

**LETTER OF INTENT**

This Letter of Intent (the "Agreement") dated as of June \_\_, 2011 by and among Clark County, a political subdivision of the State of Washington ("County"), Clark College, a community and technical college district of the State of Washington ("College"), and Short Season, LLC, a Washington limited liability company ("Team").

WHEREAS, County, College and Team each desire the development of, and the related economic benefits from, a multi-purpose sports facility (the "Facility") to serve as the home to a professional baseball team, college baseball, other collegiate athletic events, local high school and community events, and various outside events; and

WHEREAS, College owns currently unimproved property on its campus (the "Site") that is well suited to the development and operation of the Facility and the College needs improved athletic facilities, such as the Facility, as a venue for its intercollegiate athletic teams, its intramural athletic teams and other College events, such as graduation; and

WHEREAS, Team owns and operates a Class A professional baseball team and is willing to relocate the team to the City of Vancouver to play in the Facility and the Team has experience and expertise in development and operating multi-purpose sports facilities; and

WHEREAS, state law, including RCW 36.68.090 and RCW 67.30.010, grants County authority to participate in the development and operation of multipurpose sports stadia such as the Facility and RCW 36.08.010 grants County authority to levy an entertainment charge the proceeds of which may be used to support the County's participation in such multipurpose sports stadia; and

WHEREAS, College, County and Team wish to work together to develop the Facility on the Site to be ready for the Team's opening day in June 2012; have determined, in general terms, the structure of a cooperative arrangement among the parties under which the Facility may be designed, financed, developed and used; and wish to memorialize their collective understanding of this cooperative arrangement, the roles and responsibilities of each party in actualizing this cooperative arrangement and the anticipated schedule for accomplishing this Facility project.

IT IS HEREBY AGREED by the parties hereto that each will work the other parties in good faith to negotiate and, if each determines it wishes to do so, execute the agreements necessary to undertake the development and operation of the Facility in the manner generally described in this Letter of Intent:

**1. GENERAL STRUCTURE OF THE COLLABORATION**

**A. Ground Lease of Site to Team.** College and Team will enter into a Ground Lease for the Site. The Ground Lease will be a “true lease” of the property not a “financing lease” of the Facility. The Ground Lease will be structured such that Team’s “ground lessee” interest (but not College’s underlying fee interest) may be pledged to support a leasehold deed of trust necessary to finance the construction of the Facility. The Ground Lease will provide that rent may be set off by some of the use rights in the Facility provided to College.

**B. County Considers Entertainment Charge Levy; Pledges Portion of Entertainment Charge to Support Facility in Return for Public Use and Benefit Covenants on Facility.** County will process and consider an entertainment charge under RCW 36.38.010. If County decides to levy the entertainment charge, it will agree with Team and College (“Facility Support Agreement”) to deposit a certain portion of the entertainment charge proceeds into a special fund (“Facility Fund”) pledged to be used solely to support the Facility. County will make annual payments from the Facility Fund to the Team in amounts to be determined by projected entertainment charge collections and Team needs. County will have no obligation to make payments beyond funds available in the Facility Fund. County also will agree to work with Clark County cities to obtain city agreements to deposit any entertainment charges such cities may in the future collect under RCW 35.21.280 during the term of the Facility Support Agreement into the Facility Fund. Team agrees to make the Facility available for public and community events (high school and community baseball and other games, concerts, festivals, etc) for a certain number of days at reduced fees.

**C. Team Privately Finances, Constructs, Owns and Operates Facility on Site.** Team obtains private construction financing for the Facility. Team privately constructs Facility. When

Facility is completed and all contractors have been fully paid and all liens released, then Team will obtain private long term financing to which it may pledge its right to receive payments from the County from the Facility Fund under the Facility Support Agreement. Team will operate Facility as a first class, Class A baseball facility as well as a community multipurpose Facility. In addition to Class A baseball operations for its baseball club, the Team will operate the Facility for a fixed number of College events, a fixed number of community events, and for other events appropriate to the location and solicited by the Team.

**D. College Facility Use Agreement.** Team and College will negotiate a College Facility Use Agreement that will outline the terms and conditions under which the College may schedule and use the Facility for its events. The College Facility Use Agreement will designate the dates and number of days for which the College has priority scheduling rights for the Facility as well as the rates and charges for such use. Such rates may be set off against ground rent to be paid by Team to College.

**E. Community Facility Use Agreement.** Team and County will negotiate a Community Facility Use Agreement that will outline the terms and conditions under which certain nonprofit and public community organizations may schedule and use the Facility for events. The Community Facility Use Agreement will designate the dates and number of days for which such community organizations have priority scheduling rights for the Facility as well as the rates and charges for such use. In finalizing the Community Facility Use Agreement, the parties may choose to provide that the Team may make a certain number of community Facility use days available at no charge or at a substantially reduced rate.

**F. Team Recovers its Operational Costs of College and Community Events.** The Team shall operate the Facility for all College and community events as well as for all baseball and other appropriate events it holds at the Facility. While the parties may agree to make the Facility available to the College or to the community at reduced rates, the parties intend and expect that the Team will recover its administrative and managerial expenses associated with operating the Facility for such College and community events.

**G. Team shall Design Facility in Collaboration with College and County.** The parties anticipate that the Facility will be lighted baseball facility, with 3,500 to 4,000 fixed seats with capacity for 6,000 with berms and the amenities associated with a facility of this nature (concession and training areas, luxury seating, press and media areas and other appropriate items.) This facility will be the home to a professional baseball team and host other events. The parties acknowledge that the Team has complete responsibility for the design of the Facility. Nevertheless, in order to achieve the desired outcomes of the parties, as well as those of the City of Vancouver and the surrounding community, the parties acknowledge that the Facility design and planning may involve an integrated and collaborative process employing the best practices of planning, design, urban design, and public participation whenever and wherever feasible.

**H. City of Vancouver will be Lead Agency for Environmental Review and Land Use Permits; Team will be Project Permit Applicant; College, County and Team will Cooperate in Seeking Permit Approvals.** Team will apply for building and development permits for Facility construction from the City of Vancouver. The parties expect that the City of Vancouver will be the lead agency for the Facility under applicable SEPA rules and the City municipal code. The parties will cooperate with each other in support of the Team obtaining necessary permits from the City.

**I. Master Facility Development Agreement.** The Parties will negotiate a Master Development Agreement setting forth all of the above in full detail and including forms of the fully negotiated Ground Lease, Facility Support Agreement, College Facility Use Agreement and Community Facility Use Agreement. If and when the parties determine that they are ready to commit to the transaction, they will execute and then implement the Master Facility Development Agreement.

## **2. PRELIMINARY SCHEDULE**

The parties acknowledge the importance of completing the Facility by opening day of the Class A baseball season in June 2012. Accordingly, the parties shall work together in good faith on the items below as appropriate toward the target dates on the Preliminary Scheduled set forth in Exhibit A attached hereto.

**3. MEETINGS, COMMUNICATIONS AND TIMING**

The parties agree to communicate regularly via meetings, electronic mail, telephone, written correspondence or other means related to the Facility development. All parties may attend key meetings, unless prohibited by law or other administrative rules, and every attempt will be made to communicate the time, place, topic and invitees of said meetings to the other parties. Each party will use reasonable best effort to give adequate notice to the others (24 hours) of any media or press communication, dealing with the Facility.

**4. NOTICES**

Any notice required to be given by this agreement may be given in person, by recognized overnight service for which proof of delivery is available, or by registered U.S. Mail with return receipt requested, as follows:

Notice to the College:

Notice to the County:

Notice to the Team:           Mike McMurray, President  
Short Season, LLC  
17 North 3<sup>rd</sup> St., #101  
Yakima, WA 98901  
(509) 457-9909

or to other such addresses as any party may request by written notice direct to the other parties.

IN WITNESS WHEREOF, each party has caused this Agreement to be executed as of the date written above.

**Clark County**

By:

Its:

Date:

**Clark College**

By:

Its:

Date:

**Short Season, LLC**

By:

Its: Mike McMurray, Manager

Date:

**EXHIBIT A**  
**PRELIMINARY SCHEDULE (Subject to Revision)**

<b>Phase</b>	<b>Schedule Objective</b>	<b>Target Date</b>
<b>I. Pre-Facility Construction</b>	Execute Letter of Intent	June 2011
	Execute Master Facility Development Agreement	July 2011
	Facility Design, Plans and Specifications Completed	July 2011
	County adopts Ordinance authorizing Entertainment Fee under RCW 36.38.010	July/August 2011
	Execute Ground Lease	August 2011
	Facility Construction Drawings Completed	August 2011
	Team Obtains Private Construction Financing	September 2011
	Facility Design Build Contracts Let	September 2011
	Facility Permits Issued	October 2011
	<b>II. Facility Construction</b>	Construction Commences
Construction Completed		June 2012
<b>III. Pre-Facility Operation</b>	Facility Support Agreement, College Facility Use Agreement and Community Facility Use Agreement Executed	June 2012
	Team Obtains Long Term Private Financing	June 2012
<b>IV. Opening Day</b>		June 2012