

# MEMORANDUM OF UNDERSTANDING

This non-binding Memorandum of Understanding ("MOU") between Virginia Commonwealth University ("VCU") and Navigators Baseball, LP, d/b/a The Richmond Flying Squirrels ("RFS") (collectively "The Parties"), serves to memorialize the Parties' mutual interests and current intentions as to their respective roles in the development, construction and use of a new baseball stadium in the City of Richmond, Virginia.

VCU is an agency and instrumentality of the Commonwealth of Virginia, and an institution of higher education located in Richmond, Virginia. VCU's Athletics Department fields teams in several NCAA Division I sports, including men's baseball. RFS operates a AA Minor League Baseball Franchise affiliated with the San Francisco Giants Major League Baseball Club and currently plays its home baseball games at The Diamond (3001 North Boulevard, Richmond, Virginia), a ballpark owned by the City of Richmond. The Parties' have a longstanding relationship whereby VCU leases use of the Diamond from RFS for VCU's home men's baseball games.

VCU and RFS intend to facilitate the acquisition and development of land and construction of a baseball stadium for the use of both VCU and RFS. Specifically, VCU intends to explore the feasibility of acquiring land, or facilitating the acquisition of land, for the development and construction of new athletic facilities (likely through collaboration with other public or private entities), to include a new baseball stadium located in close proximity to the current location of The Diamond. Upon adequate and appropriate assurances (to be agreed upon by the Parties) that the new baseball stadium will meet specifications required for RFS to continue to compete in AA Minor League Baseball, RFS intends to enter into a long-term lease, anticipated to be no less than thirty years, with the appropriate entity that owns the new stadium or that otherwise has authority to lease its use to a tenant baseball franchise. The exact structure of the Parties' relationship has not been determined and is subject to ongoing discussions among themselves and other entities as to acquisition and development of land and construction of a new stadium. Other entities involved in this project may include, but are not limited to, the Commonwealth of Virginia, the City of Richmond, other municipalities or authorities, and private developers and investors.

VCU intends to explore the feasibility of a tenant baseball franchise exclusively with RFS for a period of one-year from the execution of this MOU. Likewise, RFS intends to remain in the City of Richmond (or the Richmond Metropolitan Area) and will undertake no plans to relocate the franchise to a new home location for a period of one year from the date of this MOU.

The options VCU intends to explore include all, or any combination of, the following:

- 1) VCU acquiring land and developing the property for construction of new athletic facilities, including a new baseball stadium;
- 2) VCU selling, transferring or swapping land, or otherwise facilitating the acquisition of land by another entity for the purpose of developing the property and constructing a new baseball stadium;

- 3) VCU acquiring and maintaining ownership of land and entering into a ground lease with another entity to develop the land and construct a new baseball stadium;
- 4) VCU leasing a new baseball stadium as a primary tenant and subleasing use of the stadium to RFS as a subtenant.

RFS understands that progress on the development and construction of a new baseball stadium is contingent upon RFS's intention to enter into a long-term (minimum thirty year) commitment to lease or sublease the stadium as a tenant baseball franchise playing all home games at the stadium while respecting the needs of, and collaborating with, VCU and its men's baseball team.

The Parties anticipate that any progress toward the development and construction of a baseball stadium will occur in phases as they and other interested entities explore feasible options. As such, the Parties intend to execute subsequent documents, which may include non-binding memoranda of understanding or binding, formal agreements, reflecting the Parties' commitments and obligations at each phase as necessary. Such later documents shall memorialize any agreement on terms such as the location of the stadium, allocation of development and project costs including any costs for environmental remediation, design and construction of the stadium, timetable for construction of the stadium, utilization of the stadium, the term and rent for any lease or sublease of the stadium, covenant not to relocate the franchise with penalties or liquidated damages for relocation of franchise, allocation of revenues, payment of utilities and taxes, security for the stadium, repair, maintenance and restoration responsibilities, alterations and improvements to the stadium, insurance requirements, and other matters as negotiated and agreed upon by the relevant parties. Because the feasibility of this complex project requires that the Parties have determined that their mutual uses of the stadium are compatible and potentially feasible from a business perspective, they have outlined certain general understandings and expectations as to some key issues as reflected in the attached Exhibit A.

This MOU reflects the current status of ongoing discussions between and among these Parties and other interested parties, as to the potential acquisition or sale of land. Recognizing that public disclosure of this MOU may harm the negotiating position of a party or otherwise jeopardize the feasibility of this project, the Parties intend for this MOU to remain confidential. Notwithstanding this intent, the Parties acknowledge that disclosure may be necessary where required by applicable law. The Parties further acknowledge that disclosure is appropriate and this MOU may be shared with other interested parties to facilitate progress toward acquisition and development of land and the construction of a new baseball stadium.

The Parties expressly state that this MOU is non-binding in all respects, and nothing in this MOU should be construed as requiring either party to expend funds, acquire land, or take other legally or fiscally binding actions. Rather, the MOU is a good-faith acknowledgment of the Parties' current intentions as to the development, construction and use of a new baseball

stadium and a commitment from each party to work collaboratively with the other in regard to the matters contained herein for a period of one year.

**EXHIBIT A**

1. The Parties anticipate that any lease or sublease of a new baseball stadium in which RFS is a tenant or subtenant of VCU's will be for a minimum term of thirty years, during which time VCU will continue to work collaboratively with RFS on matters related to the new baseball stadium.
2. The Parties anticipate that, based on estimated total project costs for the design, development and construction of the new baseball stadium in a range of approximately \$50,000,000.00 to \$60,000,000.00, annual rent paid by RFS on any such lease or sublease will be approximately \$1,000,000.00, and subject to mutual agreement on other economic terms of any such lease or sublease.
3. The Parties anticipate that any lease agreed upon by RFS as a tenant or subtenant of VCU's will include a covenant not to relocate its franchise to another community or facility during the term of the lease. Violation of such a covenant may result in certain liquidated damages to be agreed upon by the parties.
4. The parties agree that if VCU undertakes the construction and development of a new stadium, RFS will be consulted and engaged on an on-going basis to ensure that the new facility meets RFS's needs and goals, and if there is any disagreement between the parties concerning whether RFS's needs and goals are being met, the parties will seek a mutually agreeable resolution, which may include use of an informal, nonbinding mechanism for doing so.
5. The Parties anticipate that any lease or sublease agreed upon by RFS and VCU will include terms detailing the Parties' mutual use of the facility such that RFS's needs relating to the scheduling of games, practices and other activities of a minor league baseball franchise are fully met. VCU shall have access to the facility for its men's baseball team's Spring Season, Fall Ball and Skill Work, as well as other mutually agreed upon activities such as Prospect Camp, Ramsanity, Team Hitting Camp, and Youth Clinic consistent with the general schedule attached hereto as Exhibit A-1.
6. The Parties anticipate that the location of the new baseball stadium will be in close proximity to the current facility (The Diamond) in the City of Richmond.
7. The Parties anticipate that the new baseball stadium will be a baseball-only facility that will satisfy Facility Standards and Compliance Inspection Specifications for Minor League Facilities, subject to any waivers of those requirements deemed necessary or desirable by the parties and approved by Major League Baseball and the National Association of Professional Baseball Leagues. The playing surface will be grass. In general, the parties anticipate that the new baseball stadium will be substantially similar in size, quality, programming and amenities (but not necessarily aesthetics) to BB&T Ballpark in Charlotte, North Carolina and Coca-Cola Park in Allentown Pennsylvania, subject to adjustments due to actual field conditions and requirements specific to this project. The parties anticipate that the new baseball stadium will accommodate non-athletic events such as concerts, festivals or other community events of a type agreed upon or approved by the owner and RFS as principal leaseholder or sublessee.

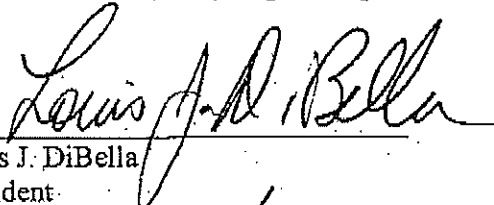
VIRGINIA COMMONWEALTH UNIVERSITY

By: \_\_\_\_\_  
Edward K. McLaughlin,  
Associate Vice President & Director of Athletics

Date:

NAVIGATORS BASEBALL LP

By: Navigators Baseball, Inc., its general partner

By:   
Louis J. DiBella  
President

Date: 9/28/16

VIRGINIA COMMONWEALTH UNIVERSITY

By: Ed McLaughlin  
Edward K. McLaughlin,  
Associate Vice President & Director of Athletics

Date: 29 Sep 16

NAVIGATORS BASEBALL LP

By: Navigators Baseball, Inc., its general partner

By: Louis J. DiBella  
Louis J. DiBella  
President

Date: 9/28/16

## Exhibit A-1

### 1. Administrative

#### Important Annual Dates

<b>July 20 (est.)</b>	Club to notify VCU of the next season's game schedule immediately upon approval by the Eastern League at the EL All-Star game.
<b>June 1</b>	Club to notify VCU of biennial stadium inspection dates and annual community events
<b>July 1</b>	VCU submits fall ball schedule
<b>September 1</b>	VCU submits spring schedule

### 2. Playing and Practice Seasons

**Spring Season** – The VCU spring baseball season officially commences on the first day of classes each January. Skill work will begin on the first day with full team practices to begin the following week. Weather permitting, annual start dates for skill work and team practice will be:

2019	January 14 – Skill Work January 21 – Team Practice
2020	January 13 – Skill Work January 20 – Team Practice

Future dates to be determined using same criteria

**Fall Ball** – VCU baseball will start skill work on the Monday closest to September 15 OR five days after the conclusion of the Club season. Full team practice will begin on the Monday closest to September 22 and will run 45 consecutive days, weather permitting. Fall start dates for skill work and team practice will be:

2019	September 16 – Skill Work September 23 – Team Practice
2020	September 14 – Skill Work September 21 – Team Practice
2021	September 13 – Skill Work September 20 – Team Practice
2022	September 12 – Skill Work September 19 – Team Practice

Future dates to be determined using same criteria.

**Skill Work** - Skill work sessions are conducted with a coach for two hours per week, per player. Each session is held outside of the normal team practices times and is generally performed prior

to the start date of fall/spring team practice, as well as at the conclusion of fall practice in November.

**Other VCU Activities:**

<b>Prospect Camp</b>	First weekend of November
<b>Ramsanity</b>	Late November (Warning track, stairs, etc. - <b>No Grass</b> )
<b>Team Hitting Camp</b>	Second weekend of December (No infield)
<b>Youth Clinic</b>	Prior to November 1 every year

Note: Any periodic inspections required by the City of Richmond that will prohibit VCU baseball from conducting normally scheduled activities will be scheduled after the Prospect Camp to be held the first weekend of November annually.