

Term Sheet between the City of Shakopee ("City") and the Shakopee Tennis Association ("Association")

Dated 3/12/15

Background

1. The Association is a non-profit organization that is proposing to construct a tennis Facility ("Facility") in the City.
2. The City is willing to allow the Association to utilize approximately six acres of a City park to accommodate the Facility provided that the Association meets certain requirements.
3. The purpose of this Term Sheet is to set forth the parameters within which the Association would construct, operate and maintain the Facility on park property.

Terms

4. The Association would own, construct, operate and maintain the Facility on approximately six acres of Shutrop Park. Although the plans for the Facility are only at a preliminary stage, the current concept for the Facility includes the following:

- 8 indoor tennis courts (in 2 banks of 4 courts each) in a rigid-framed building with 35-foot eaves and a height of 45 feet, with a synthetic surface, indirect lighting and air conditioning in the summer
- 4 classrooms
- a social meeting room
- small men's and women's locker rooms with some lockers and individual showers
- a family changing room
- offices
- a vending machine area
- a lounge with seating areas
- a pro shop (leased to an outside vendor approved by the City)
- mechanical areas
- storage areas

Future potential expansion of the Facility might include:

- 8 outdoor lighted tennis courts
- 3 mini tennis courts for youths

5. The Facility would be required to have an adequate number of onsite parking spaces, as approved by the City.

6. The name of the Facility is expected to be: "Shakopee Tennis and Education Center."

7. The Association has not finalized or obtained architectural plan drawings or site plan drawings, nor received firm bids; however, the Association estimates the Facility to cost approximately \$10 Million.

8. The Facility must be open to the public, but the Association will retain the right to use the Facility for its programs. The City will also be able to use the Facility for its recreational programs and City residents will be able to use the Facility at a reduced rate to be agreed upon by the City and the Association. The City's and the public's use of the Facility shall be subject to terms and conditions to be negotiated between the City and the Association.

9. The City will provide approximately six acres at Shutrop Park for the Facility through a long-term ground lease with the Association with an annual ground rent of \$1.00.

10. The final design, including the final plans and specifications, for the Facility would be subject to City Council approval.

11. The Association will be solely responsible for all costs and expenses relating to the ownership, construction, operation, use, and maintenance of the Facility, including but not limited to all applicable City and other governmental fees and charges such as building permit fees and SAC and WAC charges.

12. The Association will be solely responsible for raising sufficient funds to own, construct, operate, use, and maintain the Facility and to meet all of its obligations under the ground lease with the City. No public financing will be used for such purposes.

13. The Association would be solely responsible for all property taxes, if any, pertaining to the Facility.

14. The fees charged to the City and public for use of the Facility will be subject to terms and conditions to be negotiated between the City and the Association.

15. The ground lease will contain provisions acceptable to the City with respect to future use, ownership, operation, and maintenance of the building if the Facility does not succeed.

16. The Association will comply with all applicable City Code provisions, including zoning, land use, and sign regulations, unless the City Council authorizes an exemption, variance or waiver to any provision.

17. The City will construct any public improvements needed to serve the Facility and the Association will pay all applicable special assessments for the improvements.

18. The Association will reimburse the City for all of its administrative and consulting costs, including attorneys' fees, incurred by the City in connection with the Association's proposal.

19. The Facility would be used for no purposes other than tennis-related ones and other recreational activities as approved by the City and the Association.

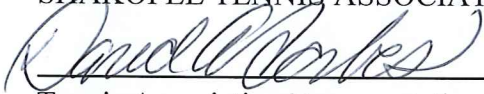
20. The Association will not assign, sublease, or transfer its rights in the ground lease to another entity without the City's consent.

21. The Association will fully indemnify the City and its employees and officers for any and all liability arising from the ownership, construction, operation, use, and maintenance of the Facility.

22. The terms of any future agreements between the Association and the City might be subject to Minn. Stat. Section 116J.993 to 116J.995 (the "Business Subsidy Act"). If the Business Subsidy Act applies, the Association will enter into and abide by a business subsidy agreement with the City.

23. This Term Sheet shall serve as the outline of the general business terms to be incorporated into one or more agreements between the City and the Association relating to the above terms. As such, neither party shall be bound by any agreement until a mutually acceptable agreement or agreements have been executed by the City and the Association and approved by their respective governing bodies.

SHAKOPEE TENNIS ASSOCIATION:


Tennis Association Representative

3/18/15
Date

David Forbes
Print Name of Representative

CITY OF SHAKOPEE:


City of Shakopee Mayor

3/31/15
Date

Brad Tabke
Print Mayor Brad Tabke


Acting City Administrator

3/24/2015
Date

Kristine Lyndon Wilson
Print Acting City Administrator