

**CONFIDENTIAL**

Date: 3 March 2024

Simon Gauge, Chairman

Rochdale AFC

Crown Oil Arena

Dear Mr. Gauge,

We are writing to provide a letter of intent from The Football Club LLC (TFC) in respect of a transaction with Rochdale AFC (RAFC).

The upcoming EGM vote is politically and emotionally charged. We do not want to add any confusion to the proceedings and feel the club's stakeholders should decide the future of the club without us impacting the vote. Therefore, we ask that our submission be kept confidential until after the vote is made by the shareholders and fans at the EGM on 7 March 2024. However, there is one exception to this request: you are permitted to forward this Letter of Intent (LOI) to George Brigham prior to that date. We also request that George Brigham keep this LOI confidential.

We appreciate your hospitality in our February 2024 visit as well as the time, effort, and energy that you and other local community leaders have afforded us. Working with you over the past 3 months to develop our plan has been exciting and deeply fulfilling for us on both a personal and professional level.

Our plan is to provide a capital infusion into the club to cover the next four years of projected deficits while establishing a revenue stream through the commercial development of the club's grounds. This would be done in such a way as to protect the pitch, stands, and football/rugby spaces. The commercial center would provide the club with long-term stability.

This plan is contingent upon a positive opinion from the Borough Council Planning and Development Department. Our intent is to receive that opinion in March 2024. We note this to be completely transparent. The other bid appears to rely on a commercial real estate development plan as well; we anticipate that the other plan would also need such an opinion in order to move forward.

Our ownership group includes professionals with expertise in property development, tech entrepreneurship, data science, business development, law, finance, marketing, logistics, and more. It is led by two passionate footballers, one of whom grew up in and lives in Lancashire. Most of us are eager to contribute our skills free of charge.

We will strive to ensure that the history and traditions of RAFC are maintained for future generations of fans. We are fully committed to the success of Rochdale AFC.

We do not have a multi-club strategy. We have a Rochdale AFC strategy.

## **Transaction Overview and Structure**

Based on our preliminary review of your football club, TFC is pleased to submit this non-binding letter of intent for a transaction with RAFC. We have shown proof of funds to demonstrate our ability to complete this transaction.

This proposal is based on the pending restructuring of the club's share structure at the March 7th EGM which would issue 9,000,000 new shares of the club, increasing the total club shares to 10,000,000. We propose purchasing 80% of the equity of RAFC, including all assets and liabilities.

We believe that for this transaction to be successful our interests must be aligned. With that in mind, we are proposing a structure that allows all parties to benefit from our future success in an equitable way.

Subject to alignment on definitive documents and completion of customary diligence, we are offering the following:

- £1,600,000 at closing, with the use of proceeds to be put towards the operation of the football club.
- TFC receives 80% of all RAFC shares on a fully diluted basis, issued upon closing and not subject to any vesting period.
- As a gesture of goodwill to the Rochdale community, TFC will transfer 5% of all shares on a fully diluted basis to The Dale Trust to help restore their ownership stake in RAFC (this would leave TFC's share total at 75% of all shares).
- £220,000 of Simon Gauge's debt will be converted to equity representing 10% of the fully diluted shares of RAFC. We would like to discuss how to handle the remainder of Simon's debt.
- It is our understanding the Borough Council has been open to deferring their debt for 5-7 years. This is a course of action we intend to explore.

We look forward to working with you to develop the process by which these competing bids will be assessed.

Regards,

Justin Corrado

Managing Partner

The Football Club LLC