

SETTLEMENT TERM SHEET

City of Cleveland v. Haslam Sports Group, LLC, et al.

Case No. CV-25-110189 (Cuyahoga C.P.)

Cleveland Browns Football Company LLC, et al. v. City of Cleveland, et al.

Case No. 1:24-CV-01857-DAR (N.D. Ohio)

City of Cleveland, Dep't of Port Control v. Ohio Dep't of Transportation, Office of Aviation

Case No. CV 25-125761 (Cuyahoga C.P.)

* * *

By execution of this Settlement Term Sheet, the City of Cleveland and Mark D. Griffin, Law Director of the City of Cleveland (together, the “City”) and the Cleveland Browns Football Company LLC, Cleveland Browns Stadium Company LLC, Haslam Sports Group, LLC, and JHAC, LLC, (together with any affiliates identified by the Browns in the settlement agreement referenced below, the “Browns” and, collectively with the City, the “Parties”) agree to resolve the above-referenced proceedings by entering into a formal settlement agreement consistent with the following terms:

1. In exchange for the voluntary dismissal with prejudice of the above-listed lawsuits brought by the City, the Browns agree to:
 - a. Pay or cause to be donated to the City \$25 million on or before December 1, 2025 (or, if later, the date that all necessary approvals for this Settlement Term Sheet are secured), to facilitate development of the Cleveland lakefront
 - b. Raze Huntington Bank Field in downtown Cleveland to a “pad ready” state at the Browns’ expense, beginning promptly upon termination of the Parties’ lease agreement dated April 26, 1996 (the “Lease”) (including any extensions of the Lease) and using commercially reasonable efforts to achieve a “pad ready” state as soon as practicable. This cost is estimated to be \$30 million. The terms “pad ready” and “as soon as practicable” will be defined in the formal settlement agreement. The following requirements shall apply to the demolition work and site preparation:
 - i. The Browns, through their contractor(s), shall make a good-faith effort to meet the following participation goals:
 1. Thirty percent (30%) participation by businesses having their principal office located in the City of Cleveland.
 2. Twenty percent (20%) participation among —Cleveland Area Small Businesses (“CSB”), Minority Business

Enterprise (“MBE”), and/or Female Business Enterprise (“FBE”)], as those terms are defined in Chapter 187 of the Codified Ordinances of Cleveland, Ohio, 1976 (“C.O.”).

ii. The Browns shall comply with all terms, conditions and requirements imposed on a "contractor" in the Equal Opportunity Clause, Section 187.22(b).

iii. Each laborer, worker or mechanic employed by the Browns or their contractors for demolition work and site preparation work shall be paid the prevailing wage.

- c. Beginning on January 1, 2029, pay or cause to be donated to the City \$4 million on or before January 1 of each calendar year until January 1, 2033, totaling \$20 million over five years, to facilitate development of the Cleveland lakefront.
- d. Beginning upon termination of the Lease (including any extensions of the Lease), spend no less than \$ 2.5 million per year over the next 10 years on Community Benefit Projects, to be defined in the formal settlement agreement, for the benefit of City neighborhoods totaling no less than \$25 million. Community Benefit Projects will be identified by City Council and approved by City Council. All such sums spent by the Browns on Community Benefit Projects over this 10-year period will be publicly acknowledged by the City as donations by the Browns organization and the Haslam/Johnson families.
- e. Voluntarily dismiss the Browns’ lawsuit, *Cleveland Browns Football Company LLC, et al. v. City of Cleveland*, No. 1:24-CV-01857-DAR (N.D. Ohio), with prejudice within three days of executing the formal settlement agreement. Parties to bear their own fees and costs.
- f. Cooperate with and assist the City in ensuring the interests of public health or safety with regard to any effects on the operations of Cleveland Hopkins International Airport caused by the Browns’ new stadium in Brook Park, Ohio.
- g. Use best efforts to assist the City regarding its infrastructure plans related to road and air travel with respect to both the Brook Park stadium mixed-use project and the development of the Cleveland lakefront, including the redevelopment of the Burke Lakefront Airport property.
- h. If the Brook Park stadium mixed-use project is prevented from being completed or otherwise becoming operational as a result of any action, event, or circumstance not caused by the Browns, and the Browns continue to play the majority of their home games in Cleveland, Ohio after the scheduled termination of the Lease inclusive of any agreed upon Lease Extensions, then

the Browns shall have no obligations set forth in 1.b, 1.c, and 1.d of this Settlement Term Sheet. If the stadium Lease is extended, the Browns will pay \$1 million dollars to the City for the first year of the Lease extension and an additional \$2 million dollars to the City for the second year of the Lease extension. Any such payments from the Browns to the City shall be used for Community Benefit Projects.

2. In consideration of the above payments and obligations, the City agrees to:
 - a. Acknowledge through execution of a formal settlement agreement that the Browns are permitted to play home games at a new stadium in Brook Park, Ohio following termination of the Lease (including any extensions of the Lease).
 - b. Voluntarily dismiss the above-listed lawsuits—*City of Cleveland v. Haslam Sports Group, LLC, et al.*, No. CV-25-110189 (Cuyahoga C.P.) and *City of Cleveland, Dep't of Port Control v. Ohio Dep't of Transportation*, Office of Aviation, Case No. CV 25-125761 (Cuyahoga C.P.)—with prejudice within three days of executing a formal settlement agreement. Parties to bear their own fees and costs.
 - c. Use reasonable efforts to seek the dismissal of and otherwise oppose the relief sought in the action captioned *Dennis J. Kucinich, Relator, Ex Rel, On Behalf of the Taxpayers of the City of Cleveland v. City of Cleveland, et al.*, Cuyahoga County Court of Common Pleas No. CV 25 123704 or any other action purporting to be brought on behalf of the City seeking to prevent, delay, or otherwise interfere with the Browns' move, and preparations to move, to a new stadium in Brook Park, Ohio.
 - d. Reasonably cooperate, to the extent permitted by law, to facilitate, and will not take any action intended or reasonably expected to prevent, delay, or otherwise interfere with, the Browns' move, and preparations to move, to a new stadium in Brook Park. Nothing in this paragraph is intended to limit the City's ability to perform its duties in the ordinary course of business.
 - e. In light of the Parties' mutual interest in improving highway access to and from the Hopkins International Airport and Brook Park stadium mixed-use project, reasonably cooperate on infrastructure improvements required to improve such access. With respect to any necessary City of Cleveland approvals required for the Brook Park stadium mixed-use project, the City will use reasonable efforts to timely review requests and collaboratively resolve issues identified by the City or the Browns to the Parties' mutual satisfaction, all as consistent with applicable law and the City's duties in the ordinary course of business. The Parties do not contemplate that the City will make any financial commitment in connection with this provision, nor will the City prioritize the Brook Park Stadium Project at the expense of City projects.

- f. Use reasonable efforts to assist the Browns with public safety planning and utilities in connection with operations at the Brook Park stadium mixed-use project. The Parties do not contemplate that the City will make any financial commitment in connection with this provision. Consistent with its legal responsibilities, the City will provide information, coordination, and timely review of applications or plans.
 - g. As of the termination of the Lease (including any extensions of the Lease), terminate the Agreement between the City of Cleveland and the City of Berea concerning the allocation of income taxes paid by employees of the Browns.
 - h. Use best efforts to seek Cleveland City Council's approval of the Parties' formal settlement agreement, as needed.
3. The Parties agree that the Lease between the Browns and the City expires on February 1, 2029, but that the Browns will have an option, subject to an amendment to the current Lease, to extend the Lease on the same terms for a period of one year. The Browns may exercise this extension option no more than twice, such that the Lease shall not be extended beyond February 1, 2031. The Browns must give notice of their desire to extend the Lease no later than one year prior to the date the Lease would terminate.
4. The Parties agree that they will jointly ask the courts in which the above-referenced cases are pending to stay the existing actions for a period of 45 days while they finalize a formal settlement agreement.
5. The Parties agree that they will make good faith efforts to negotiate a formal settlement agreement by November 24, 2025.
6. The Parties intend this Settlement Term Sheet to be binding, subject to Cleveland City Council's approval, as needed.

[Signature Page Follows]