

**To: Board of Supervisors
West Villages Improvement District**

**From: Jonathan T. Johnson
Lindsay C. Whelan**

Date: March 6, 2017

Re: Memorandum Regarding District Obligations Pursuant to Letter of Intent

Listed below are the District’s obligations and responsibilities as outlined in that certain *Letter of Intent and Term Sheet* (the “LOI”) by and between Sarasota County (the “County”), the City of North Port, Florida (the “City”), West Villages Improvement District (“WVID”), Manasota Beach Ranchlands, LLLP (“Developer”), Calben (US) Corporation (“Developer Guarantor”) and the Atlanta National League Baseball Club, LLC (“ANLBC” and collectively with the County, City, WVID, Developer and Developer Guarantor, the “Parties”).

Design and Construction of the Facilities

- ANLBC will directly enter certain pre-construction agreements which are planned to be assigned to or assumed by WVID upon issuance of the bonds (the “Pre-Construction Contracts”).
- In addition to assuming the Pre-Construction Contracts, WVID shall otherwise design, develop and construct the Facility and shall be responsible for retaining any additional general contractors, project managers and/or any other person or entity necessary to effectuate same (the “Construction Professionals”).
 - WVID shall commence retaining the Construction Professionals upon the approval and execution of the LOI.
- In connection with the construction of Facility, WVID shall be specifically responsible for:
 - (a) ensuring that all legal requirements are met, including securing all necessary permits and zoning;
 - (b) ensuring that the Facility is constructed to the Program Requirements set forth in Exhibit A to the LOI; and
 - (c) insurance related to the design, development and construction of the Facility.

- WVID shall use commercially reasonable efforts to complete construction of the Facility so that ANLBC can utilize the Facility for spring training operations/games commencing on January 15, 2019.
 - WVID shall not have any liability to ANLBC if this date is not met, unless if there is a material default by WVID, in which case WVID shall assist ANLBC in identifying an alternative temporary site.
- Developer shall develop and construct the offsite utilities infrastructure and offsite roadway improvements needed to facilitate ingress and egress access to the Site (the “Developer Access Infrastructure”).
- The Facility and the Site will ultimately be conveyed to the County for ownership, operation and maintenance.

Financing of the Facilities

- WVID will issue bonds in an amount necessary to pay for the construction of the Facilities.
 - Currently, the target bond proceeds for construction purposes are \$75,399,542.
 - The City, County, State of Florida, and ANLBC are all planned to contribute funding to WVID.
- Within 15 days of execution of the Stadium Operating Agreement, WVID (with the assistance of the County) shall apply for the State of Florida funding for the Facility, and shall provide notice of same to the Parties.

Payment/Reimbursement of Costs and Expenses

- The Site shall be provided to WVID by the Developer at no cost.
- The cost of the Developer Access Infrastructure may be paid for by either the Developer or WVID.
- ANLBC will fund the cost of the Pre-Construction Contracts, but may be reimbursed for such costs from the bond proceeds.
- ANLBC shall reimburse WVID for all reasonable costs or expenses incurred by it in effectuating its obligations set forth in the LOI (with the exception of legal fees) prior to the issuance of the bonds, in an amount not to exceed \$50,000.
 - Note: WVID shall be responsible for costs associated with its owner’s representative prior to the bond issuance; provided, however, that ANLBC will reimburse WVID for reasonable costs related to same if the bonds aren’t issued.
- WVID shall be reimbursed for cost of retaining the Construction Professionals from the proceeds of the bonds.