenues and personal guarantees of entity owners. Each Guaranty shall be limited in an amount equal to 125% of the Guarantor’s ownership interest in Sports Menagerie Stadium, LLC times the amount of Loan I. The initial loan commitment is for three years. At the end of the term, an extension will need to be negotiated with terms dependent upon the success of the project.
3. The City secured financing of \$12.7 million (Bank Loan II) ~~would~~ shall only be used to purchase the land under the stadium through a payment of \$8 million to Regions Bank (the original funding source) and for hard costs related to completing the stadium construction.
4. Payments from the city’s financing will be made by the lending institution only after verification by an independent construction management consultant and reviewed by city staff and members of a citizen oversight committee. No City payments will be made to Mr. Prim or any of his current or former partners.
5. The developer will also provide a public record report to City every two weeks that details project expenditures to date. The City Council’s Finance and Public Works Committees will review progress reports at their regular monthly meetings. In addition, the developer will arrange for the construction site to be accessible for scheduled public tours and inspections during construction.
6. The City receives:
 - Title to land under stadium (Lot 1-subordinated to a 1st lien on land for Bank Loan I).
 - Title to Land for parking (Lot 2) ~~and~~ or easements for parking during the time events are occurring at the stadium that are superior to the Regions Bank lien.
 - Security interest in the stadium subordinate to Bank Loan I.
 - 2nd Deed of Trust of all Brookstown Development Partners Properties, LLC.
 - Access to stadium and other revenues described below.
 - A 25% distribution from net revenues (all income less operating expenses excluding depreciation and other non-cash expenses) of an office building to be constructed on Lot 3 after a 10% return to the building investors.

7. No additional principal advances may be made on the Regions Bank Deed of Trust without the City's consent and no property subject to the Second Deed of Trust will be released from the lien unless accrued, unpaid ground rent and the interest thereon has been paid in full.
8. No additional principal advances may be made on Bank Loan I or be secured by the deed of trust supporting Bank Loan I without the City's consent.
9. The City would a) ground lease the site of the stadium to Brookstown Development Partners, LLC for 25 years at a ground rent equal to debt service on \$8 million at 5.5% with interest only payments for the first three years and principal amortization over the remaining 22 years of Bank Loan II and b) lease their portion of the stadium to Sports Menagerie for a rent equal to debt service on \$4.7 million at 5.5% with interest only payments for the first three years and principal amortization over the remaining 22 years of Bank Loan II.
10. Brookstown Development Partners, LLC would sublease the stadium land to Sports Menagerie, LLC at a ground rent of a) \$1 million upfront payment and b) annual payments equal to debt service on \$1.5 million ~~at the interest rate on Bank Loan II~~. The ground lease will provide that as long as the ground rent from Brookstown Development Partners, LLC is unpaid the ground rent payable will under the sublease be paid instead to the City to the extent of the amount of any shortfall.
11. Stadium Net Revenues (all income received from the stadium, less operating expenses excluding depreciation and other non-cash expenses) would be distributed as follows:
 - 1) Debt Service on Bank Loan I.
 - 2) Ground Lease Payment (includes deficits from Brookstown Development Partners, LLC).
 - 3) Lease Payment to City for stadium (includes any deficits from prior years)
 - 4) Establish ~~one year~~ \$1 million debt service reserve for Bank Loan II.
 - 5) Distribution to Investors @ 10% return on investment.
 - 6) Retire principal on Bank Loan II with 50% remaining revenues.
12. Relocation of the team or sale of the team which results in the team not playing in the stadium will give rise to acceleration of the payment obligations of Sports Menagerie, LLC and Brookstown Development Partners, LLC.
13. The City's obligation is subject to the approval of the North Carolina Local Government Commission.
14. The developer will agree to provide the completed stadium free of charge for two public events each year.

15. The developer agrees to reaffirm their commitment to using local and minority contractors and vendors and will provide the citizen oversight committee with regular reports on these efforts.
16. The developer agrees to reaffirm their commitment to recognizing the historic Watkins Street neighborhood, former Sheriff and professional baseball player Ernie Shore, and other historic Winston-Salem baseball teams in the new stadium with displays and plaques.