



DATE: March 25, 2024

Summary of Lease Terms and Development Agreement Terms Chiefs/Royals

I. Chiefs.

a. Lease.

- i. Term- 25 years with three (3) renewal options of five (5) years each. Lease term commences upon Royals vacating and demolition of Kaufmann Stadium;
- ii. Rent- \$1,100,00/year, plus percentage rent;
- iii. Premises. All portions of the Sports Complex.
- iv. Games- Tenant obligated to pay all home games at Arrowhead (except 1 home game may be played outside of the country);
- v. Jackson County Preference Plan remains (priority seating, priority ticket purchases (both Chiefs and non-Chiefs events), no Parking User Fee);
- vi. Maintenance. Tenant responsible for all repair and maintenance to a First Class NFL Manner except for repair and maintenance of Common Areas to be performed by Landlord (up to Common Area RMMO Fund). Landlord responsible
- vii. Insurance. Tenant responsible for cost of casualty insurance.
- viii. Landlord Administrative Fund. \$500,000/year increased by 3% per year.
- ix. Common Area RMMO Fund. On the Commencement Date, the initial amount will be the amount that is \$826,000 increased by three percent from the date the lease is signed.
- x. Arrowhead RMMO Fund. The following amounts are deposited into the Arrowhead RMMO Account:
 1. 50% of the New Sales Tax;

2. 50% of the Existing Local/State Tax (provided, the County Parks Levy will only be paid through December 31, 2030;
 3. 100% of Parking User Fees (after payment to Landlord Administrative Fund and Common Area RMMO Fund); **LESS**
 4. Management Fee; **LESS**
 5. Any amounts necessary to fully fund Common Area RMMO Fund; **LESS**
 6. Any amounts deposited into Disbursement Account (pursuant to Development Agreement).
- xi. Landlord/County not responsible for any costs in excess of 50% of New Sales Tax.

b. Arrowhead Development Agreement.

- i. Tenant shall oversee and manage the planning, design, development, construction, completion and making operational the Project. (Section 4.01)
- ii. Preliminary Project Program is set forth on Exhibit A and Preliminary Project Budget is set forth on Exhibit B. Any material modifications thereto require Landlord's consent.
- iii. Minimum Required Project Elements. The Minimum Required Project Elements are set forth on Exhibit D. The Preliminary Project Elements may be revised, but Tenant must construct the Minimum Required Project Elements.
- iv. Design Documents. Tenant shall prepare and deliver to Landlord for approval both the Program and Schematic Designs and the Final Designs (final designs, plans and specifications) for the Project. (Section 4.06). Landlord shall have 10 business days for approval of Program and Schematic Designs and 14 days for Final Plans. (Section 4.10).
- v. Project Funding. The Project will be funded by (i) State of Missouri contribution, (ii) City of Kansas City, Missouri contribution, (iii) the Tenant Contribution and (iv) New Sales Tax (to the extent Landlord and Tenant agree to provide).

The Tenant Contribution is estimated to be \$300,000,000.

Tenant is responsible for funding any cost overruns.

- c. 2024 Chiefs Lease Amendment.
 - i. Common Area RMMO Fund Account is funded in same manner set forth in Existing Lease until Transition Date (date upon which all contingencies in A&R Lease have been satisfied as evidenced by notice from Tenant to Landlord).
 - ii. New Sales Tax subject to waterfall in Existing Lease (with New Bonds replacing refunded bonds) until Transition Date.
 - iii. County/JCSCA not responsible for costs of demolition of Kauffman; the new bond issue may include Facility Bonds which may be issued to fund the cost of demolition of Kauffman.

- II. Royals.
 - a. Lease.
 - i. Lease Term- 40 years with two (2) renewal options of five (5) years each. Lease term ends concurrent with the end of the 40 year sales tax. The Development Term is the period of time from the execution of the Lease until the New Baseball Stadium opened (projected as Spring 2028)
 - ii. Rent- \$2,750,000/year, plus percentage rent;
 - iii. Premises. The new baseball stadium footprint. There are no common areas. The Premises do not include any “Additional Development” Areas (the Ballpark Village)
 - iv. Games- Tenant obligated to pay 90% of all home games at New Stadium (same as 1990 Lease); MLB does require the right to have teams play in a “bubble location” with other teams in the event of a pandemic (as the NBA did during COVID)
 - v. Parking User Fee and Ticket Fee;
 - vi. Maintenance. Tenant responsible for all repair and maintenance to a First Class MLB Manner
 - vii. Insurance. Tenant responsible for cost of casualty and liability insurance.
 - viii. Landlord Administrative Fund. \$500,000/year increased by 3% per year.

ix. New Stadium RMMO Fund. The following amounts are deposited into the New Stadium Arrowhead RMMO Account:

1. 50% of the New Sales Tax;
2. 50% of the Existing Local/State Tax (provided, the County Parks Levy will only be paid through December 31, 2030) and \$3,000,000 State Contribution and \$2,000,000 City Contribution (as and if the latter two are appropriated)
3. 100% of Ticket Fees and Parking User Fees
4. Rent

LESS

5. Debt Service on the New Royals Bonds (2024 Refunding Bonds, the Facility Bonds, and the New Baseball Stadium Bonds)
 6. Administrative Fee \$500,000
 7. Management Fee \$2,500,000
- x. Landlord/County not responsible for any costs in excess of 50% of New Sales Tax.

b. New Baseball Stadium Development Agreement.

- i. Tenant shall oversee and manage the planning, design, development, construction, completion and making operational the Project. (Section 4.01)
- ii. Preliminary Project Program is to be approved by Landlord and Tenant Preliminary Project Budget is to be approved by Landlord and Tenant. Any material modifications thereafter require Landlord's consent.
- iii. Minimum Required Project Elements. The Minimum Required Project Elements are to be approved by Landlord and Tenant. The Preliminary Project Elements once approved must be constructed.
- iv. Design Documents. Tenant shall prepare and deliver to Landlord for approval both the Program and Schematic Designs and the Final Designs (final designs, plans and specifications) for the Project. (Section 4.10). Landlord shall have 14 days for approval of Program and Schematic Designs and 14 days for Final Plans. (Section 4.11).

- v. Project Funding. The Project will be funded by (i) State of Missouri contribution, (ii) City of Kansas City, Missouri contribution, (iii) the Tenant Contribution and (iv) New Sales Tax (to the extent Landlord and Tenant agree to provide). State and City Contribution to amount acceptable to Tenant; Tenant contribution to be an amount acceptable to Landlord and Tenant.

Tenant is responsible for funding any cost overruns.

c. 2024 Kauffman Stadium Lease Amendment

- i. Kauffman Stadium lease terminates when New Stadium opens/new lease commences..
- ii. Royals not required to maintain/replace at Kauffman if the useful life of such maintenance/replacement would extend beyond the Termination Date of the Kauffman Lease (however must perform life safety maintenance/replacement—even if useful life of such work extends beyond termination of Kauffman lease).
- iii. Any remaining Kauffman RRMO Funds will roll over to New Stadium RRMO Fund; Common Area RRMO Funds do not rollover
- iv. County/JCSCA not responsible for costs of demolition of Kauffman; the new bond issue may include Facility Bonds which may be issued to fund the cost of demolition of Kauffman; teams otherwise agree between themselves the division of cost of demo of the K and other Common Area renovations/deferred maintenance.