

MEMORANDUM OF UNDERSTANDING

by and among

City of Columbus, Ohio

County of Franklin, Ohio

and

JHAC Ventures, LLC

Dated as of December 10, 2018

This Memorandum of Understanding (“MOU”) is executed by the City of Columbus, Ohio (“Columbus”), an Ohio municipal corporation, the County of Franklin, Ohio (“Franklin County”), an Ohio body corporate and politic, and JHAC Ventures, LLC (“JHAC”), a Delaware limited liability company, in order to describe current plans and proposals of Columbus, Franklin County and JHAC for the financing, development, construction, operation and occupancy of a multi-purpose sports, community, entertainment and cultural facility that will be home to Columbus Crew SC, a Major League Soccer (“MLS”) team, as well as other sporting, entertainment and civic events in the western portion of the Arena District, and the design and construction of a community sports campus at the site of MAPFRE Stadium, a portion of which will include a practice facility and training complex for Columbus Crew SC. As used herein, “JHAC” shall mean any entity owned, controlled by, or under common control with, JHAC or any member of JHAC. The plans and proposals described herein remain subject to the approval of JHAC and the authorization pursuant to the adoption of appropriate legislation by Columbus City Council and the Franklin County Board of County Commissioners.

BACKGROUND

In 1994, Major League Soccer announced that Columbus would be home to Columbus Crew (later renamed Columbus Crew SC), which was one of ten founding members of MLS. Columbus Crew played its first game in 1996 at Ohio Stadium. Beginning with the 1999 regular season, Columbus Crew began playing its games at Columbus Crew Stadium (now known as MAPFRE Stadium). MAPFRE Stadium was the first soccer-specific stadium in the United States.

In October 2018, Dee and Jimmy Haslam, the owners of the Cleveland Browns, acting through JHAC and in coordination with other local Columbus investors, announced that they were exploring the potential purchase of Columbus Crew SC in order to keep the franchise in Columbus. The proposed purchase was conditioned upon JHAC being able to reach an agreement with Columbus and Franklin County regarding various issues relating to the financing, construction and operation of the proposed facilities. As JHAC intends to take control of Crew operations in early 2019, MLS is requiring as a condition of the proposed purchase that a preliminary agreement among the parties be reached no later than December 31, 2018.

JHAC and the investor group have proposed the design, development, financing, construction and operation of a new public sports, community entertainment and cultural multi-purpose facility (the "Project"). The Project will include the following: (a) a new, first class, state-of-the-art, natural grass, open-air stadium that will serve as the home of Columbus Crew SC and will host other sporting, entertainment and civic events (the "Stadium"); (b) Stadium-related public infrastructure and public plaza; and (c) a community sports campus (the "Sports Park") that will include a community recreation facility, playing fields and a new, first class, state-of-the-art practice facility and training complex to be designed and built to suit the needs of the Columbus Crew SC (the "Training Facility"). A general description of the Project is contained in Schedule 1 attached hereto.

Columbus and Franklin County each believe that the JHAC proposed investment and the development of Project including the Sports Park provide an unparalleled opportunity to invest in athletic training and development opportunities to the younger residents of the community. The availability of the Sports Park in proximity to thousands of youth athletes will provide tremendous opportunities to train and coach the next generation of athletes in the community. Further, the Sports Park will provide opportunities for multigenerational programming for Columbus and Franklin County neighborhoods in close proximity.

The parties intend that the proposed financing, development, construction, operation and occupancy of the Project will include, inter alia, the following elements and features:

1. The Stadium, Stadium-related public infrastructure and public plaza will be constructed on approximately 13 acres of land in downtown Columbus shown on Exhibit A. The Stadium is also expected to spur residential development of approximately 850 units (with at least 20% of those new residences qualifying as workforce housing per City workforce housing guidelines), and approximately 270,000 square feet of office/retail development, on approximately 20 acres adjacent to the Stadium and public plaza shown on Exhibit A (the "Development"). The

Stadium and Stadium-related public infrastructure and public plaza will contribute to the completion of the final phase of the successful arena district development.

2. The Sports Park will be constructed and situated on approximately 20 acres of land currently leased from the State of Ohio and located at the current site of MAPFRE Stadium.

3. The construction of the Project is estimated to support 430 direct full time equivalent (“FTE”) construction jobs in Columbus and Franklin County during the construction period. Following construction, it is estimated that the Project will be responsible for approximately 1,500 permanent FTE jobs.

Columbus, Franklin County and JHAC believe that the Project will further enhance the already vibrant downtown Columbus and encourage economic development and community engagement in and around the Sports Park, and provide sports, entertainment, residential and employment opportunities for the residents of Columbus and Franklin County. The parties further believe that the Project, and keeping the Crew in Columbus, will positively impact the civic pride and reputation of the City and the region.

UNDERSTANDING

1. General Commitments

A. Columbus, Franklin County and JHAC agree to cooperate in order to accomplish the design, development, financing, construction and operation of the Project as further described herein. The parties agree to work cooperatively, expeditiously and in good faith toward the goal of having the Stadium open and ready for play for the 2021 MLS season.

B. Columbus, Franklin County and JHAC will work cooperatively and expeditiously to provide for the creation of a New Community Authority (the “NCA”) pursuant to Ohio Revised Code Chapter 349 as set forth below. It is expected that the NCA will facilitate design, development, financing, construction and operation of the Project.

C. The total Project costs are currently estimated to be approximately \$280 million. Such costs shall be paid as follows:

- Columbus shall fund \$50 million toward costs of the Project, including all or a portion of the Columbus Contribution (as defined herein), as described in more detail below.
- Franklin County shall fund \$45 million towards Project costs through the NCA by, among other potential methods, the monetization of the \$2.5 million annual Deposit commitment as described below (the “County Contribution”) and tax increment financing as authorized by the City.
- At least \$45 million shall be funded by other public sources to be identified by the parties.
- Remaining Project costs to be funded by JHAC.

D. Promptly after the parties' execution of this MOU, Columbus and Franklin County shall provide to JHAC and MLS a reasonable timeline identifying the dates when their respective funding plans will be finalized and when presentations for definitive legislative or board approvals be made.

E. The parties will work cooperatively and in good faith to agree upon the project delivery method relating to, and responsibility for, the design, development and construction of, and ongoing operation of the Sports Park, including to identify the areas of the Sports Park that will constitute the Training Facility. The design, development and construction of the Sports Park will include prevailing wage and customary requirements of a community benefits agreement. The Training Facility will be leased to JHAC upon terms and conditions mutually acceptable to the City and JHAC.

F. The parties will work cooperatively and in good faith to establish the development rights that will govern the Development site, which is intended to include residential, office and retail uses.

2. Additional JHAC Commitments

A. In addition to its payment of its share of the Project costs, JHAC will invest private capital as required to facilitate the completion of the Stadium and Sports Park, as well as the purchase of Columbus Crew SC. JHAC has also committed to building the Project using prevailing wage with a significant commitment to utilizing minority and women-owned contractors, suppliers and vendors. JHAC will also develop and maintain community philanthropy and youth programs around the Project, such as youth and recreational facilities investment, equipment/gear donations and sponsorships, complimentary tickets, food service fundraising and youth soccer camps.

B. JHAC, working with and on behalf of the NCA, will be responsible for the design, development and construction of the Stadium, as well as any shared areas between the Crew and the public, and will contract with and direct the design and construction teams. JHAC will work cooperatively with the NCA, Columbus and Franklin County to design, develop and construct the Stadium-related public infrastructure and public plaza surrounding the Stadium and the Sports Park, as necessary.

C. JHAC will enter into a Guaranteed Maximum Price Contract for the construction of the Stadium.

D. JHAC, as lessee of the Stadium and the Training Facility, will have exclusive operational control of, and be permitted to market, control and be entitled to receive all revenues (including those derived from marketing and naming rights), net of taxes, relating to the operations of, the Stadium and the Training Facility.

E. JHAC will be permitted to sublease its interest in the Stadium. The parties agree that any sublease agreement will include a reasonable non-relocation provision and generally require that Columbus Crew SC play a majority of its home games at the Stadium.

3. Additional Columbus Commitments

A. Subject to and conditioned upon JHAC committing to design, finance, construct and equip the Project in a commercially reasonable manner and in accordance with the schedule described herein, Columbus agrees to fund (i) subject to subparagraph B below, the cost of acquiring the land for the Stadium, Stadium-related infrastructure and public plaza and the Sports Park, (ii) the cost of constructing various new infrastructure improvements necessary for the Stadium and the Sports Park, such as roads, water, sanitary and storm utility improvements, and supportive parking facilities, and (iii) the development of the Sports Park (collectively, the “Columbus Contribution”). Columbus agrees to budget and request authorization from Columbus City Council for the funding of the Columbus Contribution, including proceeds from the issuance of bonds.

B. Columbus may, in its sole discretion, acquire the land upon which the Stadium and the Development will be constructed. If Columbus elects to acquire the land upon which the Stadium and the Development will be constructed, Columbus will ground lease the land (on terms further described below) upon which the Stadium will be constructed to the NCA and transfer the construction-ready land upon which the Development will be constructed to JHAC. If Columbus does not elect to acquire the land upon which the Stadium and the Development will be constructed, Columbus will work cooperatively with JHAC to facilitate acquisition of such land by JHAC.

C. Subject to modification of the existing tax increment financing exemptions on the Development site, Columbus will create one or more tax increment financing areas that will include the Development site. Columbus will make the revenues generated by the tax increment financing areas available to the NCA in support of the Project.

D. Columbus will reasonably cooperate with the other parties to pursue necessary governmental approvals required for the financing and development of the Project and the Development.

E. Columbus will work cooperatively on the review of building plans and other related matters in an effort to keep the Project and the Development on schedule. Columbus will also assist in obtaining approvals from other governmental agencies where appropriate.

4. Additional County Commitments

A. Subject to and conditioned upon JHAC proceeding to design, finance, construct, operate and equip the Project in a commercially reasonable manner and in accordance with the schedule described herein, Franklin County agrees, acting in cooperation with the Columbus-Franklin County Finance Authority, if necessary, to deposit \$2,500,000 (the “Deposit”) on or about July 1 of each year commencing July 1, 2020, or such other dates mutually agreed to by the parties, for up to 30 total consecutive years, subject to appropriation. Franklin County agrees to budget the amount of the Deposit in its annual budget to be presented to the Franklin County Board of County Commissioners for appropriation.

The Deposit shall be paid to the NCA to be used by the NCA, as determined by the NCA in cooperation with Franklin County, to fund or assist in funding any qualifying community

facilities, including the Project, programs, services and other uses in the NCA district, especially those that promote the health, safety and welfare of the citizens of Franklin County and that assist in providing jobs, employment and economic development opportunities.

B. Franklin County will reasonably cooperate with the other parties to pursue necessary governmental approvals required for the financing and development of the Project and the Development.

C. Franklin County will work cooperatively on review of building plans and other related matters in an effort to keep the Project and the Sports Park on schedule. Franklin County will also assist in obtaining approvals from other governmental agencies where appropriate.

5. Stadium and Sports Park Ownership and Operations

The parties intend that the NCA will own the Stadium and, if determined by the parties to be in the best interests of the Project, the Sports Park, and will lease the Stadium to JHAC, upon terms and conditions mutually agreed upon by the parties, for a term of 30 years, plus at least two 5-year renewal terms exercisable by JHAC, which leased property will be free and clear of all liens, easements, reservations and other matters that would adversely affect or increase the cost of development of the Stadium. The parties agree to work cooperatively to cause the Project to be eligible for a sales tax exemption for construction materials and an exemption from real estate taxes.

6. Legal and Advisory Expenses

Each party hereto shall bear its own legal and advisory expenses incurred in connection with the negotiation of this MOU and the performance of its undertakings as described in this MOU, including the negotiation and preparation of all necessary additional agreements and due diligence.

7. Governing Law

This MOU shall be governed by and construed in accordance with the laws of the State of Ohio.

8. Other Agreements/Understandings; Term; MOU Counterparts

The provisions of this MOU shall supersede all previous agreements and understandings among the parties or any of them concerning the subject matter hereof. This MOU shall become effective upon the execution hereof by a duly authorized signature of each of the parties hereto. If not terminated sooner by Columbus, Franklin County or JHAC, this MOU shall expire upon the execution of the Development Agreement by all parties, which Development Agreement shall be worked on cooperatively by all the parties, but in no case later than 5:00 o'clock p.m. local Ohio time on March 1, 2019. This MOU may be executed in several counterparts, including counterparts transmitted, stored or reproduced by electronic means, each of which shall be regarded as an original and all of which shall constitute one and the same document.

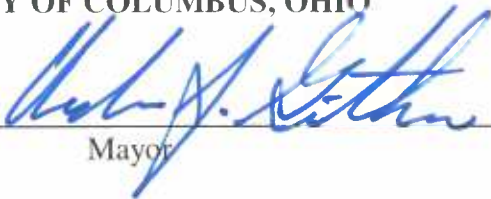
9. Non-Binding Effect

THIS MOU IS INTENDED AS AN EXPRESSION OF THE STATUS OF THE DISCUSSIONS BETWEEN COLUMBUS, FRANKLIN COUNTY AND JHAC AND IS NOT INTENDED TO BE CONTRACTUALLY BINDING ON ANY PARTIES OR TO CREATE ANY EXPRESS OR IMPLIED RIGHTS OR OBLIGATIONS IN FAVOR OF OR AGAINST COLUMBUS, FRANKLIN COUNTY AND JHAC. THE PARTIES WILL BE CONTRACTUALLY BOUND ONLY UPON AUTHORIZATION, MUTUAL EXECUTION AND DELIVERY OF DEFINITIVE AGREEMENTS. NONE OF THE PARTIES SHALL BE ENTITLED TO CLAIM, AND EACH PARTY HEREBY WAIVES AND RELEASES, ANY AND ALL CLAIMS THAT EXIST OR MAY EXIST IN THE FUTURE WITH RESPECT TO THIS MOU BASED UPON THEORIES OF LAW INVOLVING WAIVER, AND/OR ESTOPPEL, INCLUDING WITHOUT LIMITATION EQUITABLE ESTOPPEL, AND PROMISSORY ESTOPPEL.

(This Space Intentionally Left Blank; Signature Page Follows)

[Signature Page]

CITY OF COLUMBUS, OHIO

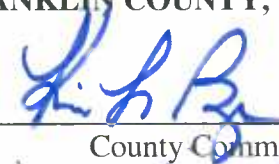
By: 
Mayor

Date: _____, 2018

Approved as to form:
City Attorney

By: 

FRANKLIN COUNTY, OHIO

By: 
County Commissioner

By: 
County Commissioner

By: 
County Commissioner

Date: _____, 2018

Approved as to form:
Prosecuting Attorney, Franklin County

By:  12/18/18
Assistant Prosecuting Attorney

JHAC VENTURES, LLC

By: _____

Date: _____, 2018

Schedule 1

A. Stadium. The Stadium will have the following basic characteristics (figures below are approximate), and other features and amenities that are generally consistent with other new MLS stadiums and/or reflective of the demands of the Columbus market:

- Footprint 13 Acres
- Stadium Size 430,000 Square Feet
- Seating Capacity 20,000
- Suites 30 Suites, 360 Seats
- Loge Boxes 30 Loge Boxes, 120 Seats
- Club Seats 1,900
- On-Site Parking ---
- Administrative Office Space ---
- Retail – Club Store 3,000 Square Feet
- Food & Beverage 1 POS / 200 Patrons
- Meeting/Banquet Space ---
- Plaza Park/Green Space 2 Acres
- Continuous Wrap-Around Roof
- 2 Video Boards / 1 Field Ribbon Board

B. Adjacent Development. The Development is anticipated to have the following basic characteristics:

- Development Footprint 15 Acres
- Public Infrastructure Footprint 5 Acres
- Office/Retail Space 270,000 Square Feet
- Residential Units 850
- Parking Spaces 1,750

C. Training Facility. The Training facility will have the following basic characteristics (figures below are approximate), and other features and amenities that are generally consistent with other state-of-the-art MLS practice and training facilities:

- Facility Size 50,000 Square Feet
- Facility Scope
 - Team Administration Offices
 - Team, Staff and Coaches Locker Rooms
 - Equipment & Laundry Facilities

Athletic Training and Sports Performance Areas

Player Lounge & Dining Facilities

Team Meeting Rooms

Coaching Staff, Technical Director and Support Staff
Offices

Media Workspace

Academy Locker Rooms and Facilities

Maintenance & Storage

- Parking

200 Spaces

- Fields

2 Full Size Natural Grass Fields

