

**PROPOSED TERM SHEET
BY AND BETWEEN AASEG AND CITY OF OAKLAND**

REVISED VERSION 7/15/2021

<p>1. Parties & Intent</p>	<p>This non-binding term sheet (“Term Sheet”) sets forth the terms upon which the African American Sports & Entertainment Group, collectively referred to as (the “AASEG” or “Developer”) proposes to: a) acquire the City of Oakland’s (the “City”) ownership interest and property rights to the site known as the Oakland Coliseum Complex (the “Site”); b) acquire adjacent properties owned by the City of Oakland (as further described below); and c) plan, entitle, construct, and operate the site as a major mixed-use, regional transit-oriented development, potentially consisting of new contact sports stadiums, entertainment venues, market-rate and affordable residential housing, life-science R&D, office, retail, educational, and hotel/conference facilities – collectively achieving the highest and best use of the Coliseum site development (the “Project”).</p> <p>The proposed Project Site (as further defined below) is located within the Coliseum Area Specific Plan. The City has initiated the preparation and adoption of the Coliseum Area Specific Plan, which serves to govern uses in the Plan Area, and an Environmental Impact Report (EIR) that analyzes the environmental impacts of possible development in the Plan Area. The AASEG will utilize the Coliseum Area Specific Plan and associated EIR as a framework for efficiently and sustainably planning and securing all requisite entitlements for the Project.</p> <p>The City and Developer desire to enter into a Purchase and Sale Agreement (“PSA”) through which the City agrees to sell and convey the City’s 50% interest to the AASEG, and the AASEG agrees to acquire and purchase the City’s interest from the City after all of the conditions to closing have been met. These conditions will be described in detail in the finalized Term Sheet and the PSA, and will provide for the resolution of the City/County/Coliseum Way Partners ownership interest, defeasance, refunding or repayment of the bonds so that the encumbrances related to the bonds are removed from the Complex.</p>
<p>2. Purchase Price</p>	<p>The Purchase Price for the City’s interest is <u>Ninety-Two Million, Five-Hundred Thousand Dollars</u> (\$92,500,000), payable to the City in cash and in installments in accordance with a Schedule of Payments to be negotiated, and described in the finalized Term Sheet and PSA. The proposed Purchase Price reflects a fair, equitable, and current market price for the purchase of the City’s interest pursuant to the terms of this Agreement. In addition to paying the purchase price upon closing, the AASEG and the City will negotiate in good faith to determine a fair and</p>

**PROPOSED TERM SHEET
BY AND BETWEEN AASEG AND CITY OF OAKLAND**

	<p>equitable share of any ongoing facility operating costs of the Complex to be assumed by AASEG immediately upon closing commitment.</p>
<p>3. Deposit</p>	<p>Within five (5) business days of the Effective Date of entering a PSA, the AASEG shall deposit with the Escrow Holder the sum of Five Million Dollars (\$5,000,000) as security for the performance of the AASEG's obligations under the PSA. The deposit will remain in escrow during the 12-month (plus two six-month administrative title clearance extensions) due-diligence period.</p> <p>The Term Sheet will provide for exclusive negotiations between the City and the AASEG for up to 180 days until a PSA is signed. Please note that the terms and conditions set forth in the Term Sheet are not legally binding on the parties, other than the provisions related to exclusivity and confidentiality. The City Administrator will have the authority to make changes to the Term Sheet as needed in the best interests of the City as long as the changes do not bind the City to any additional development terms and conditions.</p> <p>Practically, the Term Sheet will be incorporated into the PSA, which will provide for further negotiations on project terms and conditions during a one-year PSA-Escrow Period (subject to two administrative extensions). In turn, and if successfully negotiated, the goal of the PSA will be to negotiate a Disposition and Development Agreement (DDA) governing the ultimate conveyance of the properties (by sale) and development of the Project.</p> <p>Direct Cost Reimbursement. Developer shall be responsible for reimbursing the City for the City's direct cost reimbursements (Direct Cost Payments). Such Direct Cost Payments shall be in addition to any Option Payments made by Developer. These Direct Cost Payments will extend through the closing date and be utilized for (a) the City's actual outside legal counsel fees associated with the drafting, negotiations, and implementation of the Term Sheet, the Site PSAs, the Design and Construction Agreement (DCA) (if applicable), any requested assignments of rights requested by Developer (including under Section 3.7), and any other documents related to the contemplated transaction and/or services related to any closing; and (b) actual third-party costs and in-house staff costs incurred by the City to review and approve the Projects per Section 4.6, review design and construction documents and other materials related to submittals in connection with the Project entitlements or permits, attend any hearings or meeting at which the City's attendance is requested by Developer, and implement and manage the Term Sheet, the Projects, and the Site PSAs. (The Site PSAs will</p>

**PROPOSED TERM SHEET
BY AND BETWEEN AASEG AND CITY OF OAKLAND**

	<p>include similar cost-reimbursement requirements.) Developer shall reimburse the Direct Cost Payments to the City on a quarterly basis. Developer shall deposit with the City a total of \$_____. To the extent the PSA Deposit has not been exhausted to reimburse the City's costs as contemplated by the PSA, any excess may be applied to the Direct Cost Payments until exhausted. The City will provide an estimated budget for the expected Direct Cost Reimbursement.</p>
<p>4. Land ("Site")</p>	<p>The City will convey its 50% ownership interests in approximately 121.3 net acres of real property at the Coliseum site to the AASEG for potential development of a new state-of-the-art contact sports stadium/convention center, parking, and mixed-use development, pursuant to the terms of the PSA.</p> <p>The Complex located at 7000 Coliseum Way consists of the following parcels: (APN:041-3901-008-00 and 041-3901-009-00) (the Complex). The AASEG is also interested in securing all adjacent surplus parcels that are owned by the City.</p> <p>In lieu of AASEG's payment for all or part of the purchase price (i.e. land-lease or equity participation), and/or in consideration for the conveyance of the adjacent land, the PSA agreement will provide for the City, at its sole discretion, to participate in project revenues, on terms to be negotiated during the PSA-Escrow Period.</p> <p>5. PROPOSED DEVELOPMENT</p> <p>During the due diligence period, the AASEG will conduct certain investigations of the property and work jointly and in good faith with the City to negotiate an equitable Agreement with the Oakland A's and/or the County of Alameda.</p> <p>AASEG will diligently undertake the feasibility analysis, planning, entitlements and, if feasible, development at the Project Site including, but not limited to, the following components (the Project):</p> <ul style="list-style-type: none"> (i) a multi-purpose contact sport stadium/convention center containing approximately 65,000 seats and amenities to be used by multiple professional contact sports teams, (the New Stadium), which will be developed in accordance with plans and specifications approved by the professional sports teams, and the governmental or regulatory agencies or entities with jurisdiction over the proposed Project, and which will replace, or significantly refurbish, the existing Oakland-Alameda County Coliseum;

**PROPOSED TERM SHEET
BY AND BETWEEN AASEG AND CITY OF OAKLAND**

- (ii) commercial uses and related improvements and amenities, which will be anchored by one or several large tenants and may include:
 - life-science R&D facilities
 - office space
 - one or more hotels
 - market rate and affordable residential uses
 - cultural amenities
 - educational facilities
 - government offices
 - retail, targeting local and national retailers
 - healthcare
 - fitness

- (iii) parking (both dedicated and reciprocal use) to serve the new contact sports Stadium/Convention Center and the Mixed-Use Components, (the Parking); and

- (iv) all required infrastructure and site preparations, including but not limited to utility relocations; utility connections; drainage, roads; sea-level rise grade adjustments; hazardous abatements.

Development of Affordable Residential Rental Project. As indicated above, the project is proposed to be developed with a) affordable (extremely low-, very low-, low- and/or moderate-income) multifamily residential rental units (the total number of which is planned for at least 35% of the total residential units constructed across the development combined with no more than 10% of such 35% being moderate income units, unless otherwise approved by the City’s Planning Commission); b) at least 120,000 square feet of rental retail space; and c) a parking garage containing approximately 50 parking spaces. The residential units will be constructed in a manner and with materials that will minimize the risk of fire, particularly during construction (to be further defined in the PSA).

Common Area Improvements. Developer will construct a new park and public plaza located within the development. Access to the Project Site and new public paseos between the Parcels, the Plaza, and the Project Site areas (collectively, the Common Area Improvements). The Common Area Improvements will serve as pedestrian, bike, vehicle, and maintenance accessways to, from, and around the Project Site and the Project.

Construction of the Common Area Improvements will be phased

**PROPOSED TERM SHEET
BY AND BETWEEN AASEG AND CITY OF OAKLAND**

	<p>pursuant to a schedule of performance or multiple schedules of performance agreed to by City and Developer in the Term Sheet that tie the various components of the Common Area Improvements to the applicable Site PSAs.</p>
<p>5. Strategic Project Objectives</p>	<p>AASEG’s strategic objectives will include, but not be limited to: achieving an increase in robust hospitality options, thriving retail, including the preservation and support of local businesses owned by people of color; world-class entertainment, nightlife, culturally diverse restaurants, cultural museums, community gathering spaces, and performance arts spaces; educational facilities, life-sciences R&D facilities, a black cultural business component (affectionately known as “Black Wall Street 2”), a transportation hub, and public and social services; and sizable housing options including affordable housing and housing that focuses on anti-displacement measures and strategies that enhance the existing cultural fabric of East Oakland.</p> <p>AASEG will explore the feasibility of the development of a multi-purpose, professional contact sports stadium in a manner that also augments and accommodates use of the Arena as a Convention Center. A particular focus of the Convention Center feasibility analysis will be to assess the potential to enhance the City’s ability to attract world-class events to Oakland, as well as transform the Coliseum site into a 365-day-a-year, regional, tourist, and visitors’ destination.</p>
<p>6. Amendments</p>	<p>The PSA may only be amended, in whole or in part, by mutual consent of the parties or their successors in interest. Amendments constituting a Material Change will require consideration by the City Council by ordinance. All other proposed amendments may be approved, on behalf of the City, by the City Administrator.</p> <p>A proposed amendment shall constitute a Material Change if it seeks to or causes (a) an extension of the Escrow Period as set forth in the PSA; (b) a material change in the non-monetary obligations of the City; (c) a delay in the City’s ability to conveyance unencumbered title to AASEG; or (d) an amendment to the Coliseum Area Specific Plan, General Plan, or Zoning Ordinance that would restrict currently allowed land uses or change the quantities of permitted land uses beyond the parameters as currently set forth.</p>
<p>7. Project Stabilization Agreement</p>	<p>Developer shall negotiate and execute a Project Labor Stabilization Agreement for all improvements constructed on the Parcels, the Common Area Improvements, and the Bike Stations with the Alameda County Building.</p>
<p>8. Community Benefits</p>	<p>The PSA will secure benefits for the City and its residents consistent, at a minimum, with the guidelines</p>

**PROPOSED TERM SHEET
BY AND BETWEEN AASEG AND CITY OF OAKLAND**

<p>and Affordable Housing</p>	<p>set forth in Assembly Bill 734 (2018) and the “Key Principles of the Coliseum Complex Community Benefits Agreement,” attached as Exhibit D. Community benefits, including affordable housing, will be established through a collaborative, multi-stakeholder, equity-centered community engagement process. The AASEG will provide funding for the community benefits package (including affordable housing) in accordance with the AASEG-proposed Financial Plan described in Section 11.</p>
<p>9. Workforce Development</p>	<p>The Developer shall abide by all applicable City contracting and employment laws unless a Project-specific jobs program is approved by Council concurrently with the PSA.</p>
<p>10. Financing and BIDs</p>	<p>The City and Developer shall pursue the formation of a Community Facilities District (CFD) and an Infrastructure Financing District (IFD) to finance eligible capital improvement and maintenance costs associated with the Project, subject to the terms of a Financing Plan to be negotiated by the parties and included as an attachment to the PSA. If requested by Developer, the City will also agree to cooperate with the establishment of a Business Improvement District (BID) and in submitting and processing grant or funding applications.</p>
<p>11. Assignment and Conveyance to Vertical Developers</p>	<p>Developer shall have the right to (a) assign or transfer its rights in the PSA or in the Term Sheet to one or more entities including those controlled by one or more of the AASEG Partners, subject to the prior reasonable approval of the City; and (b) Developer may assign or transfer the rights to a PSA to a Qualified Developer with the City staff’s approval and notice to the City Council. The definition of “Control,” “controlled by,” and “Qualified Developer” (and other derivative terms) shall be specified in the Term Sheet.</p>
<p>12. Brokers</p>	<p>The City and the Developer each acknowledge that they have not engaged any broker in connection with the transactions referenced in this Term Sheet. The Term Sheet will include an agreement from each party to indemnify and hold the other party harmless with respect to any claims for brokerage commissions or consultant or other fees related to this transaction resulting from its respective actions.</p>
<p>13. Non-Binding Effect</p>	<p>It is understood that this Term Sheet constitutes a mere expression of interest, does not represent an offer or binding obligation of any kind, and creates no rights in favor of any of the parties or any other person. No person</p>

**PROPOSED TERM SHEET
BY AND BETWEEN AASEG AND CITY OF OAKLAND**

	<p>will have any right or obligation whatsoever with respect to the proposed transaction unless and until the parties have executed and delivered the Term Sheet or other definitive documentation evidencing such agreements. The interpretation of this Section 5.3 shall be governed by California law.</p>
--	--