

TOWN OF SMITHFIELD

350 East Market Street | Smithfield, North Carolina 27577

LETTER OF INTENT FOR LEGION FIELD

Lease of Baseball Stadium Facility, Ball Fields, and Adjacent Parking

Johnston County Tax Parcel ID No. 15007014

Smithfield, Johnston County, North Carolina

Date: April 7, 2026

FROM: Town of Smithfield, North Carolina (“Town”)

350 East Market Street, Smithfield, NC 27577

TO: Pou Parrish American Legion Post 132, Smithfield, North Carolina (“Legion”)

Smithfield, NC 27577

The Town and the Legion enter this Letter of Intent (“LOI”) to set forth their mutual understanding and the principal terms under which the Parties intend to negotiate a formal Long-Term Lease Agreement for the property described below. This generally Non-Binding Letter of Intent is nevertheless an effort to define substantive terms and conditions based upon which the American Legion negotiate a final contract to locate the TOBS Baseball Stadium on the ballfield, hereinafter referenced as “Legion Field”, being a portion of the Johnston Community College Foundation land leased by the American Legion as part of Johnston County Tax Parcel 15007014.

Except as stated in Section 8, this LOI is non-binding and does not constitute a lease, option, or enforceable commitment. No binding lease obligation arises until a formal Long-Term Lease Agreement is authorized by the Town Council and duly executed by all Parties.

1. Property.

The property is Johnston County Tax Parcel ID No. 15007014, as recorded in the Johnston County Register of Deeds (“Property”). If Pitchi Street were extended south to the railroad, the leased area would include all of the Property within the Street extension as well as that portion of the Property to the west of the Street Extension including all ball fields and adjacent parking areas on the Property, as shall be more particularly described in the Long-Term Lease Agreement and set out in more specificity in a Site Plan, hereinafter referenced. The property at the southern end of Pitchi Street on Johnston GIS and between Smithfield Housing Units off Dail Street on the east, the railroad on the south, and New Vision Partners off Edgerton Street on the west, and four parcels fronting the south side of US Highway 301 on the north. See Source Deed of owner in Book 6528, page 855.

Encumbrances. The Property is owned by the Johnston County Community foundation whose consent is required for any lease. The Legion has a long-term lease for the next 81 years as referenced below in the lease term.

Exclusion: The American Legion post building and the immediate parking area directly serving the Legion building are expressly excluded from this LOI and the proposed lease. The Legion always retains full use and control of the Legion building and its immediate parking.

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2. Purpose.

The Town intends to develop and operate the leased area as a baseball stadium and public event facility for public sporting events, community events, regional tournaments, and related public programming. The specific scope, design, and phasing shall be established in the Long-Term Lease Agreement.

3. Principal Lease Terms.

Subject to negotiation and execution of the Long-Term Lease Agreement and all required Town Council approvals, the Parties anticipate the following principal terms:

Lease Term: Eighty-one (81) years, commencing May 1, 2026.

Annual Base Rent: \$24,000.00 per year (\$2,000.00 per month), payable by the Town to the Legion on the first of each month.

CPI Adjustment: Annual Base Rent shall adjust annually based on the CPI-U (All Urban Consumers, U.S. City Average, All Items). No single annual increase shall exceed 5% of the then-current rent. No adjustment shall decrease rent below the prior year’s rate. Methodology shall be specified in the Long-Term Lease Agreement.

Existing Lease Buyout Payment: One Hundred Forty Thousand Dollars (\$140,000.00) (“Buyout Payment”), payable by the Town to the Legion upon execution of the Long-Term Lease Agreement. The Buyout Payment is consideration for the termination of all existing leases, licenses, or use agreements affecting the ball fields and adjacent parking areas on the Property, so that the Town receives exclusive access and possession free and clear of all third-party use rights. Upon receipt of the Buyout Payment, the Legion shall promptly terminate all such existing agreements and shall be solely responsible for any refunds, credits, or other amounts owed to any displaced lessees, licensees, or users. The Town shall have no obligation to any such third parties.

Exclusive Use: Upon payment of the Buyout Payment and commencement of the lease term, the Town shall have exclusive rights to use, possess, develop, manage, and operate the ball fields and adjacent parking for the full lease term.

Permitted Use: Baseball stadium, public event facility, parking, concessions, community events, and all uses reasonably ancillary thereto, subject to all applicable Town ordinances, zoning, UDO, building codes, and law.

4. Parking.

The adjacent parking areas serving the ball fields are included in the leased premises. The Legion building and its immediate parking are excluded. During events at the stadium facility, any available parking on the Property outside the leased area and outside the Legion’s reserved immediate parking shall be available to event attendees on a first-come, first-served basis, subject to any reasonable rules the Parties establish in the Long-Term Lease Agreement.

Site Plan. To Clarify the location of the parking the fields and the other site characteristics the parties agree to engage _____ to prepare a site plan for the stadium, the access, and the parking with both parties cooperating in full with the preparation of the site plan.

Inspection. The Town understands that games are scheduled on weekends through April 12, 2026 but after then the Town may enter the property at will to inspect, survey and evaluate the suitability of the property but shall not substantially damage the grounds.

5. Exclusivity.

From the date both Parties sign this LOI, the Legion shall not negotiate or enter any lease, license, or agreement with any third party concerning the ball fields or adjacent parking that would be inconsistent with the Town's rights under this LOI.

6. Timeline.

The Parties shall work in good faith to execute the Long-Term Lease Agreement within forty-five (45) days of the date both Parties sign this LOI. If no agreement is executed and no written extension is agreed, either Party may withdraw without liability, subject to the return of any Buyout Payment previously paid.

7. Preservation of Town Authority.

Nothing in this LOI limits the Town's police power, zoning authority, code enforcement, permitting authority, or any other governmental authority. All development is subject to applicable ordinances, codes, and law. This LOI does not constitute a zoning decision, development approval, or permit. No vested rights arise from this LOI.

8. Binding and Non-Binding Provisions.

This LOI is non-binding except for: (a) the exclusivity provision of Section 5; and (b) each Party's obligation to bear its own costs. All other provisions are statements of mutual intent only. Because the Town is subject to the North Carolina Public Records Act (N.C.G.S. Chapter 132), no confidentiality obligation is imposed on the Town.

9. General Conditions.

Execution of the Long-Term Lease Agreement is subject to: (a) satisfactory title search and survey; (b) confirmation the Legion holds sufficient authority to lease the Property for the proposed term; (c) Town Attorney review and approval; (d) Town Council authorization; (e) compliance with N.C.G.S. Chapter 159 (Local Government Fiscal Control Act); and (f) any other requirements of applicable law.

10. Governing Law & Forum Selection.

This LOI is governed by North Carolina law. Any dispute shall be subject to the jurisdiction of the General Court of Justice, Superior Court Division, Johnston County, North Carolina.

Executed this the 7th day of April, 2027

Pou Parrish American Legion Post 132 SMITHFIELD, NORTH CAROLINA



Ernest R. Allsbrook, Jr. : Post Commander

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This the ___ day of _____, 2026

TOWN OF SMITHFIELD, a North Carolina Municipal Corporation

Andy Moore, Mayor

Date: _____

ATTEST:

Name / Title: Town Clerk

Date: _____

(TOWN SEAL)

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