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Via E-mail (jvanderpool@anaheim.net)

May 20, 2022

James Vanderpool
City Manager
City of Anaheim
P.O. Box 3222
Anaheim, California 92803

Re: **Amended and Restated Purchase and Sale Agreement (the "PSA")/Disposition and Development Agreement (the "DDA") by and between The City of Anaheim (the "City") and SRB Management, LLC ("SRB")**

Dear Mr. Vanderpool:

We are writing this letter on behalf of our clients, SRB Management, LLC (which is the Buyer under the PSA and Developer under the DDA) and Angels Baseball LP ("Angels Baseball").

As you know Angels Baseball and later SRB Management has been working with the City of Anaheim for over a decade to bring to fruition an agreement that keeps Angels Baseball in Anaheim and unlocks the economic and employment potential of the stadium site that has been unachievable due to the current stadium lease.

The Amended and Restated Purchase and Sale Agreement and Disposition and Development Agreement were approved by a majority of the City Council with the support and approval of City of Anaheim Officials, including the City Manager and the City Attorney, as well as the City's outside transaction counsel and the City's economic advisors. The agreements are the product of over two years of intensive discussions with numerous City Stakeholders to achieve transformative benefits for the City.

Importantly, these agreements will relieve the City of the responsibility for Angel Stadium, keep Angels Baseball in Anaheim, and unlock the potential of the Angel Stadium site long before the end of the current stadium lease; thereby enabling its transformation into the transit-friendly mixed-use center long envisioned by the City's Platinum Triangle Master Land Use Plan ("PTMLUP").

SRB and Angels Baseball have acted in good faith throughout their dealings with the City of Anaheim with the sole purpose to create a good and fair agreement for the residents of Anaheim and the Angels. SRB Management is proud of its work with the City, and all of its numerous representatives and experts, and stands ready to complete the transaction and perform the agreements approved by the City Council in September 2020. In this regard, we reiterate that the agreement fulfilled all of the City of Anaheim's requirements for the sale of the land:

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- *The transaction requires SRB to pay more for property than the value established by the Norris Realty Advisors appraisal commissioned by the City;*
- *The transaction relieves the City of responsibility for Angel Stadium (including excess capital investment of \$36 million and prepaid rent of \$17 million), requires SRB to assume complete financial responsibility for the renovation or replacement of the Stadium, and requires Angels Baseball to remain in Anaheim through 2050;*
- *The approved DDA requires SRB to develop the property in accordance with the PTMLUP and to deliver community benefits, including 466 units of low and very-low income housing, and a flag-ship 7-acre public park;*
- *Financial consultants project that Anaheim will receive \$38 million in new net yearly city revenue from hotel, property and sales taxes at full build-out as a result of the transaction;*
- *Development of the property is projected to support over 30,000 construction jobs and over 45,000 permanent jobs;*
- *The transaction approved by the City Council in September 2020 was the result of an honest arms-length negotiation with City Staff and its advisors, and has been thoroughly analyzed and debated. Approval of the transaction was recommended to the City Council by the City Manager, City Attorney, the City's outside transaction counsel, and the City's economic advisors – all as being in the best interests of the citizens of Anaheim.*

Subsequent to the Council's approval of the transaction in September 2020, the Department of Housing and Community Development ("HCD") initiated an inquiry into the City's compliance with the Surplus Lands Act ("SLA") in connection with the transaction. The City has consistently maintained that the SLA does not apply to the transaction and that its actions did not violate the SLA. To avoid unnecessary litigation, the City and HCD negotiated and signed a Stipulated Judgment and requested that SRB consider amendments to the PSA and DDA that would support the Stipulated Judgment; specifically, the draft First Amendment to the PSA and the draft First Amendment to the DDA that are now before the City Council for review.

Since the Council's approval of the transaction in September 2020, SRB has also worked diligently with City staff to process the Tentative Tract Map and the Conditional Use Permit for the Project required by the PSA and the DDA. On May 9, 2022, City staff recommended and the Planning Commission approved the draft First Amendment to the DDA, as well as the Tentative Tract Map and the Conditional Use Permit for the Project which are also now before the City Council for final action.

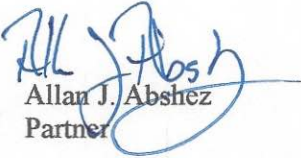
In conclusion, SRB Management and Angels Baseball have acted in good faith, participated in a lengthy and thorough public review and hearing process, and believe that the benefits of the transaction and the merits of completing it are manifest. SRB has performed all of its obligations under the agreements approved by the City in September 2020 and expects that the parties will complete the transaction: (i) as it would be modified by the draft First Amendment to the PSA and the draft First Amendment to the DDA (if those amendments are approved by the City Council at its upcoming session); or (ii) in accordance with the agreements previously approved by the City in September 2020 (if the PSA



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and DDA amendments are declined by the City Council at its upcoming session). SRB has met all its obligations and has every expectation that this transaction should move forward, and looks forward to the Council's final action no later than June 14, 2022.

Sincerely,


Allan J. Abshez
Partner

cc: Rob Fabela, City Attorney