BASEBALL STADIUM FUNDING AGREEMENT

between

CITY OF KANSAS CITY, MISSOURI

and

KANSAS CITY ROYALS BASEBALL CLUB, LLC

Dated as of _________________, 2026

BASEBALL STADIUM FUNDING AGREEMENT

THIS BASEBALL STADIUM FUNDING AGREEMENT (the "**Agreement**") is made and entered into this ___ day of ___________, 2026 (the "**Effective Date**"), by and among **KANSAS CITY ROYALS BASEBALL CLUB, LLC,** a Delaware limited liability company ("**Team**"), and **CITY OF KANSAS CITY, MISSOURI**, a constitutional charter city of the State of Missouri ("**City**") (Team and City are sometimes collectively referred to herein as the "**Parties**" and individually as a "**Party**").

RECITALS

A. Team owns the professional baseball team known as the Kansas City Royals, which presently has the right to conduct professional baseball games in the greater Kansas City area.

B. Kauffman Stadium currently serves as home field facility for Team, and Team has announced that it does not intend to continue to maintain Kauffman Stadium as its home field facility beyond the term of the existing Kauffman Stadium Lease, which expires January 31, 2031.

C. Parties desire for Team to continue to operate its franchise and host professional baseball games in Kansas City, Missouri on a long-term basis, but to relocate from Kauffman Stadium to a new first-class baseball stadium facility (the "**New Baseball Stadium**") that enables the Team to compete at the highest level in Major League Baseball while growing the economy of the City and the State of Missouri (the "**State**") by providing a world class experience for visitors that extends beyond game day by fostering connectivity with downtown Kansas City and the broader Kansas City region.

D. Team desires to develop certain property located in Kansas City, Jackson County, Missouri (the "**Site**"), generally located within the area depicted on the site plan attached hereto and incorporated herein by reference as **Exhibit A** (the "**Site Plan**") as the location of the New Baseball Stadium, new Team offices ("**Team Offices**") and the on-site infrastructure (the "**On-Site Infrastructure**", and with the New Baseball Stadium and the Team Offices, collectively, the "**On-Site Development**").

E. City and Team anticipate additional infrastructure improvements ("**Off-Site Infrastructure**") will need to be made in support of the On-Site Development to deliver the New Baseball Stadium; (On-Site Development and Off-Site Infrastructure are collectively referred to as the "**Project**").

F. The Parties, in connection with the State and subject to the State Agreement (defined below), have collaboratively developed a plan for the development and construction of the Project, and concurrently with the execution of this Agreement, Team and City have entered into a Baseball Stadium Lease Agreement (the "**Lease**"), a Baseball Stadium Development Agreement (the "**Development Agreement**"), a Non-Relocation Agreement (the "**Non-Relocation Agreement**"), and a Community Impact Partnership Agreement (the "**Community Impact Partnership Agreement**"); the Lease and Development Agreement are sometimes collectively referred to herein as the "**Project Development Documents**"; and the Project Development Documents, the Non-Relocation Agreement and the Community Impact Partnership Agreement and this Agreement are sometimes collectively referred to herein as the "**Definitive Documents**" to memorialize the plan for the development and construction of the Project.

G. The Parties desire to enter into this Agreement to memorialize and set forth the mutual agreement of the Parties for the funding from the Parties to enable Team to complete the development of the Project in accordance with the Project Development Documents. The Parties acknowledge that the State is not a party to this Agreement. The Parties further acknowledge that, in connection with the Project, Team and/or City anticipate entering into a separate agreement or agreements with the State (and/or its applicable agencies or instrumentalities) with respect to State funding and support for the Project (individually and collectively, the "**State Agreement**"), and that any funding or support committed by the State for the Project shall be governed by the terms of such State Agreement and not this Agreement.

H. The Parties acknowledge additional funding is expected to be contributed to the Project from the State under the State Agreement.

I. To promote consistency among the Definitive Documents, certain capitalized terms used but not defined in this Agreement are defined in the Development Agreement. Unless the context otherwise requires, or unless expressly defined herein, such terms shall have the meanings assigned to them in the Development Agreement. In the event of a conflict between a definition contained in this Agreement and a definition contained in the Development Agreement, the definition in this Agreement shall govern for purposes of this Agreement.

NOW, THEREFORE, in consideration of the above Recitals, the terms, covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties hereto, the Parties hereby agree as follows:

SECTION I
PROJECT COMPONENTS AND COSTS; PROJECT BUDGETS

1. The Project consists of the following components:

(a) The New Baseball Stadium;
(b) The Team Offices;
(c) The On-Site Infrastructure; and
(d) The Off-Site Infrastructure

all as more fully set forth and described in the Project Development Documents.

2. The New Baseball Stadium and the Team Offices shall be developed in the area depicted on the Site Plan attached hereto as **<u>Exhibit A</u>**.

3. The City and Team have previously agreed on and approved the "**Preliminary Project Budget**" as included in **<u>Exhibit B</u>** setting forth the aggregate amount of the projected total

Project Costs and identifying in reasonable detail each material cost item. The Parties acknowledge that, as of the Effective Date, the Preliminary Project Budget represents the Parties' current expectations as to the Project Costs.

4. The cost of the Project (the "**Project Cost(s)**") is estimated to be One Billion Nine Hundred Million Dollars ($1,900,000,000). The funding for the Project Costs shall be as provided in this Agreement.

5. If and to the extent that the actual Project Costs exceed the projected Project Costs as set forth in the Final Project Budget, as the same may be modified pursuant to **Section I.14** ("**Project Cost Overruns**"), and subject to Team's right to make scope and value engineering adjustments pursuant to the Development Agreement (subject in all cases to no Material Changes) unless approved in accordance with the Development Agreement, Team shall be responsible for and pay for all such Project Cost Overruns after expenditure of all funds in the Project Funds, as defined herein.

6. Project Costs shall include all soft costs and hard construction costs related to the Project, including without limitation the following:

(a) land planning, design, architectural and engineering costs incurred by Team for preparation of plans, specifications and designs for the Project and for appropriate construction administration oversight and assessments by the architect and engineers;

(b) costs incurred by Team to design, construct, equip and furnish the Project, including but not limited to the amounts due architect under the Architect Agreement (as defined in the Development Agreement), including all changes and modifications thereunder, amounts due any Construction Manager (as defined in the Development Agreement) under any contract between Team and Construction Manager, including all changes and modifications thereunder, amounts due trade contractors or a General Contractor providing actual construction work under contract with Team, including all changes and modifications thereunder;

(c) costs for site work, demolition, site utilities, utility relocations or other construction;

(d) costs of all premiums for all bonds and insurance that Team maintains or causes to be maintained in connection with the construction of the Project, including but not limited to any insurance it is required to maintain or cause to be maintained pursuant to the Development Agreement;

(e) water, sewer, power and other utility service fees, including tap fees and connection costs, relating to the construction of the Project;

(f) fees and expenses of accountants, attorneys and consultants of Team and City for services rendered in connection with the Project, including the fees and expenses for programming services rendered in connection with the Project, and fees and expenses in connection with the drafting and negotiation of the Lease, the CIPA, this Agreement and any related instruments, and agreements with any person providing labor, services, equipment, materials or supplies for the Project;

(g) costs and expenses to obtain and furnish information, surveys, title insurance and reports for the Project;

(h) costs and fees for appraisal and environmental services in connection with the Project;

(i) costs for soil testing and other testing undertaken or performed in connection with the design and/or the construction of the Project;

(j) any costs that are the responsibility of Team to abate and remediate any hazardous environmental condition in connection with the Project as required in this Agreement;

(k) any amounts paid to settle or satisfy claims not attributable to the fault or negligence of Team;

(l) any losses, expenses or damages sustained by Team in connection with the design and construction of the Project or this Agreement, not covered by insurance to the extent such losses, expenses or damages are not attributable to the fault or negligence of Team;

(m) permit, license and inspection fees incurred by Team and the costs of applying for, obtaining, appealing or complying with such permits, licenses or inspections;

(n) fees and expenses of the General Contractor, subcontractors, consultants and similar persons incurred by Team, directly or indirectly in connection with the planning, design, engineering, construction, equipping and furnishing of the Project;

(o) costs incurred by Team in performing or complying with obligations imposed upon Team, its consultants or General Contractor by this Agreement or the Development Agreement;

(p) costs incurred by Team in connection with removing, or providing security for, any material lien or encumbrance that arises in connection with the design, engineering, construction, equipping or furnishing of the Project;

(q) reasonable general and administrative expenses of Team allocable to the administration or oversight of the activities contemplated in **Section I.6(a)** through **Section I.6(p)** and incurred by Team in connection with the planning, design, engineering, construction, equipping and furnishing of the Project;

(r) the cost of insurance procured by or on behalf of Team pursuant to the terms of this Agreement;

(s) necessary and ordinary fees and expenses of Team's Representative;

(t) Advance Costs (hereinafter defined); and

(u) other costs and expenses reasonably identified for payment or reimbursement as Project Costs in the CIPA (in the amount specified in, and to be paid in accordance with and subject to the terms of, the CIPA), the Final Project Budget, or on an approved Requisition.

7. Project Costs shall not include any costs incurred by Team in connection with Team's loans or other private financing for the Team's Contribution. The Bonds (defined herein) may not be used to fund any Project Costs which use would violate any applicable laws (for example certain costs in the CIPA may not qualify as Project Costs as not used for construction of the Project). Proceeds of any Bonds issued as tax-exempt bonds may not be used to fund any Project Costs which use would adversely affect the tax-exempt status of such Bonds. City hereby confirms that the Preliminary Project Budget includes categories of costs that may be funded with tax-exempt bonds in an amount sufficient to expend all of the proceeds of the City-Supported Bonds (defined herein) for permissible purposes.

8. The administrative-type costs of City's obligations under this Agreement (including the costs for City's in-house engineer who will be one of City's Representatives) are not Project Costs and will be paid by City. For the sake of clarity, any costs incurred in the issuance of the City-Support Bonds and the cost of the City's owner's representative are Project Costs.

9. It is agreed and understood that the intent of the Parties is that funding from public sources ("**Public Funding**") will fund 60% of the cost of the Project (estimated at $1,140,000,000) and private sources ("**Private Funding**") will fund 40% of the cost of the Project (estimated at $760,000,000), based on the estimated $1,900,000,000 cost of the Project. The ratio of Public Funding to Private Funding (the "**Public/Private Ratio**") shall be fixed at 60:40 for all purposes of this Agreement, for Project Costs not in excess of $1,900,000,000 with the public proportionate share (the "**Public Share**") equal to 60% and the private proportionate share (the "**Private Share**") equal to 40% of all Project Costs not in excess of $1,900,000,000.

10. The Parties acknowledge that the Public Funding is anticipated to consist of the City Funding Commitment (as defined herein) and contributions from the State (the "**State Contributions").** The Parties further acknowledge that any State Contributions shall be made pursuant to the State Agreement. Upon receipt, all State Contributions will be applied toward the Public Funding in accordance with the terms of the State Agreement and this Agreement.

11. If the aggregate cost of the Project is less than One Billion Nine Hundred Million Dollars ($1,900,000,000), and the Public Funding is 60% of the total funding for the Project, then the required amount of Public Funding and Private Funding will be reduced on a pro rata basis. The City Funding Commitment shall not be reduced below Six Hundred Million Dollars ($600,000,000) because of a reduction in the State Contributions, unless and to the extent that the aggregate Public Funding exceeds 60% the final Project Cost. The Parties agree to update the sources and uses of funds to reflect any such adjustment promptly following determination of the final Project Cost. For the avoidance of doubt, no reduction in the State Contributions will decrease

or affect in any manner the amount of the City Commitment except as expressly provided herein, and City shall provide the full amount of the City Commitment so long as the aggregate Public Funding is less than 60% of the final Project Cost, even if the Final Project Cost is less than One Billion Nine Hundred Million Dollars ($1,900,000,000).

12. As a condition precedent to the effectiveness of this Agreement, City and Team shall agree upon an anticipated funding plan (the "**Anticipated Funding Plan**") setting forth the anticipated requirements for the amount and timing of proceeds from tranches of City-Supported Bonds to be available for the Team's construction of the Project to proceed without interruption resulting from the unavailability of proceeds of City-Supported Bonds in the City-Supported Bonds Project Fund, which Anticipated Funding Plan shall include a schedule of the anticipated month and year for the issuance of each tranche of City-Supported Bonds. The City agrees to be prepared to issue or cause to be issued the applicable tranche of City-Supported Bonds to provide proceeds pursuant to the schedule set forth in the Anticipated Funding Plan. The Team agrees to advise the City and any Bond Issuer (as defined herein) of the City-Supported Bonds of any revisions to the Anticipated Funding Plan if the Team determines that the Anticipated Funding Plan then in effect is no longer accurate. Accordingly, Team agrees that at least 120 days prior to the expected issuance date of any City-Supported Bonds as shown on the Anticipated Funding Plan then in effect, Team shall provide City and the Bond Issuer an updated Anticipated Funding Plan that takes into account any changes in the Anticipated Funding Plan then in effect, which updated Anticipated Funding Plan shall include an explanation by Team as to the changes in the anticipated requirements for the amount and timing of proceeds from City-Supported Bonds that supports the updated Anticipated Funding Plan. Upon City approval of the updated Anticipated Funding Plan (which approval will not be unreasonably withheld, conditioned or delayed), the updated Anticipated Funding Plan will be effective, with such changes thereto, if any, as may be agreed to by the City and the Team as a part of the approval process, and the City will be prepared to issue or cause to be issued City-Supported Bonds in accordance with the updated Anticipated Funding Plan. In connection with the delivery of the Certificate of Completion, Team shall provide City a final sources and uses of funds in the format attached as **Exhibit C**.

13. With each Construction Stage, Team shall prepare and submit to City's Representative for review any updates and revisions to the Preliminary Project Budget, and, prior to commencement of the final material Construction Stage (as defined by the Architect), Team shall prepare and submit to City's Representative for review and approval of a final Project budget (each a "**Final Project Budget**"), which shall consist of an update to and revision of then current Preliminary Project Budget, for review.

14. Following City's review of the Final Project Budget, Team shall have the right, not more frequently than once per Construction Stage, to update and revise the Project Costs in the then-current Final Project Budget and to submit to City's Representative for review. City's Representative shall have thirty (30) days following receipt of any such update and revision to provide Team with written notice of any objections thereto. If City's Representative does not provide written notice of objections within such thirty (30)-day period, such update or revision shall be deemed approved, shall be deemed to be the Final Project Budget, and shall become a part of this Agreement as if originally attached hereto. If City's Representative provides timely written notice of objections, City and Team shall negotiate in good faith to resolve such objections within fifteen (15) days following City's notice, after which, if the Parties have not agreed, the

then-current Final Project Budget shall remain in effect until resolution; provided, however, that no Final Project Budget shall be submitted by Team for City's review that would result in a Material Change to the Final Project Program except to the extent such Material Change is approved pursuant to the Development Agreement.

15. The Parties agree that the following sentence shall apply to any savings upon completion of the Project. If and to the extent that, upon completion of the Project (including all Deferred Items as defined in the Development Agreement, if any) and final payment of all Project Costs, there remains any balance in any Project Fund, then the balance in the City-Support Bonds Project Fund (as defined herein) shall be disbursed in accordance with the City-Support Bonds Bond Indenture (as defined herein) , the balance in the Show-Me Sports Bonds Project Fund (as defined herein), if any, shall be disbursed in accordance with the Show-Me Sports Bonds Bond Indenture (as defined herein), and the balance in any other Project Fund, if any, if not required by the terms of such Project Fund, shall be disbursed to the party who provided the funding held in such Project Fund.

SECTION II
PRIVATE FUNDING

1. Team shall provide or cause to be provided Private Funding in an amount equal to 40% of the cost of the Project (estimated at $760,000,000).

2. The Project Development Documents shall provide that Team shall be responsible for cost overruns for the Project.

3. Prior to the issuance of City-Supported Bonds (and prior to any subsequent tranche issuance of City-Supported Bonds), Team will provide evidence reasonably satisfactory to City of the availability of Private Funding in an amount sufficient to fund Team's Contribution. Private Funding may consist of equity financing, debt financing or a combination of both.

4. As and when funds are needed for Project Costs to be paid with Team funds or as needed for other Project Costs after use of the funds in the applicable Project Fund, Team shall provide immediately available funds equal to (i) the total Project Costs less the Public Funding as Team's contribution to the cost of the Project ("**Team's Contribution**"), and (ii) the amount of any Project Cost Overruns. Prior to commencement of construction of the Project, and then in connection with the issuance of any tranche of City-Supported Bonds or as required by any other agreed-upon funding sources, Team shall provide City, upon request by City, with evidence and documentation of Team's access to immediately available funds equal to or in excess of the currently projected amount of Team's Contribution; provided, that nothing contained in this Agreement or other Definitive Document shall require or be deemed to require that the Team's financial documents or other financial or business data be placed in the possession of any City, employee, official or agent so as to become subject to disclosure under Sections 610.010-610.115, RSMo., and City agrees that it will direct its employees, officials or agents not to retain any copy of Team's financial documents or other financial or business data. City may review and reasonably approve such evidence of funding subject to the terms and conditions of a non-disclosure agreement mutually agreeable to City (and/or its advisors) and Team and executed prior to any such disclosure.

SECTION III
CITY FUNDING

1. The City hereby agrees to fund Six Hundred Million Dollars ($600,000,000) of Project Costs ("**City Funding Commitment**"), consisting of:

(a) Up to Ninety Million Dollars ($90,000,000) in funding for the construction of specific Infrastructure as defined in the Development Agreement ("**City Infrastructure Funding**") to be paid from funding not otherwise committed to the Project; and

(b) The balance of the City Funding Commitment shall be funded by the City from legally available sources and made available, substantially in accordance with the Anticipated Funding Plan and as such plan may be updated from time to time to reflect the amount and timing of funding sources, appropriations, bond proceeds, grants and other available funding. City agrees that, to the fullest extent permitted by the laws of the State of Missouri, its obligation to provide the City Funding Commitment is unconditional.

2. The City Funding Commitment is contingent only upon Team not being in default beyond any applicable grace or cure periods in the performance in all material respects of its agreements under the Definitive Documents.

3. City hereby confirms that governing body approval has been provided for the issuance of City-Supported Bonds in an amount sufficient to fund the City Funding Commitment *less* the amount of City Infrastructure Funding. It is understood and agreed that additional actions and approvals will be required before the City-Supported Bonds or any tranche thereof can be offered, sold and issued.

4. City acknowledges that the value of any payment by City of City Infrastructure Funding is limited to the cost of such component as set forth on a line-item basis in a budget (the "**City Infrastructure Funding Budget**"), to be agreed upon by City and Team as a condition precedent to the effectiveness of this Agreement, subject to an aggregate cap equal to Ninety Million Dollars ($90,000,000) unless otherwise agreed by the Parties. City reserves the right to designate, for each line item, the funding source from which such components will be funded. Should City determine, prior to the engagement of a contractor to perform any component of Infrastructure that is included in the City Infrastructure Funding Budget that the City Infrastructure Funding Budget for such Infrastructure needs to be supplemented by additional funds, the City shall submit a written notice to the Team with updated cost estimates. Within thirty (30) days of receiving such notice, Team may elect to (a) provide the additional funds or (b) perform the work, subject to City's prior written approval of the applicable scope of work and contractor, which approval shall not be unreasonably withheld, conditioned, or delayed, in which case the City shall deposit the budgeted amount for the scope under consideration from the City Infrastructure Funding Budget into the applicable Project Fund, which will be held by the City unless otherwise agreed, or otherwise make such funds available to the Team. Once City has entered into a contract with a contractor for a component of Infrastructure that is included in the City Infrastructure Funding Budget, City's right to obtain additional funds from the Team for such component of Infrastructure will terminate, and City shall be responsible for all costs incurred under such contract. Disbursement of such funds held in a Project Fund by the City shall be made pursuant to the procedures set forth in **Section VII.3(d)**. It is agreed and understood that, except for any

City Infrastructure Funding as to which City and Team reach agreement as to the Budgeted Infrastructure Component Cost, all of the City Funding Commitment is anticipated to be provided from proceeds of City-Supported Bonds deposited in the City-Supported Bonds Project Fund as provided herein. Nothing contained in this Agreement shall prevent the City from utilizing another funding source for payment of a portion of the City Funding Commitment, in which case it is expected that moneys from such other source, if not applied immediately, would be deposited into a separate Project Fund until applied to pay costs, with disbursement of such funds to be made pursuant to the procedures set forth in **Section VII.3(d)**. In no event will City's decision to utilize a different funding source as permitted herein modify or affect in any manner City's obligation to provide funding at the times and in the amounts set forth in the then-applicable Anticipated Funding Plan.

SECTION IV
STATE FUNDING

1. The Parties agree to work together, and where necessary, the City agrees to sponsor applications and formal requests, to obtain "**City Engaged State Support**" through the following programs and commit awarded funds to the Project:

(a) Show-Me-Sports Act funding through the Missouri Department of Economic Development, which provide an annual source of funding in the expected amount of Fifteen Million Three Hundred Thousand Dollars ($15,300,000) per year, subject to annual appropriation by the State, to support the payment of debt service on revenue bonds to be issued as part of the State Contribution to pay a portion of the Project Costs (the "**Show-Me Sports Bonds**").

(b) Fifty Million Dollars ($50,000,000) in Missouri Development Finance Board Tax Credits ("**MDFB Tax Credits**"), as provided for in the Show-Me Sports Act.

i. Upon successful application and as part of the Private Funding, the Team plans to contribute, or cause to be contributed, the sum of One Hundred Million Dollars ($100,000,000) to MDFB (the "**MDFB Contribution**") as the required contribution to generate the issuance of the MDFB Tax Credits.

ii. The MDFB Contribution will constitute and be deemed to be for all purposes a part of the Private Funding.

(c) Public Infrastructure Funding and Improvements.

i. Twenty-Three Million Dollars ($23,000,000) over 3 years to fund infrastructure improvements on the state highway system through the MODOT Economic Development Cost-Share Program ("**MODOT Eco-Devo Funds**").

ii. Twenty Million Dollars ($20,000,000) to cover 50% of infrastructure improvements on the state highway system through the MODOT Cost-Share Program ("**MODOT Cost Share Funds**").

iii. Fifty-Five Million Dollars ($55,000,000) in funds appropriated by Section 19.007 of House Bill No. 2019 (the "HB 2019 Funding"). No portion of the HB 2019 Funding will be considered City Funding even though such funding will be paid to the City for use in the Project. The Show-Me Sports Bonds, the MDFB Tax Credits, the MODOT Eco-Devo Funds, the MODOT Cost Share Funds and the HB 2019 Funding are collectively referred to herein as the "**State Funding Commitments**."

In addition to the foregoing, the State has indicated that, subject to Project eligibility, which is unknown as of the date of this Agreement, the State will support the use of the State Supplemental Tax Increment Financing Program ("**State TIF")** to support the Project. If the Project qualifies for State TIF, City and Team agree that all funding received from State TIF ("**State TIF Revenues**"), is expected to be used for the payment of debt service on the City-Supported Bonds.

2. The Parties acknowledge that the total Public Funding anticipated for the Project includes State Contributions and other public funds beyond the City Funding Commitment that have not yet been secured. To the extent that City Engaged State Support and other public fundraising efforts do not yield sufficient funds to achieve the total Public Funding anticipated in the sources and uses of funds, any resulting gap in Public Funding shall be the sole responsibility of the Team and shall be funded by the Team as additional Private Funding. Notwithstanding the foregoing, the City will use reasonable efforts to support the Team's public fundraising efforts, including providing letters of support, submitting grant and program applications where appropriate, facilitating introductions to relevant agencies, and attending meetings as reasonably requested by the Team. For the avoidance of doubt, the City's obligations under this Section are limited to the foregoing activities and shall not in any way increase or modify the City Funding Commitment.

SECTION V
BONDS

1. **Issuance of Bonds**.

(a) The Parties anticipate that the Public Funding for the Project may be obtained by the issuance of one or more series of tax-exempt bonds (the "**Bonds**"), whether to finance the City Funding Commitment or to finance the State Contributions; provided that a portion of any series of bonds may be issued as taxable bonds if necessary to finance particular Project Costs.

(b) The City Funding Commitment for the Project may be obtained by the issuance of one or more series of City-supported Bonds (the "**City-Supported Bonds**"). Team shall have no obligation to repay, or otherwise support payment of, the Bonds. The Team shall provide documentation as needed to calculate tax redirection amounts as listed in **Section V.3**. City agrees that, to the fullest extent permitted by the laws of the State of Missouri, its obligation to provide the City Funding Commitment is unconditional, and that the issuance of the City-Supported Bonds is merely the way the City currently intends to fund the City Funding Commitment.

2. The City-Supported Bonds will be issued by an issuer (the "**Bond Issuer**") approved by the Parties. The Parties currently anticipate that MDFB shall be the Bond Issuer for both the City-Supported Bonds and any Bonds issued to fund any of the State Contributions. The City anticipates MDFB, in consultation with the City, will select an underwriter or underwriters (collectively the "**Underwriter**") to serve as the underwriter with respect to the City-Supported Bonds. The documents related to the issuance of, and security for, the City-Supported Bonds (the "**Bond Documents**") shall be in accordance with the terms set forth in the Definitive Documents. For the avoidance of confusion, references herein to the "Bond Documents" shall mean and refer to the documents entered into with respect to each tranche of the City-Supported Bonds.

3. The City-Supported Bonds will be repaid from various revenue sources identified by the City, anticipated to include, subject to applicable legal authorization, annual appropriation, and availability:

(a) Economic activity taxes generated by the Project;

(b) Tax revenues generated by a sales tax imposed, at a rate not to exceed 1%, by Port KC or special taxing district with boundaries coterminous with the Project;

(c) Other incremental economic activity taxes generated in the area outside the Project, subject to the provisions of **Section V.3(d)**;

(d) Economic activity taxes generated from the Ancillary Development (as defined herein) to the extent such funds are determined to be available pursuant to **Section VIII**;

(e) Restaurant Tax;

(f) Gaming Revenues;

(g) Parking Revenues;

(h) State TIF, to the extent approved by the State; and

(i) Any other legally-available sources of revenue identified by the City.

The Parties acknowledge that City cannot legally commit to provide funding to pay the debt service on the City-Supported Bonds in future years. The Bond Documents will include language satisfactory to the Underwriter and bond counsel pursuant to which the City will provide a commitment to seek annual approval for an annual appropriation of the debt service for the City-Supported Bonds, with such language sufficient to allow the Bonds to be rated based upon the City's expressed intent to seek annual approval for an annual appropriation to provide the funds to pay the debt service needed to repay the City-Supported Bonds such that non-appropriation in future years would adversely affect the City's credit rating if City sought to issue bonds or obtain other financing following such non-appropriation.

4. The Team and its financial advisors shall also have the right to review the Bond Documents to confirm that the Bond Documents unconditionally obligate, subject only to annual appropriation, the City to pay debt service on all series of City-Supported Bonds issued to finance

Project Costs as provided in **Section V.3**. It is understood and agreed that the issuance of the City-Supported Bonds will be done in tranches, in an aggregate amount sufficient to fully fund the Project Fund Amount (as herein defined), subject in all respects to the satisfactory completion of the requirements for the issuance of each such tranche. For the avoidance of doubt, City agrees that, to the fullest extent permitted by the laws of the State of Missouri, its obligation to provide the City Funding Commitment is unconditional.

5. The City-Supported Bonds will be issued in multiple tranches over a period of time in order to conform the timing of the issuances to the construction schedule and the expected receipt of revenues to pay debt service on such tranches, to reduce cost of capitalized interest and to provide for an orderly plan of finance. The Parties acknowledge their joint desire to achieve maximum proceeds from the issuance of the City-Supported Bonds. The City intends that the timing of the issuance of tranches of the City-Supported Bonds will support the agreed upon Anticipated Funding Plan. Without limiting the generality of the foregoing, each Party will have the right to determine that sufficient commitments exist to assure the issuance of all of the City-Supported Bonds, and each Party will have the right to establish such conditions upon its approval of the issuance of the City-Supported Bonds in tranches as such Party shall determine to be appropriate or necessary, including without limitation the required amount of proceeds of the City-Supported Bonds to be generated in each such issuance of the City-Supported Bonds, as well as the timing for each such issuance; provided that the decision to issue City-Supported Bonds shall be solely that of the City, but no City decision as to whether to issue City-Supported Bonds will affect City's obligation to provide the City Funding Commitment in accordance with the Anticipated Funding Plan. City agrees that, to the fullest extent permitted by the laws of the State of Missouri, its obligation to provide the City Funding Commitment is unconditional.

6. The City will provide deposits from proceeds of the City-Supported Bonds, when issued, into the City-Supported Bonds Project Fund for the payment of Project Costs as set forth in the Anticipated Funding Plan.

SECTION VI
PROJECT FUNDS

1. It is expected that more than one Project Fund will be established, as described in this Agreement.

2. The Bond Documents will provide for the creation, with the trustee of the City-Supported Bonds (the "**Bond Trustee**"), of a separate project fund (the "**City-Supported Bonds Project Fund**") to be held by the Bond Trustee and available to the Team to fund Project Costs from proceeds of the City-Supported Bonds. The Parties acknowledge and agree that the City-Supported Bonds Project Fund will be a trust account held by the Bond Trustee pursuant to the bond indenture under which the City-Supported Bonds are issued (the "**City-Supported Bonds Bond Indenture**"), dedicated solely to the payment of Project Costs that are authorized under such Bond Indenture and other Bond Documents. Separate project accounts may be established therein for each tranche of City-Supported Bonds when issued. City agrees that the City-Supported Bonds Bond Indenture will authorize payment of Project Costs as defined in this Agreement, except for any Project Costs that cannot lawfully be paid with funds in such City-Supported Bonds Project Fund or the payment of which would adversely affect the tax-exempt status of any City-Supported Bonds issued as tax-exempt bonds. The City-Supported Bonds Project Fund shall not be

commingled with any other City or Team funds. For the avoidance of confusion, references to the City-Supported Bonds include all tranches of the City-Supported Bonds when issued, references to the City-Supported Bonds Bond Indenture include any indenture, including any master indenture and any supplemental indentures, under which the City-Supported Bonds are issued, and references to the City-Supported Bonds Project Fund include any project fund or project accounts into which proceeds of the City-Supported Bonds are issued.

3. It is expected that upon the issuance of the Show-Me Sports Bonds, a separate project fund (the "**Show-Me Sports Bonds Project Fund**") will be established as a trust account held by the Trustee of the Show-Me Sports Bonds pursuant to the bond indenture under which the Show-Me Sports Bonds are issued (the "**Show-Me Sports Bonds Bond Indenture**"), dedicated solely to the payment of Project Costs that are authorized under such Bond Indenture.

4. It is anticipated that MDFB will hold the MDFB Contribution in a separate project fund (the "**MDFB Contribution Project Fund**") that will be held and disbursed in accordance with a separate agreement between Team, City and MDFB. It is agreed and acknowledged that the funds in the MDFB Contribution Project Fund are a part of the Private Funding, and the Parties agree that they will work with MDFB to arrange for the funds in the MDFB Contribution Project Fund to be disbursed to pay Project Costs prior to any other Private Funding.

5. Upon the issuance of the MDFB Tax Credits to Team, Team will transfer the MDFB Tax Credits to City. Following such transfer, Team will arrange, as agent for City, for the sale of the MDFB Tax Credits. Following such sale, City will deposit the proceeds of the sale of the MDFB Tax Credits into a separate project fund (the "**MDFB Tax Credit Sale Project Fund**"). The funds in the MDFB Tax Credit Sale Project Fund are a part of the Public Funding. Disbursement of such funds shall be made pursuant to the procedures set forth in **Section VII.3(d)** or as otherwise agreed by the parties hereafter.

6. A separate Project Fund may be established for any other funding source. One such City Project Fund is expected to be established for Private Funding provided by Team to finance the purchase of construction materials for construction of City-owned property, into which the Team would assign, exchange, convey or otherwise transfer its funds to be used to fund such purchases; disbursement of such funds shall be made pursuant to the procedures set forth in **Section VII.3(d)** or as otherwise agreed by the parties hereafter.

7. Any Project Fund held by or on behalf of the City shall be administered, disbursed, and controlled by City in accordance with the terms of this Agreement as set forth below, or the provisions of any agreement under which such Project Fund is established with approval of City and Team. Any Project Fund held by a bond trustee shall be administered, disbursed, and controlled by the applicable bond trustee in accordance with the terms of the applicable bond indenture for the applicable Bonds. It is understood and agreed that the City-Supported Bonds Bond Indenture is the only bond indenture the terms of which are subject to City approval.

8. City shall provide, or cause the Bond Trustee to provide, a copy of all monthly statements received in connection with the City-Supported Bonds Project Fund and each Project Fund held by or on behalf of the City to Team within a period of ten (10) business days after receipt of such statements.

9. Unless otherwise agreed by the Parties, the amount to be deposited in the City-Supported Bonds Project Fund shall be equal to (a) the City Funding Commitment minus (b) the

City Infrastructure Funding (the "**Project Fund Amount**"), funded over time as tranches of City-Supported Bonds are issued. Further, should the Parties be successful in obtaining City Engaged State Support, where applicable, the City will work with the Team and State (pursuant to the State Agreement) to consolidate awarded funds into a separate Project Fund to be established with the City for such funds. City recognizes the MDFB Contribution as Private Funding to which the Team will be able to access in accordance with policies and procedures set forth by the Missouri Development Finance Board. Unless otherwise agreed by the Parties, the Project Fund Amount will be made available for draw and disbursement in accordance with the provisions of the City-Supported Bonds Bond Indenture and the Project Development Documents as required to pay Project Costs when due and payable, either directly to Team or to reimburse City for such Project Costs paid to Team by City, in either case to the extent of funds on deposit in the City-Supported Bonds Project Fund.

10. All earnings on funds held in the City-Supported Bonds Project Fund not needed for arbitrage rebate purposes shall be treated in the same manner as the principal deposited in such account, until the Parties mutually certify that the Public Funding amount has been satisfied for the Project. It is intended that the City-Supported Bonds Bond Indenture will provide that such amounts will be available for disbursement in the same manner and upon the same terms and conditions as the principal deposited in the City-Supported Bonds Project Fund. The Team shall provide updates to the final sources and uses on a quarterly basis following the first deposit by the City into the City-Supported Bonds Project Fund. When the Parties mutually certify that the Public Funding amount has been satisfied, it is intended that the City-Supported Bonds Bond Indenture will provide that any earnings on amounts deposited in the City-Supported Bonds Project Fund not needed for arbitrage rebate purposes may be used to pay debt service on such City-Supported Bonds.

11. City will endeavor to cause each City-Supported Bonds Bond Indenture to designate the same bond trustee and to include, as nearly as possible, substantially similar provisions for the disbursement of each City-Supported Bonds Project Fund and the project accounts therein.

SECTION VII
DISBURSEMENTS; REQUISITIONS; DISPUTE RESOLUTION

1. For the avoidance of confusion, the primary purpose of this **Section VII** is to set forth procedures for disbursements from the City-Supported Bonds Project Fund and for the submission by Team to City of Requisitions, as defined herein, to support disbursements from the City-Supported Bonds Project Fund. It is understood and agreed that separate requisitions will be submitted for disbursements from separate Project Funds to the applicable holders of such separate Project Funds, depending on the requisition procedures set forth in the applicable document(s) under which each such Project Fund is established, and that this Agreement does not set forth the terms of such procedures except to the extent specifically stated herein. The Parties may determine hereafter to enter into a disbursing agreement or other agreement containing provisions and procedures for the disbursement of the various funding sources from the various Project Funds and other funding sources to pay Project Costs.

2. It is further understood and agreed that inasmuch as different funding sources may be expended under different schedules and at different time, nothing in this Agreement requires

that moneys be expended from all Project Funds and all public and private funding sources on a pro rata basis for each specific Project Cost item, so long as the Public Share of Project Costs paid at any point in time does not exceed 55% and so long as the Public Funding is provided in the same percentage such that at no time will the Private Share of Project Costs exceed 45% of the total Project Costs paid to date from any source. The Team is responsible to provide information to City regarding all Private Share expenditures to pay Project Costs on a regular basis, and in connection with any Requisition (as defined below) submitted by Team.

3. **City-Supported Bonds Project Fund**. Funds shall be periodically disbursed from the City-Supported Bonds Project Fund for payment of Project Costs in accordance with the provisions set forth in the City-Supported Bonds Bond Indenture. It is agreed that such provisions will include an approval from an authorized City representative for such disbursement, following the receipt by City of a Team Requisition as described in **Section VII.3(c)**. It is further agreed that the Requisition approval and payment process will be substantially in accordance with the process described in this **Section VII.3**. City expects to pay Team the applicable amount of each Requisition and thereafter seek reimbursement by the Bond Trustee for such payment from the City-Supported Bonds Project Fund, but City may at City's option submit a draw request to Bond Trustee to make a payment directly to Team. The Team shall have the right to review, comment upon and approve the City-Supported Bonds Bond Indenture requisition and disbursement provisions before the first tranche of City-Supported Bonds is issued, and also before the issuance of any subsequent tranche of City-Supported Bonds if there are revisions to the requisition and disbursement provisions in the City-Supported Bonds Bond Indenture for such subsequent tranche of City-Supported Bonds. Such provisions must also be approved by City, the Bond Issuer and the Bond Trustee.

(a) The procedures set forth in this **Section VII.3** represent the current agreement of the parties for disbursement of moneys from the City-Supported Bonds Project Fund, and for any Project Fund held by or on behalf of the City; provided that the final procedures for disbursement of moneys in the City-Supported Bonds Project Fund will be as set forth in the City-Supported Bonds Bond Indenture. The procedures set forth in this **Section VII.3** also represent the current agreement of the parties for submission by Team of a Requisition and the requirements associated therewith. Subject to the provisions of the Bond Documents, the procedures set out herein may be reasonably modified by agreement of the Parties from time-to-time to improve the disbursement of funds for Project Costs.

(b) On and after the deposit of the Project Fund Amount or any portion thereof into the City-Supported Bonds Project Fund, Team shall have the right, from time to time, to submit to the City Finance Department and any designated City representative, a request (each, a "**Requisition**") to pay to Team the amount set forth therein, or applicable percentage of such amount as described in **Section VII.3(c)(ii)** below, to reimburse or pay Team the Public Share of Project Costs incurred or due and payable by Team in connection with the development and construction of the Project.

(c) Each Requisition will be subject to the following certification and payment process by City, time being of the essence with respect to the times, dates and time periods specified herein:

i. On or before the 1st business day of each month, Team shall submit to City and its designated representative, a copy of each such Requisition, together with supporting documentation evidencing the Project Costs to be paid with respect to such Requisition, as described below.

ii. Unless otherwise agreed between City and Team, the Public Share of each Requisition to be paid by City is 55% of the amount of such Requisition (rounded down to the nearest cent), and the Private Share of each Requisition to be paid by Team is 45% of the amount of such Requisition (rounded up to the nearest cent).

iii. On or before the 1st business day following the 15th day of such month, City shall approve or cause its representative to approve the Requisition for payment of the applicable Public Share amount. It is expected that the City will pay such Public Share amount of a Requisition to Team, to be reimbursed thereafter from moneys held by the Bond Trustee in the City-Supported Bonds Project Fund, in which event City will make such payment on or before the 20th day of such month. The City may in the alternative, at its sole option, submit a City-Supported Bonds Project Fund Requisition Certificate (as defined herein) to the Bond Trustee to make such payment of the Public Share amount of a Requisition from moneys in the City-Supported Bonds Project Fund, in which event the City will use commercially reasonable efforts to cause the Bond Trustee to disburse the Public Share amount on or before the 20th day of such month. Irrespective of the method of payment of the Public Share amount of a Requisition, nothing herein shall diminish or alter any of City's rights under this **Section VII.3** to review a Requisition and require supporting documentation as provided herein, nor City's right to dispute any item that is included on such Requisition as provided herein.

iv. Notwithstanding anything to the contrary herein, City shall have the right, within thirty (30) days after submission of the Requisition by Team as provided in this **Section VII.3**, to (A) deliver to Team written notice that any portion of the costs specified in the Requisition is not recommended for payment or reimbursement and the reasons therefore, or (B) request that Team submit additional documentation in support of the Requisition, in which case the time for City to deliver to Team written notice that any portion of the costs specified in the Requisition is not recommended for payment or reimbursement and the reasons therefore pursuant to clause (A) will be extended until five (5) days after Team submits the additional documentation so requested. If City delivers to Team written notice that any portion of the costs specified in the Requisition is not recommended for payment or reimbursement and the reasons therefore, City and Team hereby agree to submit to Dispute Resolution, in accordance with **Section VII.5** ("**Dispute Resolution**"), whether such costs specified in the Requisition constitute Project Costs to be paid from the Project Fund; provided, however, in no event shall City have the right to withhold disbursement pending the final result of any Dispute Resolution.

v. If and to the extent that any costs included in a Requisition have been incurred by Team but not paid to the contractor, supplier or other payee, Team shall identify such costs and City shall have the right to either pay or direct the Bond Trustee to pay such costs directly to such contractor, supplier or other payee.

vi. The form of Requisitions shall be substantially similar to AIA G702-1992 Document Form unless otherwise reasonably agreed to by City and Team, supplemented if necessary to include the information described in this **Section VII.3(c)(vi)**. Requisitions shall be submitted, and the certification of costs shall be completed, based on actual costs incurred in lieu of percentage of work completed. Requisitions shall provide sufficient line item detail to reflect the aspects of the Project and the Project Costs for which payment is sought, the dollar amounts of such costs, the vendors being paid, the amount net of any contract retainage if applicable, whether any charges for liquidity facility fees are included in the Requisition, and comparable information as required by the City; provided, however, that City agrees and acknowledges that the failure of any Requisition to meet all of the requirements in this **Section VII.3(c)(vi)** will limit or adversely affect the City's obligation to provide funding as provided in **Section VII.3(c)(iii)**, and provided, further that nothing herein will limit or adversely affect the City's rights to dispute any Requisition as provided in **Section VII.3(c)(iv)**. Inasmuch as moneys in the City-Supported Bonds Project Fund cannot be used to pay Project Costs that cannot lawfully be paid with funds in such City-Supported Bonds Project Fund or the payment of which would adversely affect the tax-exempt status of any City-Supported Bonds issued as tax-exempt bonds, such Requisitions shall also provide sufficient detail for the City to determine if any Project Costs included in such Requisition are ineligible for payment from the City-Supported Bonds Project Fund.

(d) The City shall submit draw requests to the Bond Trustee (each, a "**City-Supported Bonds Project Fund Requisition Certificate**") pursuant to the City-Supported Bonds Bond Indenture requesting that the Bond Trustee make a distribution of moneys in the City-Supported Bonds Project Fund for reimbursement to the City for payments made by City to Team of the Public Share of Project Costs identified on Requisitions, or at the City's option, to Team for the applicable amount of the Public Share of a Requisition. It is understood and agreed that the Bond Documents will require the Bond Trustee to provide City with reports of all distributions made from the City-Supported Bonds Project Fund. City will provide to Team a copy of any such report received by City.

(e) Conditions for distributions from the City-Supported Bonds Project Fund include the following: (i) Team is not in material default under this Agreement (which shall mean that all applicable notices shall have been given and all applicable cure periods shall have expired); (ii) Requisitions have been properly submitted in accordance with the provisions of this Agreement including the procedures set forth in **Section VII.3(c)**, any disbursing agreement if any and any other applicable agreement; and (iii) City-Supported Bonds Project Fund Requisition Certificates have been properly submitted in accordance with the City-Supported Bonds Bond Indenture, whether to reimburse City for payments to Team or to make payments to Team of the amount of the Public Share portion of a Requisition as described in this Agreement. For clarity, Team is solely responsible for funding the Private Share of all Project Costs from Team's Contribution and City is solely responsible for funding the City's proportionate amount of the Public Share of all Project Costs through deposits into the City-Supported Bonds Project Fund. Following the deposit of the Project Fund Amount and any additional City Engaged State Support into the Project Fund, City shall have no further obligation to fund additional Project Costs, subject to City's obligations under **Section III** hereof. It is understood and agreed that as it pertains to the funds and accounts held by the Bond Trustee pursuant to the City-Supported Bonds Bond Indenture, only disbursements from the City-Supported Bonds Project Fund require that Team have submitted a Requisition to City in support of the Team's request for payment of Project Costs from such Project Fund, that Team has no claim upon moneys deposited in any other funds and accounts established under the City-Supported Bonds Bond Indenture other than such Project Fund and that disbursements from all other funds and accounts established under the City-Supported Bonds Bond Indenture, including without limitation any costs of issuance fund, debt service fund, debt service reserve fund, rebate fund and any other fund and account, will be made in accordance with the Bond Documents without a Requisition from Team. In no event will City's obligations to fund Requisitions pursuant to **Section VII.3(c)** be contingent or conditioned on City's receipt of any disbursements from the City-Supported Bonds Project Fund under **Section VII.3(d)** and this **Section VII.3(e)**.

(f) City acknowledges that in order for the Project to proceed on schedule, Team has expended and will hereafter expend certain funds for development of plans and specifications, other pre-construction expenses, such as costs related to property acquisition for the Site, project management, cost estimating, related legal costs, and similar expense for the New Baseball Stadium, the Team Offices, and the Infrastructure and for other similar reasonable development costs (the "**Advance Costs**"). These Advance Costs will be paid upon submission of a Requisition by the Team as provided in this **Section VII** and the City shall have the right to object to any Advance Costs in accordance with the procedures set forth in **Section VII**. Subject to satisfaction of the requirements of the Internal Revenue Code relating to declarations of official intent to reimburse pursuant to Treasury Regulation 1.150-2 by City and Bond Issuer (City hereby confirms that City has adopted a declaration of official intent to reimburse pursuant to such Treasury Regulation 1.150-2), City agrees that Requisitions submitted by Team for reimbursement of Project Costs payable from proceeds of City-Supported Bonds may include Advance Costs eligible for reimbursement under such declaration and applicable law. Furthermore, for the avoidance of confusion, Team can make advance purchases of equipment to be reimbursed with moneys in the City-Supported Bonds Project Fund or other City Project Fund while in possession of a sales tax exemption certificate provided the other requirements of this Agreement are satisfied.

(g) City shall not be obligated to approve a Requisition unless Team has demonstrated the availability of the amount of Team's Contribution required to fund the Private Share of the amount of such Requisition. No draw may be more than the Public Share of the Public/Private Ratio for the Project Costs associated with the amount of each such Requisition, and Team must demonstrate that it has funded or committed to fund its corresponding Private Share of the amount of such Requisition from the applicable Project Fund (including but not limited to the Project Fund established for Private Funding provided by Team to finance the purchase of construction materials for City-owned property) before drawing the corresponding Public Share from the City-Supported Bonds Project Fund.

(h) From time-to-time, Team may give notice to City of specific materials; equipment, fixtures or other elements of the Project for which Team desires to make payment ("**Specific Expenses**") solely from Team's Contribution. Team shall have the right to exercise its rights under this **Section VII.3(h)** if and to the extent that City shall reasonably determine, upon advice of bond counsel, that Team's exercise of its rights hereunder shall not adversely affect the tax-exempt status of the Bonds. If Team elects to make payment of Specific Expenses as provided herein, Team shall pay such Specific Expenses directly to the vendor to which the identified Specific Expenses are due and payable. Team's payment of Specific Expenses will be deemed an advance of Team's Contribution by Team, and the amounts so paid up to the amount allotted for such items in the Budget shall be subject to "true-up," to maintain the Public/Private Ratio upon the submission of the next Requisition. For the avoidance of doubt, no Bond proceeds shall be used to fund, reimburse, or offset any Specific Expense.

4. City shall have the right to audit, upon reasonable notice and at its own expense, any Project Fund and all expenditures paid from any Project Fund. As to the City-Supported Bonds Project Fund, City will cause provisions to be included in the Bond Documents that provide that upon reasonable prior notice and written request by City to the Bond Trustee, the Bond Trustee will provide access to all records controlled by, or in the possession or control of the Bond Trustee relating to the City-Supported Bonds Project Fund Requisition Certificates and the City-Supported Bonds Project Fund, to permit review of such records in connection with conducting a reasonable audit of such draw requests. Team shall reasonably cooperate with the assigned independent auditors (internal or external) in regard to an audit of any Project Fund. Audits under this Section shall not occur more frequently than once every six (6) months; provided, however, that if a material error has been detected, the applicable Project Fund shall be subject to audit at more frequent intervals (not more frequently than monthly), as deemed appropriate by the auditing entity. The party conducting an audit shall provide a complete copy of the audit report to the Team promptly following receipt of such report. Each party or entity shall bear the costs incurred by it in connection with the audit rights in this Section, which shall not be recoverable as Project Costs.

5. This **Section VII.5** shall apply to any disputes between City and Team concerning a default by City or Team under this Agreement or any other alleged breach of this Agreement, or if City delivers to Team notice under **Section VII.3(c)(iv)** to the effect that any costs submitted for payment by the Team pursuant to a Requisition is not recommended for payment or reimbursement. In the event that any dispute is of such a nature that the aggrieved Party believes it will suffer immediate irreparable injury unless immediate injunctive relief or specific performance is granted, the aggrieved Party may proceed immediately to seek appropriate judicial resolution of such dispute (including, but not limited to, specific performance and/or injunctive relief) without first exhausting such Party's remedies under this **Section VII.5**.

(a) Dispute Resolution Process. In the event that any material breach by either City or Team arises under this Agreement, or either Party has been alleged by the other Party in writing to have otherwise breached this Agreement, or if City delivers to Team notice under **Section VII.3(c)(iv)**, the following procedure shall apply:

i. The aggrieved Party shall give written notice to the other Party outlining in reasonable detail the subject and nature of the material breach or such other dispute or alleged breach, along with any supporting documentation (the **"Dispute Notice"**). The delivery of a Dispute Notice shall toll any Party's right of termination during the pendency of the dispute resolution process, including any mediation in accordance with this **Section VII.5**.

ii. Within fourteen (14) days after the date of the Dispute Notice, the City Manager and the President or a Senior Vice-President of Team, or such representative of City or Team as their respective City Manager and President/Senior Vice President shall so designate, shall meet, which may be in person, via electronic means or a combination thereof as the parties determine, and negotiate in good faith to resolve the dispute (the **"Settlement Conference"**).

iii. In the event that the Settlement Conference is unsuccessful in resolving the dispute within seven (7) days of the Settlement Conference, then each Party shall, within three (3) business days after the conclusion of such seven (7) day period, state, in writing, their respective position as to the matters in dispute, including all known factual and legal grounds therefor. The Parties shall then have an additional seven (7) day period following submission of the Parties' written position statements in which to resolve the dispute (the "**Final Review Period**").

iv. If the dispute remains unresolved following the Final Review Period, the Parties shall submit the dispute to mediation subject to terms and conditions mutually acceptable to the Parties in their reasonable discretion, provided that the Parties shall equally share the costs of the mediator.

v. Each Party shall bear its respective costs and expenses, including attorneys' fees and costs, of the expedited dispute resolution process provided for in this **Section VII.5**, and in no event shall any such costs be considered a Project Cost.

SECTION VIII
ANCILLARY DEVELOPMENT

1. In addition to the development of the Project, Team anticipates the development of additional project(s) (the "**Ancillary Development**") potentially consisting of components such as hotel, commercial, residential and office uses. Team anticipates that the Ancillary Development

shall be located generally in the area depicted on the Site Plan in **Exhibit A** attached hereto (the "**Ancillary Development Area**"); provided that Team will have the opportunity to develop Ancillary Development outside of the Ancillary Development Area.

2. Subject to the provisions of **Section VIII.6**, Team shall provide, or cause to be provided, 100% of the funding for the Ancillary Development.

3. Team anticipates that public revenue streams generated by the Ancillary Development will need to be available to support the development of the Ancillary Development through the use of tax increment financing, redirection of economic activity taxes, real or business tangible personal property tax abatement or exemption, funding to support infrastructure, sales tax exemption on construction materials and/or business tangible personal property, or other development incentives (**"Ancillary Development Incentives"**). Team agrees and acknowledges that Ancillary Development Incentives may require additional approvals by City and/or State, depending upon the particular Ancillary Development Incentives to be implemented. Nothing herein contained shall constitute a commitment by the City to provide funding to support infrastructure.

4. If Team and City jointly determine that the revenue streams generated by the Ancillary Development are not needed to make the Ancillary Development financially feasible, then City shall have the right to use funds generated by the Ancillary Development to support debt service for the City-Supported Bonds to the extent permitted under the Bond Documents and applicable laws. The City and Team acknowledge that certain components of the public revenue streams are legally restricted in their use and that the City may not be able to use them for the repayment of City-Supported Bonds.

5. If City and Team jointly determine that the revenue streams generated by the Ancillary Development are required to make the Ancillary Development financially feasible, then City and Team shall cooperate in good faith and take all actions within their legal authority to redirect such revenue streams needed to support the Ancillary Development, including pursuing any required governmental approvals, applications, or legislative authorization; provided, however, that City shall not be required to cooperate in good faith and take all actions within its legal authority to provide funding to support infrastructure. Only revenue streams that City and Team jointly determine are not required for the financial feasibility of the Ancillary Development will be available to City via redirection to support debt service on the City-Supported Bonds in accordance with this Agreement.

6. No special taxing district or port improvement district (collectively "**Special Districts**") having boundaries that include any portion of the Ancillary Development Area may be established or approved by the City or any City agency or instrumentality without the prior written consent of Team during the term of the Lease, including any extensions. City agrees to use good faith efforts to oppose the establishment of any Special District by an entity other than the City and, solely to the extent within City's authority, to take reasonable administrative action to limit or dissolve any such district. City's obligations under this Section are limited to the foregoing good-faith and administrative commitments and shall not obligate the City to pay Team any proceeds generated by any Special District, nor shall this Section be construed to restrict the independent legislative authority of City Council. Notwithstanding anything to the contrary herein, the

establishment of any Special District in violation of this **Section VIII.6** will constitute a default by Landlord under Section 25.02(A)(i) of the Lease.

SECTION IX
ASSIGNMENT

1. No Party may sell, convey, assign, transfer, alienate or otherwise dispose of all or any of its interest or rights in this Agreement, or make any contract or agreement to do any of the same ("**Transfer**"), without in each instance obtaining the prior written approval of the other Party. Notwithstanding the foregoing, Team shall have the right to assign its rights under this Agreement, without City's consent but with notice to City as provided in the Lease, to an affiliate established to develop and lease the New Baseball Stadium and/or the Team Offices, or in conjunction with an assignment of the Lease upon the terms permitted in the Lease.

2. Any Transfer made in violation of **Section IX.1** shall be void, and no such Transfer made in violation of such **Section IX.1** will relieve any Party from any obligations under this Agreement.

SECTION X
TERM

1. The term of this Agreement (the "**Term**"), and the effectiveness of the covenants, agreements and provisions herein, shall commence on the Effective Date.

2. Except as otherwise expressly provided herein, the effectiveness of the covenants, agreements and provisions of this Agreement shall terminate as follows:

   (a) The effectiveness of the covenants, agreements, and provisions of **Section II** of this Agreement shall terminate upon the issuance of the Certificate of Occupancy for the Project;

   (b) The effectiveness of the covenants, agreements and provisions of **Section III** of this Agreement shall terminate upon the full deposit of the Project Fund Amount into the Project Fund in accordance with the Anticipated Funding Plan ;

   (c) The effectiveness of the covenants, agreements and provisions of **Section VI** of this Agreement shall terminate upon the full disbursement of all of the funds in the respective Project Funds, including all earnings thereon; provided that nothing contained herein shall alter the provisions of the Bond Documents relating to the City-Supported Bonds Project Fund and the effectiveness of such provisions;

   (d) The effectiveness of the covenants, agreements and provisions of **Section VIII** of this Agreement shall terminate upon the earlier of: (i) completion of the Ancillary Development; or (ii) thirty (30) years from the Effective Date;

   (e) The effectiveness of all other covenants, agreements and provisions of this Agreement shall terminate upon the issuance of the Certificate of Occupancy for the Project; provided that the audit rights set forth in **Section VII** and any outstanding Requisition, true-up, or reimbursement obligations not fully resolved as of such date shall survive until finally resolved.

SECTION XI
CONTINGENCIES

1. The covenants, agreements and obligations of the Parties under this Agreement are contingent and conditioned upon the satisfaction of the following conditions (collectively, the "**Funding Agreement Contingencies**"):

(a) Team has provided to City evidence of the availability of Private Funding pursuant to **Section II**.

(b) City and Team have agreed upon the Anticipated Funding Plan.

(c) City and Team have agreed upon the City Infrastructure Funding Budget, and City has provided to Team evidence satisfactory to Team of the availability of the City Infrastructure Funding.

(d) The amount of Public Funding, as reasonably determined by the Team, is equal to One Billion One Hundred Forty Million Dollars ($1,140,000,000).

(e) The Bond Issuer has adopted a declaration of official intent to reimburse pursuant to Treasury Regulation 1.150-2 for the City-Supported Bonds.

(f) City has provided to Team evidence satisfactory to Team, in Team's sole and subjective discretion, that all necessary approvals required for the issuance of all tranches of the City-Supported Bonds, including without limitation all necessary authorizations to provide the assurances for the payment of debt service as set forth in **Section V.4**, have been obtained.

(g) An ordinance approving a tax increment financing plan for the Project has been passed by the City Council.

(h) All necessary MLB Approvals have been obtained. On or before September 30, 2026, MLB shall have provided to City and Team confirmation that this Agreement is in compliance with all current applicable MLB Rules and Regulations.

2. The Parties will work together in good faith to cause the Funding Agreement Contingencies to be satisfied on or prior to the applicable FA Contingency Satisfaction Date (defined herein). For purposes of this Agreement, "**FA Contingency Satisfaction Date**" means: (i) with respect to **Section XI.1(a)** and **Section XI.1(b)**, [DATE], subject to completion of the City's review and approval of the City's infrastructure budget and funding plan; and (ii) with respect to all remaining Funding Agreement Contingencies (including those depending on State authorization or issuance of Show-Me Sports Bonds), [DATE], or such later date as the Parties may agree in writing, with separate milestone dates to be agreed for each State-dependent contingency. The Parties acknowledge that the availability of Show-Me Sports Bond proceeds is subject to State legislative and administrative processes outside the control of City and Team, and the Parties shall negotiate in good faith separate milestone satisfaction dates for each such State-dependent contingency.

3. If any of the Funding Agreement Contingencies are not satisfied on or prior to the applicable FA Contingency Satisfaction Date, then each Party that is then not in material breach of its obligations under this Agreement or whose act or omission did not materially contribute to the failure of such Funding Agreement Contingency to be satisfied will have the right, by written notice delivered to the other Parties, to elect to terminate this Agreement, in which event this Agreement shall be null and void. For the avoidance of doubt, a Party whose own act or omission caused or materially contributed to the failure of a Funding Agreement Contingency shall not be entitled to exercise the termination right set forth in this Section XI(3) by reason of such failure. Upon any termination of this Agreement pursuant to this Section, the Definitive Documents will concurrently be terminated and shall be null and void subject to any survival provisions expressly set forth therein.

4. In the event of termination of this Agreement due to a failure to satisfy any of the Funding Agreement Contingencies by the FA Contingency Satisfaction Date: (i) except as provided in clause (iii) in this **Section XI.4**, no Party shall have any claim against the other for return of or reimbursement for any amounts paid or obligations performed pursuant to the provisions of this Agreement prior to its termination, and each Party fully waives and releases any such claim against the other to the fullest extent permitted by applicable laws; and (ii) except as otherwise provided herein, each Party shall be restored to the same position as existed prior to the execution of this Agreement; and (iii) notwithstanding the foregoing, the waiver and release set forth in clause (i) shall not apply to, and shall not limit any Party's remedies with respect to, any claim arising from or relating to a breach by a Party of its obligations under this Agreement that caused or materially contributed to the failure of a Funding Agreement Contingency to be satisfied. City and Team mutually agree that no City-Supported Bonds will be issued prior to the satisfaction of all of the Funding Agreement Contingencies.

SECTION XII
NOTICE

1. Where any provision is made in this Agreement for the giving of a notice or the making of a demand, such notice or demand shall be in writing and shall be served as provided in this Section XII (except that if any express provision for the giving of any notice set forth elsewhere in this Agreement conflicts with any provision of this **Section XII**, such other express provision shall govern). Notices sent by a Party's counsel shall be deemed notices sent by such Party.

2. All notices delivered personally, or sent by a recognized overnight delivery service, shall, for all purposes, be deemed to have been given and served when so delivered. All mailed notices shall be deemed to have been given and served five (5) days after being deposited in the United States mail in the manner prescribed in this **Section XII**.

3. Notices to City. All notices to City under this Agreement shall be either delivered personally in hand or sent by U.S. certified mail, return receipt requested, postage prepaid, or sent by a recognized overnight delivery service, addressed to City as follows:

City of Kansas City Missouri
City Hall, 29th Floor

414 E. 12th Street
Kansas City, Missouri 64106
Attn: City Manager

and with a copy to:

City of Kansas City Missouri
City Hall, 23rd Floor
414 E. 12th Street
Kansas City, Missouri 64106
Attn: City Attorney

or at such other address or addresses as may from time-to-time hereafter be designated by City (or by City's Counsel) by notice.

4. Notices to Team. All notices to Team under this Agreement shall be either personally delivered in hand or sent by U.S. certified mail, return receipt requested, postage prepaid, or sent by a recognized overnight delivery service, addressed to Team as follows:

Kansas City Royals Baseball Club, LLC
1 Royal Way
Kansas City, MO 64129
Attn: Vice President, General Counsel
Attn: President, Real Estate & Development

and with a copy to:

Stinson LLP
1201 Walnut, Suite 2600
Kansas City, Missouri 64106
Attn: David W. Frantze, Esq.
Attn: Christopher Frantze, Esq.

or at such other address or addresses as may from time-to-time hereafter be designated by Team (or by Team's Counsel for its address) by notice.

SECTION XIII
MISCELLANEOUS

1. This Agreement may be executed at different times and in counterparts, each of which is deemed to be an original, and all such counterparts constitute one and the same instrument.

2. This Agreement, together with the other Definitive Documents, constitutes the entire agreement among the Parties with respect to the subject matter hereof, and supersedes all negotiations or previous agreements among the Parties with respect to all or any part of the terms

and conditions mentioned in or incidental to this Agreement. No parol evidence of any prior or other agreement shall be permitted to contradict or vary the terms of this Agreement.

3. Except as otherwise provided herein, neither this Agreement nor any of its terms may be terminated, amended or modified except (i) by a written instrument executed by the Parties and (ii) upon the prior receipt of all necessary MLB Approvals. The Parties acknowledge the City Council has authorized the City Manager to, at the City Manager's discretion, amend the terms of this Agreement. This authorization to amend shall not extend to provisions related to the term of the Agreement or to the Minimum Required Project Elements, nor shall the City Manager be authorized to increase the financial obligations of the City under this Agreement.

4. This Agreement is made and entered into for the sole protection and benefit of the Parties and their successors and assigns. No third party shall have or acquire any right or action based upon any provisions of this Agreement. Notwithstanding the foregoing, MLB is an intended third party beneficiary of each provision in this Agreement that prohibits action without first obtaining MLB Approval and MLB shall be entitled and have the right to waive or enforce such other provisions directly against any Party hereto (or their successors and permitted assigns) to the extent that any such other provision is for the benefit of MLB.

5. The laws of the State of Missouri shall govern the interpretation and enforcement of this Agreement except those pertaining to conflicts of law.

6. None of the provisions in this Agreement shall be deemed to render City or State a partner in Team's business, or a joint venture or member in any joint enterprise with Team.

7. Nothing in this Agreement shall constitute or be deemed to constitute a debt of the City in violation of Missouri Constitution Section Article VI, Section 26(b).

8. Neither Party shall be in default under this Agreement, and no Funding Agreement Contingency shall be deemed to have failed, to the extent that performance is delayed or prevented by a Force Majeure Event. For purposes of this Agreement, "**Force Majeure Event**" means any of the following events or conditions beyond the reasonable control of the affected Party: (a) acts of God, fire, flood, earthquake, or other natural disaster; (b) acts of war, terrorism, civil disturbance, or government action; (c) epidemic or pandemic declared by a governmental authority; (d) failure or delay in the issuance of any Bond due to a disruption in the municipal bond market, an adverse change in applicable law, or any other regulatory or legislative impediment outside the control of City or the applicable Bond Issuer; or (e) any other event or condition beyond the reasonable control of the affected Party that could not have been prevented by the exercise of reasonable diligence. The affected Party shall provide written notice to the other Parties within ten (10) business days of the occurrence of a Force Majeure Event, identifying the nature of such event and its anticipated duration. Upon the occurrence of a Force Majeure Event, the applicable FA Contingency Satisfaction Date shall be extended day-for-day for the duration of such Force Majeure Event. A Force Majeure Event shall not excuse a Party's obligation to make any payment of money then due and owing, and shall not excuse any delay or failure arising solely from a Party's financial condition or inability to obtain financing.

9. To the fullest extent permitted by the law of the State of Missouri, the City agrees that it will not assert the defense of sovereign immunity or governmental immunity to defeat or bar a claim for money damages, declaratory relief, or specific performance of the City's obligations brought by Team for breach of this Agreement. This provision does not waive, and the City expressly reserves, (a) any defense of sovereign, governmental, or official immunity as to any tort claim; (b) any limitation on the compelled exercise of the City's legislative or appropriations authority; (c) any statutory limitation on damages; and (d) all other rights and defenses available to the City at law or in equity. This provision applies only to claims for breach of this Baseball Stadium Funding Agreement and does not affect the characterization of any claim under, or the City's rights under, any other agreement.

10. Except as expressly stated herein to the contrary, no default under any of the Definitive Documents by a Party shall constitute or be deemed to be a default by such Party under this Agreement.

[*Signature pages follow*]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the Effective Date.

KANSAS CITY ROYALS BASEBALL CLUB, LLC

By: ____________________________________
R. Brooks Sherman, President – Real Estate and Development

CITY OF KANSAS CITY, MISSOURI

By: ____________________________________
Mario Vasquez, City Manager

APPROVED AS TO FORM

By: ______________________________
____________, ___________City Attorney

<u>Exhibit A</u>

Site Plan

(*See Attached*)

Exhibit B

Preliminary Project Budget

(*See Attached*)

Exhibit C

Sources and Uses Format

(*See Attached*)