

**MEMORANDUM OF UNDERSTANDING
FOR THE
FUTURE OF HEALTH DEVELOPMENT PROJECT**

This Memorandum of Understanding ("MOU") is made and entered into as of February 19, 2024 by and between Pistons Sports & Entertainment, LLC, with its principal place of business at 6201 Second Ave. Detroit, MI 48202 ("PISTONS") and the Real Estate Association of Developers, a Michigan nonprofit corporation, with its principal place of business at 1343-47 East Fisher Fwy, Floor 3, Detroit, MI 48207 ("READ").

PISTONS and READ may each be referred to herein as a "Party" or collectively as the "Parties" to this MOU, as applicable.

The Parties intend to collaborate for the purposes and in accordance with this MOU, and therefore now agree as follows:

RECITALS

WHEREAS, the PISTONS, or an affiliated or related entity, intend to develop up to three mixed-use residential buildings (each a "Project" and collectively, the "Projects") as a part of the broader "Future of Health Development", which consists of additional development projects undertaken by and in partnership with Michigan State University and Henry Ford Hospital. The PISTONS actively engage in various social responsibility initiatives, supporting local programs and organizations that address education, health, and economic development.

WHEREAS, READ is a 501(c)(3) organization that was founded by Detroit developers to increase the market share of developers of color, create a pipeline of future developers, and create a more equitable development ecosystem in Detroit. READ is recognized by the IRS as a 501(c)(3) organization. READ provides their members with advocacy, access to capital resources, networking opportunities, and technical training and assistance.

WHEREAS, READ expresses its support for the inspirational and promising Future of Health Development in Detroit. READ stands firmly behind the vision of the Future of Health Development in Detroit.

WHEREAS, READ takes a positive position on taxpayer incentives targeted toward real estate development, recognizing that many development projects within the City of Detroit require some level of public-private partnership to be viable.

WHEREAS, the Future of Health Development is pursuing a Transformational Brownfield Project ("TBP") and have (i) participated in significant community engagement inside and outside of the Community Benefits Ordinance process; (ii) will be entering/has entered into a Community Benefits Agreement ("CBA"); (iii) and have made commitments around affordable housing, environmental design, housing accessibility, health care services, bias training, and close proximity infrastructure investments. The list of asks from the community has been lengthy and the PISTONS' response and commitment has been involved. READ acknowledges this effort from the PISTONS.

WHEREAS, READ wishes to establish a shared understanding for purposes of this MOU that a “Disadvantaged Business” is defined as one that is owned by a Black/African American or Hispanic/Latino person or persons.

WHEREAS, the vast majority of READ member-developers are Disadvantaged Businesses.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants contained herein, the PISTONS and READ agree as follows:

1. **PURPOSE AND OBJECTIVES.** The purpose of this MOU is to establish a framework for taking further steps in advancing equitable real estate development through the Project. The Parties ultimately aim to achieve specific, measurable, achievable, relevant, and time-bound objectives.
2. **PISTONS COMMITMENTS.** The Project is a significant, complex, multi-tiered, multi-site, and multi-layered real estate development. The PISTONS agree to the following with respect to the Project:

- a. **Supporting Related READ Efforts to Reduce Racial Disparities Within the Future of Health Development.** This MOU acknowledges that READ is having direct discussions with Henry Ford Health (“HFH”) regarding the medical and hospital components of the Future of Health Development. PISTONS further acknowledges that those discussions are ongoing and may result in a separate, but complementary MOU (“HFH MOU”). READ recognizes that PISTONS may not be a direct party to a HFH MOU, but understands that this MOU and the HFH MOU, when taken together, intend to create meaningful Project participation such to combat racial inequities in Detroit’s real estate development ecosystem and to provide key opportunities to Detroit’s Disadvantaged Businesses.

The PISTONS will make reasonable efforts to collaborate with READ Executive Committee leadership as advisors to the Project, on matters of equitable real estate development participation, with such levels of participation to be mutually determined. In addition, PISTONS agree to collaborate with READ to fund solutions (programming, grants, engagement, etc.) that promote equitable real estate development and the closing of the racial wealth gap in Detroit.

- b. **Hiring Disadvantaged Businesses.** With respect to the Project, the Future of Health Development team has committed to make reasonable efforts to procure, or cause to be procured, thirty percent (30%) of the development costs of the Project from Detroit-Based Businesses, Detroit-Based Small Businesses, Detroit Headquartered Businesses and Detroit-Resident Businesses, each of the foregoing capitalized terms having the same definition as in Chapter 23 of the 2019 Detroit City Code; and to have a target to procure, or cause to be procured, one hundred million dollars (\$100,000,000) of goods and services from disadvantaged businesses and women-owned businesses in connection with the Future of Health Development.

The PISTONS acknowledge that READ advises and recommends the following specific targets for construction services participation with respect to general

contracting and subcontracting services and for the benefit of Detroit-based, Disadvantaged Businesses:

- i. At least 30% of total spending on General Contracting services be with Detroit-based, Disadvantaged Businesses.
 - ii. At least 20% of total spending on Subcontracting services be with Detroit-based, Disadvantaged Businesses.
- c. **Real Estate Development Services.** In addition to the provisions in 2a., with respect to the Project, the PISTONS shall make reasonable efforts to engage or hire either a READ member-developer or a minority-owned, Detroit-based developer(s) to provide technical assistance with the Project, which assistance may include services related to General Contractor selection, architectural design and project implementation, property management, and other professional services.
- i. Within one (1) year of the final approval of the TBP, the PISTONS will make reasonable efforts to collaborate with READ Executive Committee leadership on the production of RFPs for various fee-based development services spanning greater than 50% of the development sites comprising the Project. Such RFPs shall be designed to create opportunities, for READ member-developers and emerging developers who are Disadvantaged Businesses, to participate in the Project in a manner that is fair and commercially reasonable to RFP respondents. The PISTONS shall thereafter use reasonable efforts to enter into an appropriate agreement with qualified developers which responded to such RFPs within two (2) years of the closing of the RFPs.
 - ii. Potential areas of economic collaboration include but are not limited to predevelopment services; federal, state, local and environmental incentive structuring; Low Income Housing Tax Credit development consulting services; and Owner's representative services. A sample of potential services and responsible parties can be found within Exhibit A.

The Parties understand and agree that any specific participation scope and terms under this Section will be collaboratively determined through future negotiation by the PISTONS, either with READ or directly with individual developers, as may be applicable.

- d. **General Partner Participation.** It is currently contemplated and understood that the equity financing for the Project will be provided by a single owner-investor. In the event that additional (outside) equity participation opportunities are created, PISTONS will make reasonable efforts to provide a mechanism for Disadvantaged Businesses, including those that are performing work under Section 2(c) of this MOU, to participate within the General Partnership structure. The Parties understand and agree that any specific participation scope and terms under this Section will be determined through future negotiation.
- e. **Limited Partner Participation.** It is currently contemplated and understood that the equity financing for the Project will be provided by a single owner-investor. If limited partner capital is raised, the PISTONS will make reasonable efforts to provide a mechanism for Disadvantaged Businesses to support the relevant components of the

Project's direct capital investment in accordance with the standards borne in traditional structured-finance vehicles. The Parties understand and agree that any specific participation scope and terms under this Section will be determined through future negotiation.

- f. **Future Real Estate Development Opportunities for Disadvantaged Businesses.** The PISTONS will, in good faith and if and as applicable, make reasonable efforts to also identify other current and future residential, commercial and office development opportunities that exist within the PISTONS' normal course of operations, throughout Metro Detroit, and to make certain of those opportunities available for partnership opportunities with READ member-developers or other minority-owned, Detroit-based developer(s).

For example, the PISTONS might have a future desire to create a neighborhood-based basketball center and could create a mechanism for a minority-owned, Detroit-based developer(s) to compete for, either independently or through partnership, the opportunity to provide development services for the aforementioned community center.

3. **READ Commitments.** By making the above commitments, the Project will align perfectly with READ's core mission of fostering a more equitable development ecosystem in the City, and it will become a catalyst for positive change on multiple fronts. READ sees this inspirational undertaking not just as a game-changer for healthcare access and economic opportunity, but as an opportunity to serve as a beacon of equitable development. As such, in support for the Project, READ will:
 - a. Engage READ member-developers to support and partner with the Project's visionaries, lending our expertise and resources to ensure this transformative endeavor reaches its full potential.
 - b. Provide, where requested by the PISTONS, thought leadership and other solution-oriented expertise in order to create the biggest possible pool of opportunity for Disadvantaged Businesses.
 - c. Helping to source qualified Disadvantaged Businesses as respondents to Project-related RFPs.
 - d. Provide other mechanisms of support for the Project and the Future of Health Development that could be useful and needed.
4. **SCOPE.** Except for Section 5 through Section 9, this MOU is not and shall not be legally binding or enforceable against either Party, and does not constitute a binding commitment by either Party to enter into a definitive agreement.
5. **DISPUTE RESOLUTION.** In the event of any dispute arising under this MOU, the Parties will attempt to resolve it amicably through good faith discussions. If an amicable resolution cannot be reached within 45 days, the dispute shall be submitted to binding arbitration in accordance with the rules of the American Arbitration Association. The decision of the arbitrator shall be final and binding on both Parties.
6. **TERM.** This MOU shall be effective as of the date set forth above, and shall continue thereafter until the Project begins construction.

7. **CONFIDENTIALITY.** PISTONS and READ agree to hold any nonpublic, confidential, and proprietary information furnished to the other Party in the strictest confidence and not to disclose or publish such information without the other Party's written consent.

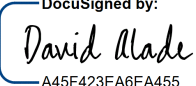
Each Party and its respective affiliates will maintain the confidentiality of all information of a confidential or proprietary nature, including any information that, under the circumstances of its disclosure should reasonably be deemed confidential or proprietary, which it may have or acquire regarding the constituents, business, finances, assets or affairs of the Parties and their affiliates except for (1) any information which is generally available to the public or becomes generally available to the public other than through disclosure in violation of this provision or (2) which is required to be disclosed by applicable law, provided that prior to any such disclosure, the receiving party provides notice to the disclosing party of such required disclosure and provides the disclosing party with the opportunity to object to such disclosure.

8. **ENTIRE AGREEMENT.** This MOU constitutes the entire agreement of the Parties currently, and may not be altered, unless agreed upon in writing by the Parties.
9. **GOVERNING LAW.** This MOU shall be governed by and construed in accordance with the laws of the State of Michigan.

NOW THEREFORE, these commitments include progressive provisions that the Parties are confident will result in positive and transformational outcomes for the FOH Impact Area and throughout the larger community.

[Signature page to follow]

IN WITNESS WHEREOF, the Parties have executed this MOU as of the date first written above.

READ: DocuSigned by:

A45F423EA6EA455...
By: _____
Name: David Alade _____
Its: President _____
Date: 2/19/2024 | 5:17 PM EST _____

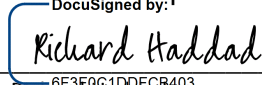
PISTONS: Pistons Sports & Entertainment, LLC:
DocuSigned by:

6F3F0C1DDFC8403...
By: _____
Name: Richard Haddad _____
Its: EVP _____
Date: 2/19/2024 | 5:25 PM EST _____

EXHIBIT A
PROJECT ROLES AND RESPONSIBILITIES (ILLUSTRATIVE)

	PRECONSTRUCTION				
	Project Management ¹		Decision Making		
	Lead Developer/ Project Manager	Consultant	Consult	Mutual Agrmt	Lead Dev.
Provide overall project management					
Obtain/provide unsecured preconstruction financing					
Provide repayment guarantees (if any)					
Make offers to purchase real estate					
Obtain acquisition financing					
Establish & revise predevelopment budget					
Provide acq. repayment guarantees (if any)					
Select transaction counsel					
Select tax counsel					
Select, contract, and manage architect					
Select, contract, and manage prop. mgmt.					
Select, contract, and manage res. services					
Select, contract, and manage accountant					
Select auditor					
Select, contract, and manage GC					
Select, contract, and manage other vendors					
Design & conduct Community Engagement					
Manage external affairs (incl. press)					
Establish and revise development program					
Obtain development entitlements, permits					
Obtain subdivision approvals, if any					
Obtain tax incentives					
Obtain commercial subsidies					
Obtain housing subsidies					
Obtain permanent financing					
Obtain construction financing					
Provide construction fin. guarantees					
Establish initial operating budget					
Develop resident services plan					
Establish final development budget					
Execute GC contract for construction					

¹ For each functional area, it can be defined whether Consultant is "Lead", "Assist" or "Advise".

CONSTRUCTION

	Project Management ²		Decision Making		
	Lead Developer/ Project Manager	Consultant	Consult	Mutual Agrmt	Lead Dev.
Manage GC contract on behalf of owner					
Approve change orders within contingency					
Manage and revise development budget					
Obtain additional construction and perm financing					
Approve changes to capital structure/terms					
Ensure compliance and delivery of housing subsidies					
Approve changes to operating budget					
Develop residential marketing plan					
Develop commercial marketing plan					
Develop management plan					
Develop resident selection criteria					
Conduct residential leasing/sales					
Conduct commercial leasing/sales					

POST CONSTRUCTION

	Asset Management		Decision Making		
	Lead Developer/ Project Manager	Consultant	Consult	Mutual Agrmt	Lead Dev.
Close permanent financing					
Provide perm financing guarantees					
Provide asset management & reporting					
Obtain annual audit					
Disburse cash flows					
Sell or refinance					
Develop annual operating and capital budget					

² For each functional area, it can be defined whether Consultant is "Lead", "Assist" or "Advise".