

# THE NORTHERN LEAGUE, INC.

## SUMMARY

### ORGANIZATION

The Northern League, Inc. was organized on the 18th day of February, 1992 as a South Dakota Corporation. It will be authorized to do business in the state of Minnesota.

Miles Wolff is the sole shareholder, sole director and President of The Northern League, Inc.

The Northern League, Inc. is being represented by Terry Prendergast of the firm of Boyce, Murphy, McDowell & Greenfield, P.A. in Sioux Falls, South Dakota. Its registered agent is David W. Kemp at 1214 South Norton, Sioux Falls, South Dakota, 57105. The Northern League, Inc. is represented in North Carolina by my attorney, Lillard H. Mount, of the firm of Maxwell & Hutson, P.A. Lillard H. Mount has represented me in respect to all of my baseball endeavors.

Trademark application for "The Northern League, Inc." has been filed.

The Northern League, Inc. is in the process of drafting a constitution which will be similar to the constitution of Minor Leagues which are associated with the National Association.

## LEAGUE

The Northern League, Inc. is expected to be composed of six franchises in the Midwest and Canada. After an initial operation, it may be expanded to eight Franchises.

## STADIUM LEASES

It will be necessary for each Franchise to execute a lease for a stadium, usually with a municipality.

It is suggested, if possible, the lease should be negotiated for two years with an option to renew for five years.

The Northern League, Inc. will have an option from each Franchise to purchase the lease for one hundred dollars (\$100.00) in the event that for any reason the franchise is terminated. The approval of this option must be negotiated with the lease.

## PLAYING SEASON

It is anticipated that the league will play seventy to eighty games beginning in the early part of June, 1993 and ending on Labor Day.

## UMPIRES

Play will be supervised by a minimum of two Umpires. The Umpires shall be under the supervision and control of the League, with the final decision made by the League Umpire. League supervision will be governed by its constitution.



## PLAYERS

Each Franchise shall be responsible for recruiting, supervising and paying its players. Each Franchise shall consist of twenty players with a limit of two Veteran players (with three full seasons of play). Regular players will be compensated at an average of \$1,0000.00 per month. Total player compensation may not exceed \$65,000.00.

The League will assist with the recruitment of players. Players recruited will be referred to the Franchises in the same rotation that the Franchise had been secured.

## LEAGUE OFFICE

Miles Wolff will maintain his office in Durham, North Carolina and will spend the necessary time in the League Territory to assist in a successful operation.

The League will also maintain an office in St. Paul or in another League City, which will be staffed by an Executive Director.

## LEAGUE EXPENSES

Each Franchise shall upon the execution of the Franchise Agreement pay \$20,000.00 for League dues. In addition, it will pay \$10,000.00 for League dues on the 1st of July.

These payments shall be used exclusively for League expenses and any excess will be carried over to the next year.

Miles Wolff will receive no salary as a part of League expense.

#### FRANCHISE EXPENSE

To insure responsible operation, each Franchise will give to the League an irrevocable letter of credit in the form acceptable to the League and drawn upon an approved financial institution, guaranteeing payment of its expenses including lease payments, player payments, and miscellaneous expenses. The letter of credit will be in the amount of \$100,000.00.

#### FRANCHISES

Immediately upon executing a Franchise agreement, each Franchise will receive a temporary Franchise for a period of two years at no cost. At the expiration of two years, each Franchise will receive a permanent Franchise upon payment of \$50,000.00 to The Northern League, Inc.

In addition, Miles Wolff individually will receive a commission upon sales of any Franchise within the first ten years of operation of ten percent of the amount which the sales price exceeds \$50,000.00 for his service as organizer, consultant, the devotion of his time, experience and expertise in the operation of the Baseball Franchises.

#### FRANCHISE COMPENSATION

The Franchise shall receive its compensation from gross ticket sales, concessions and fence advertising.



## RISK

Any sports investment has a high degree of risk. It is possible that some Franchises will not succeed and the owners will lose their investments. The reward for a successful Franchise operation should be considerable, both in satisfaction to the owners and as an investment.

No one should engage in this venture unless its primary motive is the operation of a successful Baseball Franchise. The Northern League, Inc. will be turned over to the owners of the franchises to control and operate at the expiration of the second year of play.

The League reserves the right to amend its constitution and change its rules unilaterally during the first 2 years of operation.

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