

**RESOLUTION AUTHORIZING A RIGHT OF FIRST REFUSAL  
501 E. TRADE STREET**

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**WHEREAS**, the City of Charlotte ("City") owns that certain parcel of real property located at a 501 E. Trade Street, bounded by Davidson Street, E. 5<sup>th</sup> Street, Caldwell Street and E. Trade Street (Tax Parcel No. 223-481-02), hereinafter referred to as the "Gravel Lot";

**WHEREAS**, City proposes to convey to Charlotte Arena Operations, LLC, a Delaware limited liability company ("CAO"), a right of first refusal ("ROFR") to purchase the Gravel Lot upon the hereinbelow material terms; and

**WHEREAS**, pursuant to §8.22 of the City of Charlotte Charter, notice of the proposed ROFR was advertised at least ten (10) days prior to the adoption of this Resolution.

**NOW THEREFORE, BE IT RESOLVED** by the City Council for the City of Charlotte, that it hereby authorizes conveyance of a right of first refusal to purchase the Gravel Lot, to CAO upon the following material terms:

A) The term of the ROFR shall commence on the date a temporary certificate of occupancy is issued for the Performance Enhancement Center planned in connection with the City's Arena Renovation Project ("ROFR Period");

B) Prior to entering into any purchase agreement for the Gravel Lot during the ROFR Period, the City shall first offer, by written notice to CAO (the "ROFR Notice"), to sell the Gravel Lot to CAO upon the same material terms, provisions and conditions, including without limitation the gross purchase price, development purpose and timeline, and all such other material terms and conditions of the sale, as set forth in an offer by the City to sell the Gravel Lot to a third party or a bona fide third party offer which the City is willing to accept (each a "Third-Party Offer") for the Gravel Lot. CAO shall have until thirty (30) days after receipt of the ROFR Notice (the "Election Period"), to provide the City with written notice of its election to purchase the Gravel Lot on the same material terms, provisions, and conditions as the Third-Party Offer (the "ROFR Election Notice"). Notwithstanding the foregoing, so long as CAO's proposed development purpose set forth in the ROFR Election Notice will attain substantially the same assessed value, density, and overall economic impact and equivalent value to the City in achieving the City's economic development objectives as the development purpose set forth in the Third-Party Offer, as reasonably approved by the City, such provision shall be considered the same as the development purpose set forth in the Third-Party Offer. If CAO elects not to exercise the ROFR, or CAO fails to provide the ROFR Election Notice to the City within the Election Period, time being of the essence, CAO shall

be deemed to have waived the ROFR with respect to such Third-Party Offer and the City may sell the Gravel Lot on terms not materially less favorable to the City than the terms set forth in said Third-Party Offer. If CAO elects not to exercise the ROFR and the Gravel Lot is sold on terms the same or not materially less favorable to the City as those set forth in and pursuant to such Third-Party Offer, CAO's ROFR shall be deemed null and void. If the City does not enter into a sale transaction on the same or not materially less favorable terms as those set forth in such Third-Party Offer within 270 days after the expiration of the Offer Period, but the City still desires to sell the Gravel Lot pursuant to such Third-Party Offer, the City shall again deliver to CAO a ROFR Notice, and CAO's right to exercise the ROFR pursuant to a ROFR Election Notice delivered within the Election Period shall be renewed with respect thereto, consistent with the terms set forth herein;

C) If CAO timely issues the ROFR Election Notice, CAO and the City shall exclusively negotiate in good faith and with due diligence to reach an agreement for the sale and purchase of the Gravel Lot ("Purchase Agreement") consistent with the terms of the ROFR Election Notice. If the City and CAO are unable in good faith to agree to the terms of such Purchase Agreement within sixty (60) days following CAO's election to purchase the Gravel Lot (the "Purchase Agreement Negotiation Period"), then the City may sell the Gravel Lot on terms not materially more favorable than the terms set forth in said Third-Party Offer to a third-party and CAO's ROFR Election Notice shall be deemed null and void; provided, however, that so long as CAO is using good faith efforts to diligently negotiate the Purchase Agreement, the Purchase Agreement Negotiation Period will be extended to allow the Parties to exchange at least four (4) drafts of the same. If the City does not enter into a sale transaction on the same or not materially less favorable terms as those set forth in such Third-Party Offer within 270 days after the expiration of the Purchase Agreement Negotiation Period, but the City still desires to sell the Gravel Lot pursuant to the terms of such Third-Party Offer, the City shall again deliver to CAO a ROFR Notice, and CAO's right to exercise the ROFR pursuant to a ROFR Election Notice delivered within the Election Period shall be renewed with respect thereto, consistent with the terms set forth herein; and

D) The ROFR is contingent upon the execution of a Restated Use and Operating Agreement between the parties, and shall be further subject to the terms and conditions contained therein.

The City Manager, or his designee, is authorized to execute all documents necessary to complete the above described transaction in accordance with the terms and conditions hereof.

THIS THE 10<sup>th</sup> DAY OF APRIL 2023.