

RESOLUTION NO. 16035

SUBJECT: Authorizing the County Executive to execute Tax Credit Agreements with the Missouri Development Finance Board, the Jackson County Sports Complex Authority, and the Kansas City Chiefs Football Club, Inc., and Kansas City Royals Baseball Corporation concerning improvements to Arrowhead and Kauffman Stadiums at the Harry S Truman Sports Complex.

INTRODUCED: October 2, 2006
(Legislative As A Whole)

ADOPTED: October 12, 2006

(R#15797)
(O#3789)

IN THE COUNTY LEGISLATURE OF JACKSON COUNTY, MISSOURI

A RESOLUTION authorizing the County Executive to execute Tax Credit Agreements with the Missouri Development Finance Board, the Jackson County Sports Complex Authority, and the Kansas City Chiefs Football Club, Inc., and Kansas City Royals Baseball Corporation concerning improvements to Arrowhead and Kauffman Stadiums at the Harry S Truman Sports Complex.

RESOLUTION #16035, October 2, 2006

INTRODUCED BY Henry C. Rizzo, County Legislator

WHEREAS, by Resolution 15797, dated February 21, 2006, the Legislature did authorize the County Executive to approve, on behalf of the County, new 25-year subleases for Arrowhead and Kauffman Stadiums at the County's Harry S Truman Sports Complex between the Jackson County Sports Complex Authority and the Kansas City Chiefs Football Club, Inc., and the Authority and the Kansas City Royals Baseball Corporation; and,

WHEREAS, by Ordinance 3789, dated July 10, 2006, the Legislature did authorize the issuance of \$450,000,000 principal amount of special obligation bonds, the proceeds of the sale of which are to be used to partially fund stadium improvements required by the new 25-year subleases; and,

WHEREAS, a substantial portion of the remaining costs of the improvements is to come from the issuance of state tax credits made available by the Missouri Development Finance

Board; and,

WHEREAS, in connection with the issuance of these credits, the Authority, Board, and teams have negotiated the attached Tax Credit Agreements which set out the rights and obligations of the parties to these transactions; and,

WHEREAS, the execution of these Tax Credit Agreements is in the best interest of the health, welfare, and safety of the citizens of Jackson County; now therefore,

BE IT RESOLVED by the County Legislature of Jackson County, Missouri, that the County Executive be and hereby is authorized to execute the attached Tax Credit Agreements with the Missouri Development Finance Board, Jackson County Sports Complex Authority, and the Kansas City Chiefs Football Club, Inc., and Kansas City Royals Baseball Corporation.

Effective Date: This Resolution shall be effective immediately upon its passage by a majority of the Legislature.

APPROVED AS TO FORM:



Chief Deputy County Counselor



County Counselor

Certificate of Passage

I hereby certify that the attached resolution, Resolution #16035 of October 2, 2006 was duly passed on October 12, 2006 by the Jackson County Legislature. The votes thereon were as follows:

Yeas 8 Nays 0

Abstaining 0 Absent 1

10.13.06
Date



Mary Jo Spino, Clerk of Legislature

RESOLUTION #16035

Execution Copy 9-26-06

TAX CREDIT AGREEMENT

(Kauffman Stadium)

THIS TAX CREDIT AGREEMENT, dated as of the ___ day of _____, 2006 (the "Agreement"), by and among the **MISSOURI DEVELOPMENT FINANCE BOARD**, a body corporate and politic of the State of Missouri (the "Board"), **JACKSON COUNTY SPORTS COMPLEX AUTHORITY**, a body corporate and politic and a political subdivision of the State of Missouri (the "Landlord"), **JACKSON COUNTY, MISSOURI**, a political subdivision of the State of Missouri (the "County") and **ROYALS BASEBALL CORPORATION**, a Missouri corporation duly authorized to do business in the State of Missouri (the "Tenant");

WITNESSETH:

WHEREAS, Section 100.286.6 of the Revised Statutes of Missouri (the "Tax Credit Statute") provides that any taxpayer shall be entitled to a tax credit against any tax otherwise due under the provisions of Chapter 143, R.S.Mo. excluding withholding tax imposed by Sections 143.191 to 143.261, R.S.Mo., Chapter 147, R.S.Mo., or Chapter 148, R.S.Mo., in the amount of fifty percent (50%) of any amount contributed in money or property by the taxpayer to the development and reserve fund, the infrastructure development fund or the export finance fund during the taxpayer's tax year.

WHEREAS, the Tax Credit Statute limits the total tax credits which may be awarded by the Board in any calendar year under the Tax Credit Statute to the greater of Ten Million Dollars (\$10,000,000) or five percent (5%) of the average growth in general revenue receipts in the preceding fiscal years, provided this limit may be exceeded upon joint agreement of the Commissioner of Administration, the Director of the Department of Economic Development and the Director of the Department of Revenue.

WHEREAS, the Board has obtained the joint agreement of the Commissioner of Administration, the Director of the Department of Economic Development and the Director of the Department of Revenue to permit the issuance of the Tax Credits described in this Agreement.

WHEREAS, the Landlord has requested that the Board accept contributions from the Tenant pursuant to the Tax Credit Statute and make the proceeds of such contributions available to the Landlord for the purpose of paying a portion of the cost of the project described on **Exhibit A** hereto (the "Project"), all as more fully described in the application for assistance submitted to the Board (all as attached hereto as **Exhibit B**, collectively, the "Application").

WHEREAS, at a meeting of the Board held on June 20, 2006, the Landlord and the Tenant made written and oral presentations to the Board concerning the Project and the Project Application.

WHEREAS, the Kansas City Royals have drawn over 62 million fans to-date in Kansas City, Missouri, and have a marketing territory consisting of the States of Missouri (except 11 counties in the St. Louis region), Kansas, Iowa, Arkansas, Nebraska and Oklahoma in which the club promotes visits to Kansas City and Kauffman Stadium via the Royals Radio Network and the Royals Sports Television Network. For decades, the Kansas City Royals have been the number one family-oriented entertainment venue in the greater Kansas City area in terms of attendance.

WHEREAS, the acceptance of the Contributions and the issuance of the Tax Credits as described herein will significantly benefit Jackson County, Missouri and the State of Missouri by: (i) enhancing tourism in Jackson County and the State of Missouri, (ii) creating and retaining temporary and permanent jobs; (iii) retaining existing jobs; (iv) increasing local and state tax revenues; (v) extending the useful life of public facilities the voters of the County have determined to be of vital importance to the County, and (vi) eliminating the risk of the Tenant canceling the Amended Lease as a result of a failure of the Landlord to adequately provide or make available funds to maintain Kauffman Stadium.

WHEREAS, under the Amended Lease the Royals as Tenant will assume, subject to certain conditions and limitations, cost responsibility and risk for repair, maintenance, management and operation of Kauffman Stadium.

WHEREAS, the County has constructed and owns the Harry S. Truman Sports Complex (the "Sports Complex") consisting of: the "Football Stadium" or "Arrowhead Stadium"; the "Baseball Stadium" or "Kauffman Stadium"; "Stadium Plaza" exhibition and parking area located between the two Stadiums; the "Central Services Facility" food and employee service facility beneath the Stadium Plaza; "Parking Lots" for vehicles; and various other "Common Areas" of real estate owned by the County and located in Kansas City, Jackson County, Missouri.

WHEREAS, the County has leased the Sports Complex to Landlord which has subleased parts thereof to Tenant and the Kansas City Chiefs Football Club, Inc. (the "Chiefs" or "Co-tenant") as set forth below.

WHEREAS, Landlord and Tenant previously made and entered into that certain Lease Agreement dated January 19, 1990, as further modified by a Memorandum of Understanding dated January 19, 2005 between Landlord and Tenant (the "2005 MOU") (the "Original Lease"), pursuant to which Landlord leases Kauffman Stadium to Tenant and referred to in the Original Lease as the Baseball Stadium, its immediate environs and Tenant's practice fields and facilities, or the Exclusive Leased Premises, all as more fully described in the Original Lease.

WHEREAS, contemporaneously with the Original Lease, Landlord and Tenant also made and entered into that certain Management Contract dated January 19, 1990, as amended on February 13, 1990 (the "Management Contract"), pursuant to which Landlord retained Tenant as the exclusive management agent of Kauffman Stadium and the Exclusive Leased Premises.

WHEREAS, the term of the Original Lease is currently scheduled to expire January 31, 2015 but the parties have agreed to extend the term to January 31, 2031 subject to certain terms and conditions set out in the 2006 Lease Amendment dated as of January 24, 2006 (the "Amendment"), by and between the Landlord and the Tenant.

WHEREAS, Landlord, Tenant, County and the Board have determined that it is necessary and desirable to complete a needed "Kauffman Stadium Expansion and Renovation Plan" as more fully described in the Amendment and the Application with Tenant to assume responsibility for any cost overruns for said plan as described in the Original Lease as amended by the Amendment (the "Amended Lease").

WHEREAS, the Kauffman Stadium Expansion and Renovation Plan will be carried out by Landlord/County and Tenant pursuant to the Amended Lease and the Kauffman Stadium Development Agreement described herein.

WHEREAS, pursuant to a Lease Agreement dated January 19, 1990, as amended by an Amendment thereto dated as of November 28, 1990, and a Second Amendment thereto dated as of December 6, 1991, and as further modified by a 2005 Chiefs MOU (the "Original Chiefs' Lease"), and as amended by a 2006 Lease Amendment dated as of January 24, 2006 (the "Chiefs' Amendment") [the "Amended Chiefs' Lease"] Landlord is presently leasing Arrowhead Stadium to the Chiefs and Landlord/County has entered into with the Chiefs an "Arrowhead Stadium Development Agreement" for an "Arrowhead Stadium Expansion and Renovation Plan" in substantially the same forms and containing substantially all the same terms and conditions between Landlord and Tenant as provided under the Amended Lease, the Kauffman Stadium Development Agreement and the Kauffman Stadium Expansion and Renovation Plan.

WHEREAS, the Board, the Landlord and the Tenant desire to enter into this Agreement for the purpose of setting forth the terms and conditions pursuant to which the Board will accept contributions and deposit such contributions into the "infrastructure development fund" (as defined in the Tax Credit Statute) for the purposes set forth herein, all subject to the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein set forth, the Board, the Landlord, the County and the Tenant hereby covenant and agree as follows:

ARTICLE I

DEFINITIONS

In addition to the terms defined in the Recitals to this Agreement and elsewhere herein, as used in this Agreement the following terms shall have the following meanings:

"Application" means the request for assistance submitted to the Board on March 3, 2006, by the County attached hereto as **Exhibit B** (with Tenant having provided Exhibits A and B to the Application), as supplemented and amended. For the purposes of this Agreement, the parties acknowledge that the Project shall consist of the Project described in **Exhibit A** hereto.

"Bond Trustee" means the bond trustee selected by the Landlord and the County and reasonably acceptable to the Board.

"Contribution" means any contribution received by the Board pursuant to and in accordance with this Agreement.

"Development and Lease Documents" means, collectively, the Amended Lease, the Kauffman Stadium Development Agreement and this Agreement.

"Disbursement Request" means the Disbursement Request referred to in **Section 4.3** hereof.

"Donor" means Tenant or any person making a Contribution to the Board in accordance with this Agreement.

"Kauffman Stadium Development Agreement" means the Kauffman Stadium Development Agreement dated March 23, 2006, by and between the Landlord and the Tenant, as consented and agreed to by the County.

"Maximum Contributions" shall have the meaning set forth in **Section 3.1** hereof.

“Maximum Tax Credits” shall have the meaning set forth in **Section 3.1** hereof.

“Project” means the renovation project described in the Kauffman Stadium Expansion and Renovation Plan and the Kauffman Stadium Development Agreement, the minimum required elements of which are described in **Exhibit A**, and any additions, modifications, equipment, replacements, repairs, reconstruction, restoration or substitutions thereto, approved by the Landlord.

“Project Costs” means, subject to the limitations described in **Exhibit D**, all reasonable or necessary costs and expenses of the Project.

“Public/Owner’s Representative” means the firm selected by the Landlord (and confirmed by the “Landlord/County 2/3rds Approval Process” as defined in the Kauffman Stadium Development Agreement) as the Public/Owners Representative in accordance with Section 12.01 of the Kauffman Stadium Development Agreement.

“Tax Credits” means tax credits issued by the Board in accordance with the Tax Credit Statute and this Agreement in consideration of Contributions.

“Tax Credit Statute” shall have the meaning set forth in the Recitals.

ARTICLE II

FINDINGS AND DETERMINATIONS; REPRESENTATIONS AND WARRANTIES

Section 2.1. Board’s Determination of Project Benefit. The Board hereby finds and determines as follows:

(a) The execution of the Development and Lease Documents and the implementation of the Kauffman Stadium Expansion and Renovation Plan pursuant thereto will significantly benefit Jackson County, Missouri and the State of Missouri by: (i) enhancing tourism in Jackson County and the State of Missouri, (ii) creating and retaining temporary and permanent jobs; (iii) retaining existing jobs; (iv) increasing local and state tax revenues; (v) extending the useful life of public facilities the voters of the County have determined to be of vital importance to the County, and (vi) eliminating the risk of the Tenant canceling the Amended Lease as a result of a failure of the Landlord to provide or make available funds to adequately maintain Kauffman Stadium.

(b) The benefits to be derived by the State of Missouri are projected to exceed the benefits provided by the Board by this Agreement.

(c) The Board’s participation is a material precondition to the completion of the Project, and the Project would not proceed without the assistance provided by the Board.

Section 2.2. Landlord’s Determination of Project Benefit and Representations and Warranties. The Landlord hereby finds and determines as follows:

(a) The execution of the Development and Lease Documents and the implementation of the Kauffman Stadium Expansion and Renovation Plan pursuant thereto will significantly benefit Jackson County, Missouri and the State of Missouri by: (i) enhancing tourism in Jackson County and the State of Missouri, (ii) creating and retaining temporary and permanent jobs; (iii) retaining existing jobs; (iv)

increasing local and state tax revenues; (v) extending the useful life of public facilities the voters of the County have determined to be of vital importance to the County, and (vi) eliminating the risk of the Tenant canceling the Amended Lease as a result of a failure of the Landlord to provide or make available funds to adequately maintain Kauffman Stadium.

(b) The benefits to be derived by the State of Missouri are projected to exceed the benefits provided by the Board by this Agreement;

(c) The Project would not proceed without the assistance provided by the Board.

(d) The execution and delivery of the Development and Lease Documents by the Landlord will not result in a breach of any of the terms of, or constitute a default under, any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the Landlord is a party or by which it or any of its property is bound or its bylaws or any of the constitutional or statutory rules or regulations applicable to the Landlord or its property.

(e) To the best of the Landlord's knowledge, all of the information contained in the Application is true and correct and all material terms of the legal obligations between the Landlord and the Tenant have been disclosed to the Board in writing.

Section 2.3. County's Determination of Project Benefit and Representations and Warranties. The County hereby finds and determines as follows:

(a) The execution of the Development and Lease Documents and the implementation of the Kauffman Stadium Expansion and Renovation Plan pursuant thereto will significantly benefit Jackson County, Missouri and the State of Missouri by: (i) enhancing tourism in Jackson County and the State of Missouri, (ii) creating and retaining temporary and permanent jobs; (iii) retaining existing jobs; (iv) increasing local and state tax revenues; (v) extending the useful life of public facilities the voters of the County have determined to be of vital importance to the County, and (vi) eliminating the risk of the Tenant canceling the Amended Lease as a result of a failure of the Landlord to provide or make available funds to adequately maintain Kauffman Stadium.

(b) The benefits to be derived by the State of Missouri are projected to exceed the benefits provided by the Board by this Agreement;

(c) The Project would not proceed without the assistance provided by the Board.

(d) The execution and delivery of the Development and Lease Documents by the County (to the extent it is a party to any such documents) will not result in a breach of any of the terms of, or constitute a default under, any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the County is a party or by which it or any of its property is bound or its bylaws or any of the constitutional or statutory rules or regulations applicable to the County or its property.

(e) To the best of the County's knowledge, all of the information contained in the Application is true and correct and all material terms of the legal obligations between the County and the Tenant have been disclosed to the Board in writing.

Section 2.4. Tenant's Determination of Project Benefit and Representations and Warranties. Tenant hereby represents and warrants as follows:

(a) To the best of its present knowledge and belief, based in significant part upon the representations and determinations of the Landlord and County set forth above, the execution of the Development and Lease Documents and the implementation of the Kauffman Stadium Expansion and Renovation Plan pursuant thereto will significantly benefit Jackson County, Missouri and the State of Missouri by: (i) enhancing tourism in Jackson County and the State of Missouri, (ii) creating and retaining temporary and permanent jobs; (iii) retaining existing jobs; (iv) increasing local and state tax revenues; (v) extending the useful life of public facilities the voters of the County have determined to be of vital importance to the County, and (vi) eliminating the risk of the Tenant canceling the Amended Lease as a result of a failure of the Landlord to provide or make available funds to adequately maintain Kauffman Stadium.

(b) The Tenant would not have agreed to extend the term of the Original Lease without the assistance provided by the County pursuant to the Development and Lease Documents.

(c) The Tenant (1) is a for-profit corporation organized and existing under the laws of the State of Missouri duly authorized to do business in the State of Missouri, (2) has lawful power and authority to execute and deliver the Development and Lease Documents and to carry out its obligations thereunder and hereunder, and (3) by all necessary corporate action has been duly authorized to execute and deliver the Development and Lease Documents, acting by and through its duly authorized officers.

(d) The execution and delivery of the Development and Lease Documents by the Tenant will not result in a breach of any of the terms of, or constitute a default under, any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the Tenant is a party or by which it or any of its property is bound or its bylaws or any of the constitutional or statutory rules or regulations applicable to the Tenant or its property.

(e) To the best of the Tenant's knowledge, all of the information contained in the Application pertaining to the Tenant and the Project is true and correct.

(f) To the best of the Tenant's knowledge, all of the material terms of the legal obligations between the Landlord and the Tenant have been disclosed to the Board in writing.

Section 2.5. No Private Benefit. The Landlord represents and warrants that no portion of the Project or the proceeds of the Contributions shall benefit any private person, except for such benefits as may be conferred to private persons through the ordinary course of business of the Tenant in the use and operation of the Project as more fully provided in the Development and Lease Documents.

ARTICLE III

CONTRIBUTIONS AND TAX CREDITS

Section 3.1. Agreement to Accept Contributions and Issue Tax Credits. Subject to the requirements set forth herein, the Board hereby agrees to: accept Contributions from Donors in a maximum aggregate amount of Twenty-Five Million Dollars (\$25,000,000) (the "Maximum Contributions"), resulting in the issuance of Tax Credits in the maximum amount of Twelve Million Five Hundred Thousand Dollars (\$12,500,000) (the "Maximum Tax Credits"); to deposit such Contributions into the Board's infrastructure development fund; and to issue such Donors' Tax Credits in an amount equal to fifty percent (50%) of the amount of such Contribution. Notwithstanding that the Maximum Tax Credits available hereunder equals Twelve Million Five Hundred Thousand Dollars (\$12,500,000), the

Landlord and the Tenant agree that the issuance of the Maximum Tax Credits shall be limited as follows (each a "Maximum Contribution"):

<u>Contribution Period</u>	<u>Maximum Contributions</u>	<u>Maximum Annual Tax Credits</u>	<u>Cumulative Maximum</u>
Beginning July 1, 2006 - through and including June, 30, 2007	\$8,333,334	\$4,166,667	\$4,166,667
Beginning July 1, 2007 - through and including June, 30, 2008	\$8,333,334	\$4,166,667	\$8,333,334
Beginning July 1, 2008 - through and including June, 30, 2009	\$8,333,332	\$4,166,666	\$12,500,000
Beginning July 1, 2009 - through and including June, 30, 2010	\$8,333,332	\$4,166,666	\$12,500,000

The amount of each Contribution shall be determined as provided in the Tax Credit Statute and as provided in **Section 3.5** below.

Any portion of such Annual Maximum Amount for which no Contributions have been received shall be forfeited effective midnight on each such June 30, set forth above. This paragraph shall not restrict the owner of any Tax Credit from utilizing the benefits of the carry forward provisions contained in the Tax Credit Statute.

Section 3.2. Submission of Form 100. The Board shall process each Contribution which is accompanied by a properly completed Form 100 and any other documents required by Missouri law. If the Board receives a Contribution that is not accompanied by a properly completed Form 100 and any other necessary documents the Board shall promptly notify the Donor by telephonic or electronic means. The Donor shall be given the option of the Board holding such Contribution until such documents are provided or the Board returning the Contribution to the Donor. If returned, the Board shall provide the Donor with a written notification stating why such Contribution is being returned. A copy of each returned donation shall also be sent to the County, the Landlord and the Tenant. The Board reserves the right to require any additional information which the Board determines to be necessary to comply with the Tax Credit Statute and the Board's regulations, as they may be amended from time to time, including, but not limited to, the "Certificate of Reportable Contributions" from any Donor (which is not an individual).

Section 3.3. Minimum Contribution. The Board shall not accept any Contribution in an amount less than One Million Dollars (\$1,000,000). Any Contribution which is received for less than such minimum amount shall be returned to the Donor with a written notation stating that Contributions must be made in the minimum amount of One Million Dollars (\$1,000,000). A copy of each returned Contribution shall also be sent to the Tenant, the County and the Landlord.

Section 3.4. Processing Contributions and Tax Credits. The Board shall promptly process all completed Contributions. Once a properly completed Form 100 and Alien Certification forms and all other required documents are received by the Board, together with the Contribution, the Board will issue or cause to be issued the Tax Credits within ten (10) calendar days.

Section 3.5. Determination of Amount of Contribution. The amount (or value) of each Contribution shall be determined by the Board as follows:

(a) Cash. The amount (or value) of cash Contributions shall be the face amount of such Contribution.

(b) Marketable Securities. The amount (or value) of marketable securities shall be the proceeds received by the Board from the liquidation of such marketable securities in accordance with the Donor's instructions approved and accepted by the Board, less the Board's costs of selling such securities.

(c) Unmarketable Securities and Other Property. No Contributions of unmarketable securities or other property shall be permitted under this Agreement.

All such determinations by the Board shall, absent manifest error, be conclusive and binding upon the Donors and the Tenant. The Board reserves the right to reject any Contribution other than and excluding a cash Contribution by the Tenant.

Section 3.6. Contributions in Excess of Maximum Contributions. The Board, the Landlord, the County and the Tenant agree that, in the event the Board receives Contributions in excess of the Maximum Contribution set forth in **Section 3.1** hereof, the Board shall return such excess Contributions to the Donor thereof with a statement that Tax Credits are not available for such excess Contributions.

Section 3.7. Sale of Tax Credits and Application of Proceeds. The sale of the Tax Credits shall be the responsibility of the Donor. The sale price will not adjust amount of the Tax Credits authorized hereunder. The Tax Credits must either be (a) sold by the Donors with the proceeds applied toward the cost of the Kauffman Stadium Expansion and Renovation Plan (proceeds from such sale shall not be limited to the restrictions on the payment of Project Costs); or (b) transferred by the Contributors to the Jackson County Stadium Authority, who will then sell them and use them for paying the cost of the Kauffman Stadium Expansion and Renovation Plan. The Donors shall not benefit from the Tax Credits, except for any benefit resulting from the Development and Lease Documents.

If the Donor chooses to sell the Tax Credits (Option (a) above), Donor/Tenant may further elect that the Landlord arrange for the sale of the Tax Credits.

As soon as possible after the Board issues Tax Credits, but in no event longer than fifteen (15) days after each issuance, at its or their cost, the County and the Landlord shall arrange for the marketing and sale of the Tax Credits. The Landlord agrees to obtain the best price obtainable in the market, but in no event shall such price be less than eighty-six (86) cents per dollar. All costs related to such sale shall be the responsibility of the Landlord or the buyer, but in no event such costs reduce the net sale proceeds below eighty-six (86) cents. The Landlord shall promptly disclose in writing to the Board and the Tenant the sale price of the Tax Credits. The Landlord indemnifies the Tenant from and against any and all loss relating to the sale of the Tax Credits. The Tenant agrees that "loss" shall not include any discount afforded to any purchaser of the Tax Credits and that Tenant will make no claim against the Landlord as a result of such discount.

Proceeds from each sale of Tax Credits shall be deposited and disbursed as set forth in the Kauffman Stadium Development Agreement.

ARTICLE IV

APPLICATION OF CONTRIBUTIONS

Section 4.1. Board's Application of Contributions. All Contributions received by the Board shall be deposited immediately into a designated account at the Board (the "Board Project Account"). The amount of such Contributions shall be maintained by the Board on its books and records. Promptly upon, and in no event later than ten (10) calendar days after, receipt of Contributions, the Board shall, after deducting its fee, transfer the Contributions to a segregated trust account held by the Bond Trustee (the "Bond Trustee Account") pursuant to the wire transfer instructions provided to the Board by the Bond Trustee. Interest on amounts in the Bond Trustee Account shall remain in such Bond Trustee Account and be disbursed for payment of the Project Costs and shall not be remitted to the Board.

Section 4.2. Disbursements from the Bond Trustee Account. The Bond Trustee shall disburse amounts from the Bond Trustee Account upon receipt of executed "Requisitions" (as defined in Section 6.06(c) of the Kauffman Stadium Development Agreement) in accordance with the provisions of Sections 6.06 and 11.06 of and Exhibit G (the "Disbursement Procedures") to the Kauffman Stadium Development Agreement. The Board consents thereto. The Board shall have no duty to conduct any investigation into the authenticity of the signature(s) on any such Requisition or the accuracy of the information set forth therein.

The final form of "Requisition" shall contain the certifications in **Exhibit C**. All disbursements shall comply with the limitations contained in **Exhibit D** and the Landlord and the Tenant shall retain records evidencing such compliance.

The Board, the Landlord, the Tenant and the County shall cooperate to maximize the amount of tax-exempt bonds that can be issued by the Landlord.

Section 4.3. Deduction of Board Administrative Fees. Upon receipt of each Contribution, the Board shall deduct an administrative fee in an amount equal to four percent (4%) of the amount of all Contributions. From such administrative fee, the Board shall pay any actual out-of-pocket expenses (including the fees and expenses of the Board's counsel) incurred by the Board in the negotiation, preparation, execution and administration of this Agreement. The County and the Landlord agree that the administrative fees of the Board shall not reduce the "Landlord/County Kauffman Stadium Expansion and Renovation Cap Amount" (as defined in Section 22(a) of the Amendment). The total amount comprising the Contribution shall be applied towards Tenant's Contribution as required in Section 22(b) of the Amended Lease and Section 6.05(b)(ii) of the Stadium Development Agreement, without regard to the amount actually transferred by the Board pursuant to **Section 4.1**.

Notwithstanding anything herein to the contrary, the amount (or value) of any Contribution, as determined pursuant to this Agreement for the purpose of calculating Tax Credits to be issued by the Board in connection with such Contribution, shall not decrease as a result of fees or expenses deducted from the cash proceeds of Contributions pursuant to this section.

Section 4.4. Return of Contributions. In the event the Tenant, the Landlord or the County shall notify the Board that the Project has been abandoned as a result of the Tenant's default or upon an event of default by the Tenant under **Section 6.1** hereof or the termination of the Amended Lease by reason of the Tenant's default thereunder, then all Contributions held by the Board or the Bond Trustee pursuant to **Section 4.1** hereof shall be applied as follows: (i) first, to reimburse the State for the cost of Tax Credits issued hereunder and actually used by the Donor with respect to such Contributions, (ii) second, if requested by a Donor in writing, returned to the Donor after deducting any amount due to the

State under (i) above, and (iii) third, used to pay for infrastructure projects at or in Kauffman Stadium which the Board and the County mutually determine are beneficial to the County and the State of Missouri. The Board agrees that it will provide a written notice to each Donor who would be entitled to any Contribution return. In determining the cost to the State of such Tax Credits the Board shall assess interest on such Tax Credits in an amount equal to *The Bond Buyer's 20* Bond Index published in *The Bond Buyer* on the day such calculation is made. Notwithstanding any other provision of this Agreement, Contributions which are expended by the Tenant in accordance with this Agreement shall not be subject to return nor shall Tax Credits arising therefrom be subject to recapture.

ARTICLE V

THE PROJECT; RECORDS AND REPORTS

Section 5.1. Access to the Project and Inspection; Operation of the Project. The Board and the duly authorized agents of the Board shall have the right, at all reasonable times upon the furnishing of reasonable advance notice under the circumstances, and compliance with all applicable safety procedures to enter upon the Project and to examine and inspect the Project. The Board and the duly authorized agents of the Board shall also be permitted, at all reasonable times upon reasonable advance notice under the circumstances, to examine the books and records of the Landlord and the Tenant with respect to the Project and the Contributions and the obligations of the Landlord and the Tenant hereunder.

Section 5.2. Reports by the Tenant Prior to Substantial Completion. The Tenant shall cause to be furnished to the Board:

(a) Copies of all reports or notices prepared for submission to the County or the Landlord pursuant to any of the Development and Lease Documents, concurrently with the submissions of such reports to the County or the Landlord.

(b) To the extent not otherwise provided by or available from the Landlord or the County, such additional information as the Board may reasonably request concerning the Project, the Kauffman Stadium Expansion and Renovation Plan (as more fully described in the Amended Lease) and performance by the Tenant with the Development and Lease Documents.

Section 5.3. Reports by the Tenant After Substantial Completion. The Tenant shall cause to be furnished to the Board annually, not later than March 1st, commencing on the March 1st following Substantial Completion of the Project, a detailed description of the distribution of the tickets described in **Section 5.8(c)** hereof.

Section 5.4. Reports by the Landlord to the Board. The Landlord shall cause to be furnished to the Board:

(a) All reports prepared by the Public / Owner's Representative.

(b) Annually, a copy of the annual report filed by the Landlord with the County.

(c) Promptly, notice of any litigation filed by the Tenant against the Landlord or the Landlord against the Tenant.

(d) Promptly, notice of any event of default or any event with the passage of time could become an event of default under the Amended Lease, and subsequent notices relating to such default.

(e) Upon written request, such additional information as the Board may reasonably request concerning compliance by the Landlord or the Tenant with the Amended Lease.

Section 5.5. Reports by the County to the Board. The Landlord shall cause to be furnished to the Board:

(a) Promptly, notice of any litigation filed by the Tenant against the County or the Landlord.

(b) Promptly, notice of any event of default or any event with the passage of time could become an event of default under the Amended Lease, and subsequent notices relating to such default.

(c) Upon written request, such additional information as the Board may reasonably request concerning compliance by the Landlord or the Tenant with the Amended Lease.

Section 5.6. Reports by the Board to the Tenant, Landlord and County. Commencing with the month in which Contributions are first made, the Board shall provide to the Tenant and the Landlord monthly reports concerning the Board's receipt of Contributions and issuance of Tax Credits. Upon the written request of the Tenant, the Landlord or the County, the Board shall furnish such other information concerning the Board's receipt and disbursement of Contributions and issuance of Tax Credits as the Tenant or the Landlord may reasonably request.

Section 5.7. Indemnification by Landlord.

(a) The Landlord releases the Board from, and agrees that the Board shall not be liable for, and indemnifies the Board against, any liabilities, losses, damages (including attorneys' fees), causes of action, suits, claims, costs and expenses, demands and judgments of any nature imposed upon or asserted against the Board (except to the extent that any of the foregoing arises as a result of the gross negligence or willful misconduct of the Board, or any of their officials, commissioners, directors, officers, attorneys, accountants, employees or agents) on account of: (i) any loss or damage to property or injury to or death of or loss by any person that may be occasioned by the negligence of the Landlord in the implementation of the Kauffman Stadium Expansion and Renovation Plan, compliance with the Development and Lease Documents and the operation of Kauffman Stadium; (ii) any breach or default on the part of the Landlord in the performance of any covenant or agreement of the Landlord under this Agreement or any related document, or any of its agents, contractors, servants, employees or licensees; (iii) violation by the Landlord of any law, ordinance or regulation affecting the ownership, occupancy or use of Kauffman Stadium; (iv) any loss suffered by any Donor as a result of the inability of the Donor to use any Tax Credit issued by the Board, other than as a result of the failure of the Board to issue such Tax Credit upon receipt by the Board of the necessary information, (v) any loss resulting from any environmental violation at Kauffman Stadium caused by the Landlord, and (vi) any claim or action or proceeding with respect to the matters set forth in subsections (i), (ii), (iii), (iv) and (v) above brought thereon.

(b) In case any action or proceeding is brought against the Board in respect of which indemnity may be sought hereunder, the Board shall promptly give notice of that action or proceeding to the Landlord upon receipt of that notice shall have the obligation and the right to assume the defense of the action or proceeding; provided, that failure of a party to give that notice shall not relieve the Landlord from any of its obligations under this Section unless that failure prejudices the defense of the action or proceeding by the Landlord. The Board shall have the right to employ separate counsel with respect to any such claim or in any such action and to participate in the defense thereof, but the fees and expenses of

such counsel shall be at the expense of the Board unless the employment of such counsel has been specifically authorized, in writing, by the Landlord or the Board reasonably concludes that there is a conflict of interest that would prevent counsel for the Landlord from adequately representing both the Landlord and the Board. The Landlord shall not be liable for any settlement without its consent.

(c) The indemnification set forth above is intended to and shall include the indemnification of all affected officials, directors, officers, attorneys, accountants, financial advisors and employees of the Board. That indemnification is intended to and shall be enforceable by the Board to the full extent permitted by law.

Section 5.8. Covenants of the Tenant. The Tenant covenants and agrees that the Tenant shall comply with each of the following requirements:

(a) The Tenant shall construct or cause to be constructed the minimum required project elements described in **Exhibit A**.

(b) The Tenant shall not request any additional State financial assistance or pursue legislation that would provide additional State financial assistance (including any modification or redirection of the athletes and entertainment tax) in connection with the Truman Sports Complex so long as the State continues funding at least \$3 million per year.

(c) So long as permitted by Major League Baseball, the Tenant shall distribute or cooperate with the State to distribute each baseball season at least the number of tickets as provided herein to school, youth, religious and other charitable programs (collectively "Eligible Programs") located within the State of Missouri and outside of Jackson County, Missouri (including any tickets already given by Tenant to such programs). Such tickets may be to any of the Tenant's home games. The Tenant shall notify the Board at least annually of how it has fulfilled this obligation. Such tickets may be in any locations provided at least four (4) of such seats are adjoining in each location. If at any time Major League Baseball changes its policy and ceases to permit teams to do the foregoing, then Tenant's obligations hereunder shall immediately cease. The Tenant shall notify the Board in writing of any such policy change. Tenant shall be obligated to provide ten thousand (10,000) tickets per baseball season to Eligible Programs as herein set forth; provided, however, that if in any baseball season after the date of this Agreement, Tenant's total attendance exceeds 2,000,000, then in the following baseball season the number of tickets to be provided to Eligible Programs as herein set forth shall be reduced to seven thousand five hundred (7,500) tickets; and provided, further, that if in any baseball season after the date of this Agreement, Tenant's total attendance exceeds 2,300,000, then in the following baseball season the number of tickets to be provided to Eligible Programs as herein set forth shall be reduced to five thousand (5,000) tickets. Tenant may distribute either tickets or vouchers redeemable for tickets to meet its obligations under this section.

(d) Tenant agrees to provide the Department of Economic Development with the following assistance commencing with the first full season after substantial completion of the Project:

(i) To the extent Tenant has unsold signage space available from time to time, signage in Kauffman Stadium for economic development and tourism purposes (such as a logo/slogan, website, 800#) in such size and containing such content as the Tenant and the Board shall agree. The Board shall be responsible for all costs of building, installing and the design of the content of such signage and shall submit such design to the Tenant for its prior written approval. The Board shall pass such costs through to the Department of Economic Development.

(ii) From time to time and not more frequently than five times a season, the Tenant shall use its best faith efforts to provide the Landlord with tickets for Tenant's regular season games for the purpose of Landlord's compliance with **Section 5.9(e)**.

(iii) Assist the State in making arrangements for access to Kauffman Stadium and the restaurants within (with prior permission) for the purpose of client/prospect meetings or special events. For example, having a prospect meet at the stadium club for lunch, with a guided tour of Kauffman. Any such access shall be subject to any management or similar contracts for the restaurants. All costs for same shall be paid by the State.

(iv) Subject to league rules, applicable labor agreements, employment contracts and availability: (a) request Tenant's executives and coaches to meet with prime economic development and tourism prospects, and (b) make arrangements for the use of executives/coaches in an occasional promotional video/audio/advertisement.

Section 5.9. Covenants of the Landlord. The Landlord covenants and agrees that so long as this Agreement is in effect, the Landlord shall strictly comply with each of the following requirements:

(a) The Landlord shall, to the extent within its control, refrain from taking any action that would cause the Tenant to violate any of the covenants contained in this Agreement.

(b) Landlord shall promptly notify the Board in writing if it receives actual notice of any default by the Tenant or it under this Agreement or any of the Development and Lease Documents.

(c) Landlord shall promptly notify the Board in writing if it receives actual notice of any dispute relating to construction of the Project that involves a claim or potential claim in excess of One Million Dollars (\$1,000,000).

(d) All disbursements from the Bond Trustee Account must be approved by the Public/Owner's Representative. The Board shall be entitled to rely upon all certifications and approvals obtained by the Landlord or the Tenant in connection with the construction of the Project (for example, the Public/Owner's Representative, architect, lien waivers, title endorsements etc.).

(e) From time to time and not more frequently than five times a season, the Landlord shall use its best faith efforts to provide the Department of Economic Development with tickets for the Tenant's games for the purpose of entertaining prospective economic development and tourism clients.

(f) Landlord shall not permit any material change to the following sections of the Amended Lease without the Board's prior written consent: (i) Section 7; (ii) Section 11(a), (b) and (d); (iii) Section 21(a); (iv) Section 22; and (v) Section 44.

Section 5.10. Further Assurances and Corrective Instruments. The Board, the Landlord and the Tenant from time to time will execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such further instruments as may reasonably be required for carrying out the intention or facilitating the performance of this Agreement.

ARTICLE VI

MISCELLANEOUS PROVISIONS

Section 6.1. Default. In the event the Tenant shall fail to perform any material covenant, condition or other provision of this Agreement and such failure shall continue for sixty (60) days after written notice thereof by the Board, the Board shall be entitled to the return of all Contributions in the Bond Trustee Account and shall direct the Landlord to suspend or terminate the approval of all Disbursement Requests; provided, however, if such failure is correctable but is such that it cannot be corrected within such 60-day period, such failure shall not constitute a failure within the meaning of this **Section 6.1** if the Tenant is diligently pursuing such corrective action and such failure is corrected within one hundred eighty (180) days. Amounts retained by the Board pursuant to this Section shall be applied in accordance with **Section 4.4** hereof and the last sentence of **Section 4.4** applies to this **Section 6.1**.

Section 6.2. Notices. Any notice, request, complaint, demand or other communication required or desired to be given or filed under this Agreement shall be in writing and shall be deemed duly given or filed if the same shall be delivered by courier or overnight delivery service or duly mailed by first-class mail, postage prepaid, addressed as follows:

- (a) To the Board:

Missouri Development Finance Board
Governor Office Building
200 Madison Street, Suite 1000
Jefferson City, Missouri 65101
Attention: Executive Director
Telephone No. (573) 751-8479
Fax No. (573) 526-4418

with a copy to:

Gilmore & Bell, P.C.
2405 Grand Blvd., Suite 1100
Kansas City, Missouri 64108
Attn: David Queen, Esq.
Telephone No. (816) 221-1000
Fax No. (816) 221-1018

- (b) To the Landlord:

Jackson County Sports Complex Authority
8501 Stadium Drive
Four Arrowhead Drive
Kansas City, Missouri 64129
Attn: Chairperson

with a copy to:

White Goss Bowers March Schulte & Weisenfels, P.C.
4510 Belleview Avenue
Suite 300
Kansas City, Missouri 64111-3538
Attn: Mike T. White, Esq.

with a copy to:

Jackson County, Missouri
415 East 12th Street
Kansas City, Missouri 64106
Attn: Office of the County Counselor

with a copy to:

Lathrop & Gage, L.C.
2345 Grand Blvd.
Suite 2800
Kansas City, Missouri 64108
Attn: Jack Craft and Steve Mitchell

(c) To the Tenant:

Kansas City Royals Baseball Corporation
702 SW 9th Street
Bentonville, Arkansas 72716

and

Kansas City Royals Baseball Corporation
P.O. Box 419969
Kansas City, Missouri 64141
Attn: President

with a copy to its Counsel:

Stinson Morrison Hecker LLP
1201 Walnut, Suite 2600
Kansas City, Missouri 64106
Attn: David W. Frantze and Catherine M. Hauber.

The Board, the Landlord and the Tenant may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent.

Section 6.3. Severability. If any provision of this Agreement shall be held or deemed to be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or

unenforceable to any extent whatsoever unless the effect thereof shall materially impair the ability of the Board to issue the Tax Credits hereunder in which event any party may terminate this Agreement by written notice to the others.

Section 6.4. Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 6.5. Governing Law. This Agreement shall be governed exclusively by and be construed in accordance with the applicable laws of the State of Missouri.

Section 6.6. Term of this Agreement. Except as set forth in this Section, the terms and provisions of this Agreement shall expire upon Substantial Completion of the Project as described and determined in accordance with **Article VII** of the Kauffman Stadium Development Agreement. **Article V** (other than **Sections 5.2, 5.7 and 5.8(c)**) shall expire upon the termination or expiration of the Amended Lease. **Section 5.2** shall expire upon Substantial Completion of the Project. **Section 5.8(c)** shall expire five (5) years following the execution of this Agreement. **Section 5.7** shall expire five (5) years following the termination or expiration of the Amended Lease.

[Signature Pages Follows]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be signed in its respective name and behalf and its official seal to be hereunto affixed and attested by its duly authorized officers, all as of the date first above written.

MISSOURI DEVELOPMENT FINANCE BOARD

By: _____
Robert V. Miserez, Executive Director

**JACKSON COUNTY SPORTS COMPLEX
AUTHORITY**

By: _____
Title: Chairman

JACKSON COUNTY, MISSOURI

By: _____
Title: County Executive

ROYALS BASEBALL CORPORATION

By: _____
Title: _____

EXHIBIT A

DESCRIPTION OF THE PROJECT

MINIMUM REQUIRED PROJECT ELEMENTS

Field Level

- Move bullpens to leftfield and rightfield foul lines.
- Add field level group sales areas.
- Add approximately 1,500 new seats "fountain view seats" in leftfield.
- New field access tunnel from Lot A and expanded maintenance facility.
- Structural modifications and improvements.
- New and expanded utilities.
- More energy efficient building.

Field Level Concourse

- More fan amenities; restrooms, concession, retail areas.
- Concession and retail storage areas.
- On average, double the width of concourse area, partially climate-controlled.
- New Commissary and storage areas.

Plaza Level Concourse

- On average, double the width of concourse.
- Double concession p.o.s. and restrooms toilets.
- Four (4) new retail stores.
- New trellis party rooms in leftfield and rightfield for groups.
- New landscape and hardscape over the entire stadium footprint.
- New ticket offices.

Outfield

- Creation of a 360° walk-around concourse, including new outfield main street "walk of fame."
- Leftfield "Hall of Fame", kids' area, Little "K" other public amenities.
- New Video and Scoreboards with specific boards capable of rotating 180 degrees to outfield entertainment area.
- New Royals Pavilion with terraced seating, open floor plan and minimum seating of 9,500 seats, and mostly covered by Rolling Roof or other structure, if Rolling Roof not available).
- New Royals Park area above Dubiner Circle Drive, including retaining wall, sidewalks, trees and other landscape amenities.
- Hardscape of Dubiner Circle.
- Administrative and Operations Offices.
- Public Restaurant in Right Field.

Loge Level

- Enclosed climate controlled loge areas.
- Expand seating.
- Double fan amenities.
- Renovated press box.
- Renovated and expanded Corporate Suites.
- Loge Level Public Party Rooms.

EXHIBIT A (continued)

DESCRIPTION OF THE PROJECT

MINIMUM REQUIRED PROJECT ELEMENTS

View Level

- New home plate food court.
- Increase restroom facilities.
- Renovated and expanded concession/novelty stands.
- Writing Press structure/facilities.

Miscellaneous

- Providing better access to all fans to all levels with more elevators and escalators.
- Vibrant and colorful environmental graphics.
- New Code required elements; fire alarm, communications, lighting and electrical systems.

EXHIBIT B

APPLICATION TO THE BOARD

TAX CREDIT FOR CONTRIBUTION PROGRAM APPLICATION

EXHIBIT C

FORM OF DISBURSEMENT REQUEST

[The substance of this Disbursement Request may be combined with the Requisition form used in connection with the disbursement of bond proceeds or the requirements under the Kauffman Stadium Development Agreement as set forth in Section 4.2 of this Agreement]

Disbursement Request No. _____

To: [Bond Trustee]

Re: Truman Sports Complex - Disbursement Request from the Bond Trustee Account

You are hereby requested pursuant to **Section** _____ of the Bond Trust Indenture dated as of the _____ day of _____, 2006 (the "Indenture"), to issue a check to the Royals Baseball Corporation (the "Tenant") to permit it to issue check(s) to the following named payee(s) to provide for the payment or reimbursement of the following Project Costs. All capitalized terms not otherwise defined shall have the meanings set forth in the Indenture.

<u>Payee/Address/Tax ID No.</u>	<u>Amount</u>	<u>Description of Project Costs</u>
---------------------------------	---------------	-------------------------------------

The undersigned hereby states and certifies that:

1. Each item listed above is a proper Project Cost. Attached hereto is an itemized summary of all invoices, statements and/or bills.
2. These Project Costs have been incurred and are presently due and payable or have been paid by the Tenant or its contractors in connection with the Project.
3. No item listed above has previously been included in any other Disbursement Request previously submitted under the provisions of the Indenture.
4. All necessary permits and approvals required for the portion of the work on the Project for which this request is to be made have been issued and are in full force and effect.
5. All of the _____ Documents (as defined in the Indenture) are in full force and effect. To the best of the Tenant's knowledge, no default or event of default has occurred and is continuing, and no event has occurred and is continuing which with the lapse of time or the giving

of notice, or both, would constitute a default or an event of default in any material respect under any of the _____ Documents.

6. No litigation, proceedings or investigations are pending or, to the knowledge of the Tenant, threatened against the Landlord, the Tenant or with respect to the Project or any of the _____ Documents, except the _____ following:

7. All of the representations set forth in the _____ Documents remain true and correct as of the date hereof.

To the extent any of the certifications contained above cannot be made in the forms set forth above, the Tenant hereby describes the exceptions and modifications to such paragraphs:

Check One

None
 Paragraph(s) _____ above is hereby modified as follows:

Dated this _____ day of _____, 20__.

ROYALS BASEBALL CORPORATION

By: _____
Title: _____

Approved for Payment on _____, 20__:

_____, Public/Owner's Representative

By: _____

EXHIBIT D

LIMITATIONS FOR ALL DISBURSEMENTS FROM THE BOND TRUSTEE ACCOUNT

Project Costs shall be subject to the following limitations:

- (a) Costs paid or payable to the Tenant or any person related to the Tenant shall not be eligible for payment except to reimburse the Tenant for Project Costs paid by it to third parties.
- (b) No cost relating to any property owned by the Tenant, provided, however, such limitation shall not apply to any property leased by the Tenant from the Landlord.
- (c) No working capital.
- (d) No salaries or benefits of any employee of the Landlord or the Tenant other than the Landlord's M/WBE Coordinator if hired as the Landlord's employee rather than as a consultant to the Landlord.
- (e) No land costs.
- (f) All costs must be expended on or in connection with facilities located within the Truman Sports Complex.
- (g) No cost relating to the carpeting, wall coverings, painting, furnishing, cabinets or decorating of the skyboxes, suites, owner's boxes, provided, however, this limitation shall only apply to fifty percent (50%) of the Contributions representing an amount equal to the State's cost of the Tax Credits; provided, further, however, this limitation shall in no way limit costs relating to constructing such areas or and providing all necessary electrical, mechanical, fire safety, heating, cooling and ventilation to such areas.
- (h) No cost relating to any facility used for gambling.
- (i) No cost relating to any facility exclusively used for the sale of alcoholic beverages provided, however, this limitation shall only apply to fifty percent (50%) of the Contributions representing an amount equal to the State's cost of the Tax Credits; provided, further, however, this limitation shall in no way limit costs relating to constructing such areas or and providing all necessary electrical, mechanical, fire safety, heating, cooling and ventilation to such areas.

TAX CREDIT AGREEMENT

(Arrowhead Stadium)

THIS TAX CREDIT AGREEMENT, dated as of the ___ day of _____, 2006 (the "Agreement"), by and among the **MISSOURI DEVELOPMENT FINANCE BOARD**, a body corporate and politic of the State of Missouri (the "Board"), **JACKSON COUNTY SPORTS COMPLEX AUTHORITY**, a body corporate and politic and a political subdivision of the State of Missouri (the "Landlord"), **JACKSON COUNTY, MISSOURI**, a political subdivision of the State of Missouri (the "County") and **KANSAS CITY CHIEFS FOOTBALL CLUB, INC.**, a Texas corporation duly authorized to do business in the State of Missouri (the "Tenant");

WITNESSETH:

WHEREAS, Section 100.286.6 of the Revised Statutes of Missouri (the "Tax Credit Statute") provides that any taxpayer shall be entitled to a tax credit against any tax otherwise due under the provisions of Chapter 143, R.S.Mo. excluding withholding tax imposed by Sections 143.191 to 143.261, R.S.Mo., Chapter 147, R.S.Mo., or Chapter 148, R.S.Mo., in the amount of fifty percent (50%) of any amount contributed in money or property by the taxpayer to the development and reserve fund, the infrastructure development fund or the export finance fund during the taxpayer's tax year.

WHEREAS, the Tax Credit Statute limits the total tax credits which may be awarded by the Board in any calendar year under the Tax Credit Statute to the greater of Ten Million Dollars (\$10,000,000) or five percent (5%) of the average growth in general revenue receipts in the preceding fiscal years, provided this limit may be exceeded upon joint agreement of the Commissioner of Administration, the Director of the Department of Economic Development and the Director of the Department of Revenue.

WHEREAS, the Board has obtained the joint agreement of the Commissioner of Administration, the Director of the Department of Economic Development and the Director of the Department of Revenue to permit the issuance of the Tax Credits described in this Agreement.

WHEREAS, the Landlord has requested that the Board accept contributions from the Tenant pursuant to the Tax Credit Statute and make the proceeds of such contributions available to the Landlord for the purpose of paying a portion of the cost of the project described on **Exhibit A** hereto (the "Project"), all as more fully described in the application for assistance submitted to the Board (all as attached hereto as **Exhibit B**, collectively, the "Application").

WHEREAS, at a meeting of the Board held on June 29, 2006, the Landlord and the Tenant made written and oral presentations to the Board concerning the Project and the Project Application.

WHEREAS, the acceptance of the Contributions and the issuance of the Tax Credits as described herein will significantly benefit Jackson County, Missouri and the State of Missouri by: (i) enhancing tourism in Jackson County and the State of Missouri, (ii) creating and retaining temporary and permanent jobs; (iii) retaining existing jobs; (iv) increasing local and state tax revenues; (v) extending the useful life of public facilities the voters of the County have determined to be of vital importance to the County, and (vi) eliminating the risk of the Tenant canceling the Amended Lease as a result of a failure of the Landlord to adequately provide or make available funds to maintain Arrowhead Stadium.

WHEREAS, under the Amended Lease the Chiefs as Tenant will assume, subject to certain conditions and limitations, cost responsibility and risk for repair, maintenance, management and operation of Arrowhead Stadium.

WHEREAS, the County has constructed and owns the Harry S. Truman Sports Complex (the "Sports Complex") consisting of: the "Football Stadium" or "Arrowhead Stadium"; the "Baseball Stadium" or "Kauffman Stadium"; "Stadium Plaza" exhibition and parking area located between the two Stadiums; the "Central Services Facility" food and employee service facility beneath the Stadium Plaza; "Parking Lots" for vehicles; and various other "Common Areas" of real estate owned by the County and located in Kansas City, Jackson County, Missouri.

WHEREAS, the County has leased the Sports Complex to Landlord which has subleased parts thereof to Tenant and the Kansas City Royals Baseball Corporation (the "Royals" or "Co-tenant") as set forth below.

WHEREAS, Landlord and Tenant previously made and entered into that certain Lease Agreement dated January 19, 1990, as amended by an Amendment thereto dated as of November 28, 1990, and a Second Amendment thereto dated as of December 6, 1991, and as further modified by a Memorandum of Understanding dated January 19, 2005 between Landlord and Tenant (the "2005 MOU") (the "Original Lease"), pursuant to which Landlord leases Arrowhead Stadium to Tenant and referred to in the Original Lease as the Football Stadium, its immediate environs and Tenant's practice fields and facilities, or the Exclusive Leased Premises, all as more fully described in the Original Lease.

WHEREAS, contemporaneously with the Original Lease, Landlord and Tenant also made and entered into that certain Management Contract dated January 19, 1990, as amended on February 13, 1990 (the "Management Contract"), pursuant to which Landlord retained Tenant as the exclusive management agent of Arrowhead Stadium and the Exclusive Leased Premises.

WHEREAS, the term of the Original Lease is currently scheduled to expire January 31, 2015 but the parties have agreed to extend the term to January 31, 2031 subject to certain terms and conditions set out in the 2006 Lease Amendment dated as of January 24, 2006 (the "Amendment"), by and between the Landlord and the Tenant.

WHEREAS, Landlord, Tenant, County and the Board have determined that it is necessary and desirable to complete a needed "Arrowhead Stadium Expansion and Renovation Plan" as more fully described in the Amendment and the Application which will take the place of pending "Master Plan" improvements to Arrowhead Stadium under the Original Lease and with Tenant to assume responsibility for any cost overruns for said plan as described in the Original Lease as amended by the Amendment (the "Amended Lease").

WHEREAS, the Arrowhead Stadium Expansion and Renovation Plan will be carried out by Landlord/County and Tenant pursuant to the Amended Lease and the Arrowhead Stadium Development Agreement described herein.

WHEREAS, pursuant to a Lease Agreement dated January 19, 1990, as modified by a 2005 Royals MOU (the "Original Royals Lease"), and as amended by a 2006 Lease Amendment dated as of January 24, 2006 (the "Royals Amendment") [the "Amended Royals Lease"] Landlord is presently leasing Kauffman Stadium to the Royals and Landlord/County has entered into with the Royals a "Kauffman Stadium Development Agreement" for a "Kauffman Stadium Expansion and Renovation Plan" in substantially the same forms and containing substantially all the same terms and conditions

between Landlord and Tenant as provided under the Amended Lease, the Arrowhead Stadium Development Agreement and the Arrowhead Stadium Expansion and Renovation Plan.

WHEREAS, the Board, the Landlord and the Tenant desire to enter into this Agreement for the purpose of setting forth the terms and conditions pursuant to which the Board will accept contributions and deposit such contributions into the "infrastructure development fund" (as defined in the Tax Credit Statute) for the purposes set forth herein, all subject to the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein set forth, the Board, the Landlord, the County and the Tenant hereby covenant and agree as follows:

ARTICLE I

DEFINITIONS

In addition to the terms defined in the Recitals to this Agreement and elsewhere herein, as used in this Agreement the following terms shall have the following meanings:

"Application" means the request for assistance submitted to the Board on March 3, 2006, by the County attached hereto as **Exhibit B** (with Tenant having provided Exhibits A and B to the Application), as supplemented and amended. For the purposes of this Agreement, the parties acknowledge that the Project shall consist of the Project described in **Exhibit A** hereto.

"Arrowhead Stadium Development Agreement" means the Arrowhead Stadium Development Agreement dated March 23, 2006, by and between the Landlord and the Tenant, as consented and agreed to by the County.

"Bond Trustee" means the bond trustee selected by the Landlord and the County and reasonably acceptable to the Board.

"Contribution" means any contribution received by the Board pursuant to and in accordance with this Agreement.

"Development and Lease Documents" means, collectively, the Amended Lease, the Arrowhead Stadium Development Agreement and this Agreement.

"Disbursement Request" means the Disbursement Request referred to in **Section 4.3** hereof.

"Donor" means Tenant or any person making a Contribution to the Board in accordance with this Agreement.

"Material Change" shall have the meaning set forth in Section 4.18 of the Arrowhead Stadium Development Agreement.

"Maximum Contributions" shall have the meaning set forth in **Section 3.1** hereof.

"Maximum Tax Credits" shall have the meaning set forth in **Section 3.1** hereof.

"Project" means the renovation project described in the Arrowhead Stadium Expansion and Renovation Plan and the Arrowhead Stadium Development Agreement, the minimum required elements

of which are described in **Exhibit A**, and any additions, modifications, equipment, replacements, repairs, reconstruction, restoration or substitutions thereto, approved by the Landlord.

“Project Costs” means, subject to the limitations described in **Exhibit D**, all reasonable or necessary costs and expenses of the Project.

“Public/Owner’s Representative” means the firm selected by the Landlord (and confirmed by the “Landlord/County 2/3rds Approval Process” as defined in the Arrowhead Stadium Development Agreement) as the Public/Owners Representative in accordance with Section 12.01 of the Arrowhead Stadium Development Agreement.

“Tax Credits” means tax credits issued by the Board in accordance with the Tax Credit Statute and this Agreement in consideration of Contributions.

“Tax Credit Statute” shall have the meaning set forth in the Recitals.

ARTICLE II

FINDINGS AND DETERMINATIONS; REPRESENTATIONS AND WARRANTIES

Section 2.1. Board’s Determination of Project Benefit. The Board hereby finds and determines as follows:

(a) The execution of the Development and Lease Documents and the implementation of the Arrowhead Stadium Expansion and Renovation Plan pursuant thereto will significantly benefit Jackson County, Missouri and the State of Missouri by: (i) enhancing tourism in Jackson County and the State of Missouri, (ii) creating and retaining temporary and permanent jobs; (iii) retaining existing jobs; (iv) increasing local and state tax revenues; (v) extending the useful life of public facilities the voters of the County have determined to be of vital importance to the County, and (vi) eliminating the risk of the Tenant canceling the Amended Lease as a result of a failure of the Landlord to provide or make available funds to adequately maintain Arrowhead Stadium.

(b) The benefits to be derived by the State of Missouri are projected to exceed the benefits provided by the Board by this Agreement.

(c) The Board’s participation is a material precondition to the completion of the Project, and the Project would not proceed without the assistance provided by the Board.

Section 2.2. Landlord’s Determination of Project Benefit and Representations and Warranties. The Landlord hereby finds and determines as follows:

(a) The execution of the Development and Lease Documents and the implementation of the Arrowhead Stadium Expansion and Renovation Plan pursuant thereto will significantly benefit Jackson County, Missouri and the State of Missouri by: (i) enhancing tourism in Jackson County and the State of Missouri, (ii) creating and retaining temporary and permanent jobs; (iii) retaining existing jobs; (iv) increasing local and state tax revenues; (v) extending the useful life of public facilities the voters of the County have determined to be of vital importance to the County, and (vi) eliminating the risk of the Tenant canceling the Amended Lease as a result of a failure of the Landlord to provide or make available funds to adequately maintain Arrowhead Stadium.

(b) The benefits to be derived by the State of Missouri are projected to exceed the benefits provided by the Board by this Agreement;

(c) The Project would not proceed without the assistance provided by the Board.

(d) The execution and delivery of the Development and Lease Documents by the Landlord will not result in a breach of any of the terms of, or constitute a default under, any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the Landlord is a party or by which it or any of its property is bound or its bylaws or any of the constitutional or statutory rules or regulations applicable to the Landlord or its property.

(e) To the best of the Landlord's knowledge, all of the information contained in the Application is true and correct and all material terms of the legal obligations between the Landlord and the Tenant have been disclosed to the Board in writing.

Section 2.3. County's Determination of Project Benefit and Representations and Warranties. The County hereby finds and determines as follows:

(a) The execution of the Development and Lease Documents and the implementation of the Arrowhead Stadium Expansion and Renovation Plan pursuant thereto will significantly benefit Jackson County, Missouri and the State of Missouri by: (i) enhancing tourism in Jackson County and the State of Missouri, (ii) creating and retaining temporary and permanent jobs; (iii) retaining existing jobs; (iv) increasing local and state tax revenues; (v) extending the useful life of public facilities the voters of the County have determined to be of vital importance to the County, and (vi) eliminating the risk of the Tenant canceling the Amended Lease as a result of a failure of the Landlord to provide or make available funds to adequately maintain Arrowhead Stadium.

(b) The benefits to be derived by the State of Missouri are projected to exceed the benefits provided by the Board by this Agreement;

(c) The Project would not proceed without the assistance provided by the Board.

(d) The execution and delivery of the Development and Lease Documents by the County (to the extent it is a party to any such documents) will not result in a breach of any of the terms of, or constitute a default under, any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the County is a party or by which it or any of its property is bound or its bylaws or any of the constitutional or statutory rules or regulations applicable to the County or its property.

(e) To the best of the County's knowledge, all of the information contained in the Application is true and correct and all material terms of the legal obligations between the County and the Tenant have been disclosed to the Board in writing.

Section 2.4. Tenant's Determination of Project Benefit and Representations and Warranties. Tenant hereby represents and warrants as follows:

(a) To the best of its present knowledge and belief, based in significant part upon the representations and determinations of the Landlord and County set forth above, the execution of the Development and Lease Documents and the implementation of the Arrowhead Stadium Expansion and Renovation Plan pursuant thereto will significantly benefit Jackson County, Missouri and the State of Missouri by: (i) enhancing tourism in Jackson County and the State of Missouri, (ii) creating and retaining temporary and permanent jobs; (iii) retaining existing jobs; (iv) increasing local and state tax

revenues; (v) extending the useful life of public facilities the voters of the County have determined to be of vital importance to the County, and (vi) eliminating the risk of the Tenant canceling the Amended Lease as a result of a failure of the Landlord to provide or make available funds to adequately maintain Arrowhead Stadium.

(b) The Tenant would not have agreed to extend the term of the Original Lease without the assistance provided by the County pursuant to the Development and Lease Documents.

(c) The Tenant (1) is a for-profit corporation organized and existing under the laws of the State of Texas duly authorized to do business in the State of Missouri, (2) has lawful power and authority to execute and deliver the Development and Lease Documents and to carry out its obligations thereunder and hereunder, and (3) by all necessary corporate action has been duly authorized to execute and deliver the Development and Lease Documents, acting by and through its duly authorized officers.

(d) The execution and delivery of the Development and Lease Documents by the Tenant will not result in a breach of any of the terms of, or constitute a default under, any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the Tenant is a party or by which it or any of its property is bound or its bylaws or any of the constitutional or statutory rules or regulations applicable to the Tenant or its property.

(e) To the best of the Tenant's knowledge, all of the information contained in the Application pertaining to the Tenant and the Project is true and correct.

(f) To the best of the Tenant's knowledge, all of the material terms of the legal obligations between the Landlord and the Tenant have been disclosed to the Board in writing.

Section 2.5. No Private Benefit. The Landlord represents and warrants that no portion of the Project or the proceeds of the Contributions shall benefit any private person, except for such benefits as may be conferred to private persons through the ordinary course of business of the Tenant in the use and operation of the Project as more fully provided in the Development and Lease Documents.

ARTICLE III

CONTRIBUTIONS AND TAX CREDITS

Section 3.1. Agreement to Accept Contributions and Issue Tax Credits. Subject to the requirements set forth herein, the Board hereby agrees to: accept Contributions from Donors in a maximum aggregate amount of Seventy-Five Million Dollars (\$75,000,000) (the "Maximum Contributions"), resulting in the issuance of Tax Credits in the maximum amount of Thirty-Seven Million Five Hundred Thousand Dollars (\$37,500,000) (the "Maximum Tax Credits"); to deposit such Contributions into the Board's infrastructure development fund; and to issue such Donors' Tax Credits in an amount equal to fifty percent (50%) of the amount of such Contribution. Notwithstanding that the Maximum Tax Credits available hereunder equals Thirty-Seven Million Five Hundred Thousand Dollars (\$37,500,000), the Landlord and the Tenant agree that the issuance of the Maximum Tax Credits shall be limited as follows (each a "Maximum Contribution"):

<u>Contribution Period</u>	<u>Maximum Contributions</u>	<u>Maximum Annual Tax Credits</u>	<u>Cumulative Maximum</u>
Beginning July 1, 2006 - through and including June 30, 2007	\$25,000,000	\$12,500,000	\$12,500,000
Beginning July 1, 2007 - through and including June 30, 2008	\$25,000,000	\$12,500,000	\$25,000,000
Beginning July 1, 2008 - through and including June 30, 2009	\$25,000,000	\$12,500,000	\$37,500,000
Beginning July 1, 2009 - through and including June 30, 2010	\$25,000,000	\$12,500,000	\$37,500,000

The amount of each Contribution shall be determined as provided in the Tax Credit Statute and as provided in Section 3.5 below.

Any portion of such Annual Maximum Amount for which no Contributions have been received shall be forfeited effective midnight on each such June 30th of the year set forth above. This paragraph shall not restrict the owner of any Tax Credit from utilizing the benefits of the carry forward provisions contained in the Tax Credit Statute.

Section 3.2. Submission of Form 100. The Board shall process each Contribution which is accompanied by a properly completed Form 100 and any other documents required by Missouri law. If the Board receives a Contribution that is not accompanied by a properly completed Form 100 and any other necessary documents the Board shall promptly notify the Donor by telephonic or electronic means. The Donor shall be given the option of the Board holding such Contribution until such documents are provided or the Board returning the Contribution to the Donor. If returned, the Board shall provide the Donor with a written notification stating why such Contribution is being returned. A copy of each returned donation shall also be sent to the County, the Landlord and the Tenant. The Board reserves the right to require any additional information which the Board determines to be necessary to comply with the Tax Credit Statute and the Board's regulations, as they may be amended from time to time, including, but not limited to, the "Certificate of Reportable Contributions" from any Donor (which is not an individual).

Section 3.3. Minimum Contribution. The Board shall not accept any Contribution in an amount less than One Million Dollars (\$1,000,000). Any Contribution which is received for less than such minimum amount shall be returned to the Donor with a written notation stating that Contributions must be made in the minimum amount of One Million Dollars (\$1,000,000). A copy of each returned Contribution shall also be sent to the Tenant, the County and the Landlord.

Section 3.4. Processing Contributions and Tax Credits. The Board shall promptly process all completed Contributions. Once a properly completed Form 100 and Alien Certification forms and all other required documents are received by the Board, together with the Contribution, the Board will issue or cause to be issued the Tax Credits within ten (10) calendar days.

Section 3.5. Determination of Amount of Contribution. The amount (or value) of each Contribution shall be determined by the Board as follows:

(a) Cash. The amount (or value) of cash Contributions shall be the face amount of such Contribution.

(b) Marketable Securities. The amount (or value) of marketable securities shall be the proceeds received by the Board from the liquidation of such marketable securities in accordance with the Donor's instructions approved and accepted by the Board, less the Board's costs of selling such securities.

(c) Unmarketable Securities and Other Property. No Contributions of unmarketable securities or other property shall be permitted under this Agreement.

All such determinations by the Board shall, absent manifest error, be conclusive and binding upon the Donors and the Tenant. The Board reserves the right to reject any Contribution other than and excluding a cash Contribution by the Tenant.

Section 3.6. Contributions in Excess of Maximum Contributions. The Board, the Landlord, the County and the Tenant agree that, in the event the Board receives Contributions in excess of the Maximum Contribution set forth in **Section 3.1** hereof, the Board shall return such excess Contributions to the Donor thereof with a statement that Tax Credits are not available for such excess Contributions.

Section 3.7. Sale of Tax Credits and Application of Proceeds. Pursuant to Sections 3.2.1 and 3.2.2 of the Amendment and Section 6.05(b)(i) of the Arrowhead Stadium Development Agreement, as soon as possible after the Board issues Tax Credits, but in no event longer than fifteen (15) days after each issuance, at its or their cost, the County and the Landlord shall arrange for the marketing and sale of the Tax Credits. Proceeds from each sale of Tax Credits shall be deposited into the "Disbursement Account" defined in section 6.05(a) of the Arrowhead Stadium Development Agreement (or any similar Project construction account established pursuant to any "Bond Indenture" as defined in Section 6.04(d) thereof) and disbursed as therein set forth.

The sale of the Tax Credits shall be the responsibility of the Donor. The sale price will not adjust the amount of the Tax Credits authorized hereunder. The Tax Credits must either be (a) sold by the Donors with the proceeds applied toward the cost of the Arrowhead Stadium Expansion and Renovation Plan (proceeds from such sale shall not be limited to the restrictions on the payment of Project Costs); or (b) transferred by the Donors to the Landlord, who will then sell them and use them for paying the cost of the Arrowhead Stadium Expansion and Renovation Plan. The Donors shall not benefit from the Tax Credits, except for any benefit resulting from the Development and Lease Documents.

The County hereby agrees with the Tenant that it shall arrange for the sale of the Tax Credits. The County agrees to obtain the best price obtainable in the market, but in no event shall such price be less than eighty-six (86) cents per dollar. All costs related to such sale shall be the responsibility of the County or the buyer, but in no event such costs reduce the net sale proceeds below eighty-six (86) cents. The County shall promptly disclose in writing to the Board and the Tenant the sale price of the Tax Credits. The County indemnifies the Tenant from and against any and all loss relating to the sale of the Tax Credits. The Tenant agrees that "loss" shall not include any discount afforded to any purchaser of the Tax Credits and that Tenant will make no claim against the County as a result of such discount.

ARTICLE IV

APPLICATION OF CONTRIBUTIONS

Section 4.1. Board's Application of Contributions. All Contributions received by the Board shall be deposited immediately into a designated account at the Board (the "Board Project Account"). The amount of such Contributions shall be maintained by the Board on its books and records. Promptly upon, and in no event later than ten (10) calendar days after, receipt of Contributions, the Board shall, after deducting its fee, transfer the Contributions to a segregated trust account held by the Bond Trustee (the "Bond Trustee Account") pursuant to the wire transfer instructions provided to the Board by the Bond Trustee. Interest on amounts in the Bond Trustee Account shall remain in such Bond Trustee Account and be disbursed for payment of the Project Costs and shall not be remitted to the Board.

Section 4.2. Disbursements from the Bond Trustee Account. The Bond Trustee shall disburse amounts from the Bond Trustee Account upon receipt of executed "Requisitions" (as defined in Section 6.06(c) of the Arrowhead Stadium Development Agreement) in accordance with the provisions of Sections 6.06 and 11.06 of and Exhibit G (the "Disbursement Procedures") to the Arrowhead Stadium Development Agreement. The Board consents thereto. The Board shall have no duty to conduct any investigation into the authenticity of the signature(s) on any such Requisition or the accuracy of the information set forth therein.

The final form of "Requisition" shall contain the certifications in **Exhibit C**. All disbursements shall comply with the limitations contained in **Exhibit D** and the Landlord and the Tenant shall retain records evidencing such compliance.

The Board, the Landlord, the Tenant and the County shall cooperate to maximize the amount of tax-exempt bonds that can be issued by the Landlord.

Section 4.3. Deduction of Board Administrative Fees. Upon receipt of each Contribution, the Board shall deduct an administrative fee in an amount equal to four percent (4%) of the amount of all Contributions. From such administrative fee, the Board shall pay any actual out-of-pocket expenses (including the fees and expenses of the Board's counsel) incurred by the Board in the negotiation, preparation, execution and administration of this Agreement. The County and the Landlord agree that the administrative fees of the Board shall not reduce the "Landlord/County Arrowhead Stadium Expansion and Renovation Cap Amount" (as defined in Section 3.2.1 of the Amendment) and, if necessary, they will cause additional bonds to be issued to cover any deficiency.

Section 4.4. Return of Contributions. In the event the Tenant, the Landlord or the County shall notify the Board that the Project has been abandoned as a result of the Tenant's default or upon an event of default by the Tenant under **Section 6.1** hereof or the termination of the Amended Lease by reason of the Tenant's default thereunder, then all Contributions held by the Board or the Bond Trustee pursuant to **Section 4.1** hereof shall be applied as follows: (i) first, to reimburse the State for the cost of Tax Credits issued hereunder and actually used by the Donor with respect to such Contributions, (ii) second, if requested by a Donor in writing, returned to the Donor after deducting any amount due to the State under (i) above, and (iii) third, used to pay for infrastructure projects at or in Arrowhead Stadium which the Board and the County mutually determine are beneficial to the County and the State of Missouri. The Board agrees that it will provide a written notice to each Donor who would be entitled to any Contribution return. In determining the cost to the State of such Tax Credits the Board shall assess interest on such Tax Credits in an amount equal to *The Bond Buyer's* 20 Bond Index published in *The Bond Buyer* on the day such calculation is made. Notwithstanding any other provision of this Agreement,

Contributions which are expended by the Tenant in accordance with this Agreement shall not be subject to return nor shall Tax Credits arising therefrom be subject to recapture.

ARTICLE V

THE PROJECT; RECORDS AND REPORTS

Section 5.1. Access to the Project and Inspection; Operation of the Project. The Board and the duly authorized agents of the Board shall have the right, at all reasonable times upon the furnishing of reasonable advance notice under the circumstances, and compliance with all applicable safety procedures to enter upon the Project and to examine and inspect the Project. The Board and the duly authorized agents of the Board shall also be permitted, at all reasonable times upon reasonable advance notice under the circumstances, to examine the books and records of the Landlord and the Tenant with respect to the Project and the Contributions and the obligations of the Landlord and the Tenant hereunder.

Section 5.2. Reports by the Tenant Prior to Substantial Completion. The Tenant shall cause to be furnished to the Board:

(a) copies of all reports or notices prepared for submission to the County or the Landlord pursuant to any of the Development and Lease Documents, concurrently with the submissions of such reports to the County or the Landlord.

(b) To the extent not otherwise provided by or available from the Landlord or the County, such additional information as the Board may reasonably request concerning the Project, the Arrowhead Stadium Expansion and Renovation Plan (as more fully described in the Amended Lease) and performance by the Tenant with the Development and Lease Documents.

Section 5.3. Reports by the Tenant After Substantial Completion. The Tenant shall cause to be furnished to the Board annually, not later than March 1st, commencing on the March 1st following Substantial Completion of the Project, a detailed description of the distribution of the tickets described in **Section 5.8(c)** hereof.

Section 5.4. Reports by the Landlord to the Board. The Landlord shall cause to be furnished to the Board:

(a) All reports prepared by the Public / Owner's Representative.

(b) Annually, a copy of the annual report filed by the Landlord with the County.

(c) Promptly, notice of any litigation filed by the Tenant against the Landlord or the Landlord against the Tenant.

(d) Promptly, notice of any event of default or any event with the passage of time could become an event of default under the Amended Lease, and subsequent notices relating to such default.

(e) Upon written request, such additional information as the Board may reasonably request concerning compliance by the Landlord or the Tenant with the Amended Lease.

Section 5.5. Reports by the County to the Board. The Landlord shall cause to be furnished to the Board:

- (a) Promptly, notice of any litigation filed by the Tenant against the County or the Landlord.
- (b) Promptly, notice of any event of default or any event with the passage of time could become an event of default under the Amended Lease, and subsequent notices relating to such default.
- (c) Upon written request, such additional information as the Board may reasonably request concerning compliance by the Landlord or the Tenant with the Amended Lease.

Section 5.6. Reports by the Board to the Tenant, Landlord and County. Commencing with the month in which Contributions are first made, the Board shall provide to the Tenant and the Landlord monthly reports concerning the Board's receipt of Contributions and issuance of Tax Credits. Upon the written request of the Tenant, the Landlord or the County, the Board shall furnish such other information concerning the Board's receipt and disbursement of Contributions and issuance of Tax Credits as the Tenant or the Landlord may reasonably request.

Section 5.7. Indemnification by Landlord.

(a) The Landlord releases the Board from, and agrees that the Board shall not be liable for, and indemnifies the Board against, any liabilities, losses, damages (including attorneys' fees), causes of action, suits, claims, costs and expenses, demands and judgments of any nature imposed upon or asserted against the Board (except to the extent that any of the foregoing arises as a result of the gross negligence or willful misconduct of the Board, or any of their officials, commissioners, directors, officers, attorneys, accountants, employees or agents) on account of: (i) any loss or damage to property or injury to or death of or loss by any person that may be occasioned by the negligence of the Landlord in the implementation of the Arrowhead Stadium Expansion and Renovation Plan, compliance with the Development and Lease Documents and the operation of Arrowhead Stadium; (ii) any breach or default on the part of the Landlord in the performance of any covenant or agreement of the Landlord under this Agreement or any related document, or any of its agents, contractors, servants, employees or licensees; (iii) violation by the Landlord of any law, ordinance or regulation affecting the ownership, occupancy or use of Arrowhead Stadium; (iv) any loss suffered by any Donor as a result of the inability of the Donor to use any Tax Credit issued by the Board, other than as a result of the failure of the Board to issue such Tax Credit upon receipt by the Board of the necessary information, (v) any loss resulting from any environmental violation at Arrowhead Stadium caused by the Landlord, and (vi) any claim or action or proceeding with respect to the matters set forth in subsections (i), (ii), (iii), (iv) and (v) above brought thereon.

(b) In case any action or proceeding is brought against the Board in respect of which indemnity may be sought hereunder, the Board shall promptly give notice of that action or proceeding to the Landlord upon receipt of that notice shall have the obligation and the right to assume the defense of the action or proceeding; provided, that failure of a party to give that notice shall not relieve the Landlord from any of its obligations under this Section unless that failure prejudices the defense of the action or proceeding by the Landlord. The Board shall have the right to employ separate counsel with respect to any such claim or in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the Board unless the employment of such counsel has been specifically authorized, in writing, by the Landlord or the Board reasonably concludes that there is a conflict of interest that would prevent counsel for the Landlord from adequately representing both the Landlord and the Board. The Landlord shall not be liable for any settlement without its consent.

(c) The indemnification set forth above is intended to and shall include the indemnification of all affected officials, directors, officers, attorneys, accountants, financial advisors and employees of the Board. That indemnification is intended to and shall be enforceable by the Board to the full extent permitted by law.

Section 5.8. Covenants of the Tenant. The Tenant covenants and agrees that the Tenant shall comply with each of the following requirements:

(a) The Tenant shall construct or cause to be constructed the minimum required project elements described in **Exhibit A**.

(b) The Tenant shall not request any additional State financial assistance or pursue legislation that would provide additional State financial assistance (including any modification or redirection of the athletes and entertainment tax) in connection with the Truman Sports Complex so long as the State continues funding at least \$3 million per year.

(c) Pursuant to an existing program of the National Football League (the "NFL"), or otherwise so long as permitted by the NFL, and commencing the first full NFL season after issuance of the first Tax Credits, the Tenant shall distribute or cooperate with the State to distribute each year at least eight hundred (800) tickets to youth football programs located outside of the Kansas City and St. Louis Metropolitan Statistical Areas. Such tickets may be to any of the Tenant's home games, including pre-season games, as the Tenant shall deem appropriate. The Tenant shall notify the Board at least annually of how it has fulfilled this obligation. Such tickets may be in different locations provided at least four (4) of such seats are adjoining in each location. If at any time the NFL changes its policy and ceases to permit teams to do the foregoing, the Tenant's obligations hereunder shall immediately cease. The Tenant shall notify the Board in writing of any such policy change.

(d) Tenant agrees to provide the Department of Economic Development with the following assistance commencing with the first full NFL season after substantial completion of the Project:

(i) To the extent Tenant has unsold signage space available from time to time, signage in Arrowhead Stadium for economic development and tourism purposes (such as a logo/slogan, website, 800#) in such size and containing such content as the Tenant and the Board shall agree. The Board shall be responsible for all costs of building and installing and design of the content of such signage and shall submit such design to the Tenant for its prior written approval. The Board shall pass such costs through to the Department of Economic Development.

(ii) Assist the State in making arrangements for access to Arrowhead Stadium and the restaurants within (with prior permission) for the purpose of client/prospect meetings or special events. For example, having a prospect meet at the stadium club for lunch, with a guided tour of Arrowhead. Any such access shall be subject to any management or similar contracts for the restaurants. All costs for the same shall be paid by the State.

(iii) Subject to NFL rules, applicable labor agreements, employment contracts and availability: (a) request Tenant's executives and coaches to meet with prime economic development and tourism prospects, and (b) make arrangements for the use of executives/coaches in an occasional promotional video/audio/advertisement.

Section 5.9. Covenants of the Landlord. The Landlord covenants and agrees that so long as this Agreement is in effect, the Landlord shall strictly comply with each of the following requirements:

(a) The Landlord shall, to the extent within its control, refrain from taking any action that would cause the Tenant to violate any of the covenants contained in this Agreement.

(b) Landlord shall promptly notify the Board in writing if it receives actual notice of any default by the Tenant or it under this Agreement or any of the Development and Lease Documents.

(c) Landlord shall promptly notify the Board in writing if it receives actual notice of any dispute relating to construction of the Project that involves a claim or potential claim in excess of One Million Dollars (\$1,000,000).

(d) All disbursements from the Bond Trustee Account must be approved by the Public/Owner's Representative. The Board shall be entitled to rely upon all certifications and approvals obtained by the Landlord or the Tenant in connection with the construction of the Project (for example, the Public/Owner's Representative, architect, lien waivers, title endorsements etc.).

(e) From time to time, and not more frequently than five (5) times a season, the Landlord shall use its best faith efforts to provide the Department of Economic Development with tickets in its suite at Arrowhead Stadium for the Tenant's games for the purpose of entertaining prospective economic development and tourism clients.

(f) Landlord shall not permit any material change to the following sections of the Amended Lease without the Board's prior written consent: (i) Section 1.2; (ii) the amount of the Tenant's minimum required contribution in Section 3.2.1; (iii) Section 7.1; (iv) Section 10.1; (v) Section 10.2; and (vi) Section 10.3; nor to Exhibit D of the Arrowhead Stadium Development Agreement (which lists the minimum required Project elements).

Section 5.10. Further Assurances and Corrective Instruments. The Board, the Landlord and the Tenant from time to time will execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such further instruments as may reasonably be required for carrying out the intention or facilitating the performance of this Agreement.

ARTICLE VI

MISCELLANEOUS PROVISIONS

Section 6.1. Default. In the event the Tenant shall fail to perform any material covenant, condition or other provision of this Agreement and such failure shall continue for sixty (60) days after written notice thereof by the Board, the Board shall be entitled to the return of all Contributions in the Bond Trustee Account and shall direct the Landlord to suspend or terminate the approval of all Disbursement Requests; provided, however, if such failure is correctable but is such that it cannot be corrected within such 60-day period, such failure shall not constitute a failure within the meaning of this **Section 6.1** if the Tenant is diligently pursuing such corrective action and such failure is corrected within one hundred eighty (180) days. Amounts retained by the Board pursuant to this Section shall be applied in accordance with **Section 4.4** hereof and the last sentence of **Section 4.4** applies to this **Section 6.1**.

Section 6.2. Notices. Any notice, request, complaint, demand or other communication required or desired to be given or filed under this Agreement shall be in writing and shall be deemed duly given or filed if the same shall be delivered by courier or overnight delivery service or duly mailed by first-class mail, postage prepaid, addressed as follows:

(a) To the Board:

Missouri Development Finance Board
Governor Office Building
200 Madison Street, Suite 1000
Jefferson City, Missouri 65101
Attention: Executive Director
Telephone No. (573) 751-8479
Fax No. (573) 526-4418

with a copy to:

Gilmore & Bell, P.C.
2405 Grand Blvd., Suite 1100
Kansas City, Missouri 64108
Attn: David Queen, Esq.
Telephone No. (816) 221-1000
Fax No. (816) 221-1018

(b) To the Landlord:

Jackson County Sports Complex Authority
8501 Stadium Drive
Four Arrowhead Drive
Kansas City, Missouri 64129
Attn: Chairperson

with a copy to:

White Goss Bowers March Schulte & Weisenfels, P.C.
4510 Belleview Avenue
Suite 300
Kansas City, Missouri 64111-3538
Attn: Mike T. White, Esq.

with a copy to:

Jackson County, Missouri
415 East 12th Street
Kansas City, Missouri 64106
Attn: Office of the County Counselor

with a copy to:

Lathrop & Gage, L.C.
2345 Grand Blvd.
Suite 2800
Kansas City, Missouri 64108
Attn: Jack Craft and Steve Mitchell

(c) To the Tenant:

Kansas City Chiefs Football Club, Inc.
One Arrowhead Drive
Kansas City, Missouri 64129
Attn: Chairman

and

Kansas City Chiefs Football Club, Inc.
1528 Commerce Bank Building
1000 Walnut Street
Kansas City, Missouri 64106
Attn: Vice Chairman

and

Kansas City Chiefs Football Club, Inc.
One Arrowhead Drive
Kansas City, Missouri 64129
Attn: President, Chief Executive Officer and General Manager

and with a copy to its Counsel:

Seigfreid, Bingham, Levy, Selzer & Gee, P.C.
2800 Commerce Tower
911 Main Street
Kansas City, Missouri 64105
Attn: Kenneth W. Spain, Esq.

The Board, the Landlord and the Tenant may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent.

Section 6.3. Severability. If any provision of this Agreement shall be held or deemed to be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatsoever unless the effect thereof shall materially impair the ability of the Board to issue the Tax Credits hereunder in which event any party may terminate this Agreement by written notice to the others.

Section 6.4. Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 6.5. Governing Law. This Agreement shall be governed exclusively by and be construed in accordance with the applicable laws of the State of Missouri.

Section 6.6. Term of this Agreement. Except as set forth in this Section, the terms and provisions of this Agreement shall expire upon Substantial Completion of the Project as described and determined in accordance with **Article VII** of the Arrowhead Stadium Development Agreement. **Article V** (other than **Sections 5.2, 5.7 and 5.8(b)**) shall expire upon the termination or expiration of the Amended Lease. **Section 5.2** shall expire upon Substantial Completion of the Project. **Section 5.8(b)** shall expire five (5) years following the execution of this Agreement. **Section 5.7** shall expire five (5) years following the termination or expiration of the Amended Lease.

[Signature Pages Follows]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be signed in its respective name and behalf and its official seal to be hereunto affixed and attested by its duly authorized officers, all as of the date first above written.

MISSOURI DEVELOPMENT FINANCE BOARD

By: _____
Name: Robert V. Miserez
Title: Executive Director

**JACKSON COUNTY SPORTS COMPLEX
AUTHORITY**

By: _____
Name:
Title: Chairman

JACKSON COUNTY, MISSOURI

By: _____
Name: Katheryn J. Shields
Title: County Executive

KANSAS CITY CHIEFS FOOTBALL CLUB, INC.

By: _____
Name: Clark K. Hunt
Title: Chairman

EXHIBIT A

DESCRIPTION OF THE PROJECT

MINIMUM REQUIRED PROJECT ELEMENTS

The Arrowhead Stadium Expansion and Renovation plan will replace much of the existing infrastructure and greatly increase the size of the stadium and level of fan amenities. At a minimum, the following improvements will be implemented:

1. Expand the width of all concourse areas.
2. Fixed Concession Points of Sale increase by 100 locations.
3. Toilet fixture counts increase by 230 Womens fixtures and 200 Mens fixtures.
4. Increase utility service capacities to the stadium to support the expanded use.
5. Replace and upgrade HVAC, Plumbing, Electrical systems.
6. Replace and upgrade fire alarm, security and telecommunication systems.
7. Improve disabled patron access with addition of eight passenger elevators located at the sidelines.
8. Upgrade sound system.
9. Replace end zone scoreboards with larger LED video boards utilizing state-of-the-art technology.
10. Upgrade or replace signage and wayfinding system.
11. Enclose and environmentally control Club Level.
12. Renovate all existing suites and add new suites.
13. Construct new entrance plazas, gates and ticketing facilities to improve access and speed of entry.
14. Construct new broadcast and press and facilities.

EXHIBIT B

APPLICATION TO THE BOARD

TAX CREDIT FOR CONTRIBUTION PROGRAM APPLICATION

EXHIBIT C

FORM OF DISBURSEMENT REQUEST

[The substance of this Disbursement Request may be combined with the Requisition form used in connection with the disbursement of bond proceeds or the requirements under the Arrowhead Stadium Development Agreement as set forth in Section 4.2 of this Agreement]

Disbursement Request No. _____

To:

[Bond Trustee]

Re: Truman Sports Complex - Disbursement Request from the Bond Trustee Account

You are hereby requested pursuant to **Section** _____ of the Bond Trust Indenture dated as of the _____ day of _____, 2006 (the "Indenture"), to issue a check to the Kansas City Chiefs Football Club, Inc. (the "Tenant") to permit it to issue check(s) to the following named payee(s) to provide for the payment or reimbursement of the following Project Costs. All capitalized terms not otherwise defined shall have the meanings set forth in the Indenture.

<u>Payee/Address/Tax ID No.</u>	<u>Amount</u>	<u>Description of Project Costs</u>
---------------------------------	---------------	-------------------------------------

The undersigned hereby states and certifies that:

1. Each item listed above is a proper Project Cost. Attached hereto is an itemized summary of all invoices, statements and/or bills.
2. These Project Costs have been incurred and are presently due and payable or have been paid by the Tenant or its contractors in connection with the Project.
3. No item listed above has previously been included in any other Disbursement Request previously submitted under the provisions of the Indenture.
4. All necessary permits and approvals required for the portion of the work on the Project for which this request is to be made has been issued and are in full force and effect.
5. All of the _____ Documents (as defined in the Indenture) are in full force and effect. To the best of the Tenant's knowledge, no default or event of default has occurred and is continuing, and no event has occurred and is continuing which with the lapse of time or the giving

of notice, or both, would constitute a default or an event of default in any material respect under any of the _____ Documents.

6. No litigation, proceedings or investigations are pending or, to the knowledge of the Tenant, threatened against the Landlord, the Tenant or with respect to the Project or any of the _____ Documents, except the following:

7. All of the representations set forth in the _____ Documents remain true and correct as of the date hereof.

To the extent any of the certifications contained above cannot be made in the forms set forth above, the Tenant hereby describes the exceptions and modifications to such paragraphs:

Check One

_____ None
_____ Paragraph(s) _____ above is hereby modified as follows:

Dated this _____ day of _____, 20__.

KANSAS CITY CHIEFS FOOTBALL CLUB, INC.

By: _____
Title: _____

Approved for Payment on _____, 20__:

_____, Public/Owner's Representative

By: _____

EXHIBIT D

LIMITATIONS FOR ALL DISBURSEMENTS FROM THE BOND TRUSTEE ACCOUNT

Project Costs shall be subject to the following limitations:

- (a) Costs paid or payable to the Tenant or any person related to the Tenant shall not be eligible for payment except to reimburse the Tenant for Project Costs paid by it to third parties.
- (b) No cost relating to any property owned by the Tenant, provided, however, such limitation shall not apply to any property leased by the Tenant from the Landlord.
- (c) No working capital.
- (d) No salaries or benefits of any employee of the Landlord or the Tenant other than the Landlord's M/WBE Coordinator if hired as the Landlord's employee rather than as a consultant to the Landlord.
- (e) No land costs.
- (f) All costs must be expended on or in connection with facilities located within the Truman Sports Complex.
- (g) No cost relating to the carpeting, wall coverings, painting, furnishing, cabinets or decorating of the skyboxes, suites, owner's boxes, provided, however, this limitation shall only apply to fifty percent (50%) of the Contributions representing an amount equal to the State's cost of the Tax Credits; provided, further, however, this limitation shall in no way limit costs relating to constructing such areas or and providing all necessary electrical, mechanical, fire safety, heating, cooling and ventilation to such areas.
- (h) No cost relating to any facility used for gambling.
- (i) No cost relating to any facility exclusively used for the sale of alcoholic beverages provided, however, this limitation shall only apply to fifty percent (50%) of the Contributions representing an amount equal to the State's cost of the Tax Credits; provided, further, however, this limitation shall in no way limit costs relating to constructing such areas or and providing all necessary electrical, mechanical, fire safety, heating, cooling and ventilation to such areas.

EXHIBIT I

Request: No. 1 - CHIEFS

Date: December 14, 2007

WRITTEN REQUEST FOR TRANSFER FROM THE
TAX CREDIT CAPITALIZATION ACCOUNT OF THE PROJECT FUND TO THE
CHIEFS BOND PROCEEDS ACCOUNT OF THE PROJECT FUND
JACKSON COUNTY, MISSOURI
SPECIAL OBLIGATION BONDS
(HARRY S. TRUMAN SPORTS COMPLEX PROJECT)
SERIES 2006

To: Wells Fargo Bank, N.A., as Trustee
One Ward Parkway, Suite 330
Kansas City, Missouri 64112
Attention: Corporate Trust Department

as Trustee under the Trust Indenture, dated as of August 1, 2006, from Jackson County,
Missouri to said Trustee (the "Indenture")

You are hereby requested pursuant to **Section 404(c)** of the Indenture, to transfer \$1,927,5000.00
from the Tax Credit Capitalization Account of the Project Fund to the Chiefs Bond Proceeds Account of
the Project to fund the following amount(s) in connection with the Chiefs Tax Credit Proceeds

MDFB Tax Credit Administration Fee:	<u>\$800,000.00</u>
and	
Discount on the Sale of MDFB Tax Credits:	<u>\$1,127,500.00</u>

The undersigned hereby states and certifies that:

1. The Chiefs have made contributions of \$20,000,000.00 in accordance with their respective Tax Credit Agreement with MDFB and have received a State Tax Credit in the gross amount of \$10,000,000.00.
2. The MDFB Tax Credit Administration Fee was deducted by MDFB in accordance with the Chiefs Tax Credit Agreement.
3. If applicable, the amount of the discount on the sale of the MDFB State Tax Credits did not exceed the amount permitted pursuant to the Tax Credit Agreement.
4. The MDFB Tax Credit Administration Fee and/or Discount on the Sale of MDFB Tax Credits shown on this Written Request has not been previously transferred from the Tax Credit Capitalization Account of the Project Fund to the Chiefs Bond Proceeds Account of the Project Fund.

FILED

DEC 18 2007

MARY JO SPINO
COUNTY CLERK

Dated this _____ day of December, 2007.

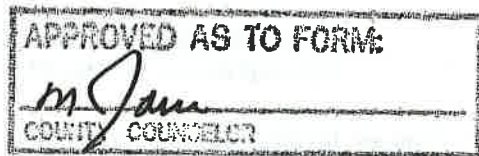
JACKSON COUNTY, MISSOURI

By: MSol

Name: Michael D. Sanders

Title: County Executive
and Authorized County Representative

Copy to: Kansas City Chiefs Football Club, Inc.
Jackson County Sports Complex Authority



FILED

Attachment to EXHIBIT I

Request No. 1 - Chiefs

Calculation of MDFB Tax Credit Administration Fee

<u>Contribution Date</u>	<u>Teams Tax Credit Contribution Amount</u>	<u>4.00% MDFB Tax Credit Administration Fee</u>	<u>Net Amount Wired to Trustee By MDFB</u>	<u>Tax Credit Certificate Amount Issued to Teams:</u>	<u>Tax Credit Certificate Number:</u>
5/23/2007	\$5,000,000.00	-	\$200,000.00 = \$4,800,000.00	\$2,500,000.00	20070523 4311 2 4311 : 4311
9/27/2007	\$15,000,000.00	-	\$600,000.00 = \$14,400,000.00	\$7,500,000.00	20070927 4357 2 4357 : 4357
	\$20,000,000.00		\$800,000.00	\$19,200,000.00	\$10,000,000.00

Calculation of Discount on Sale of MDFB Tax Credits

<u>Purchase Date</u>	<u>Purchaser</u>	<u>Face Amount of Tax Credits Purchased</u>	<u>Discount on Sale of Tax Credits</u>	<u>Tax Credit Sale Proceeds</u>
11/29/2007	from Commerce Bank @ \$0.885 /\$1.00 Face Amount:	\$3,750,000.00	- \$431,250.00 =	\$3,318,750.00
11/29/2007	from U.S. Bancorp @ \$0.885 /\$1.00 Face Amount:	\$3,750,000.00	- \$431,250.00 =	\$3,318,750.00
11/29/2007	from UMB Bank @ \$0.890 /\$1.00 Face Amount:	\$1,500,000.00	- \$165,000.00 =	\$1,335,000.00
11/29/2007	from UMB Bank @ \$0.900 /\$1.00 Face Amount:	\$1,000,000.00	- \$100,000.00 =	\$900,000.00
		\$10,000,000.00	\$1,127,500.00	\$8,872,500.00

TOTALS

Total Administration Fee	<u>\$800,000.00</u>
Total Tax Credit Sale Discount	<u>\$1,127,500.00</u>
Total Transfer From Tax Credit Capitalization Account to Chiefs Bond Proceeds Account:	<u>\$1,927,500.00</u>

EXHIBIT I

Request: No. 1 – Fees

Date: December 14, 2007

WRITTEN REQUEST FOR TRANSFER FROM THE
TAX CREDIT CAPITALIZATION ACCOUNT OF THE PROJECT FUND TO PAY
INVESTMENT BANKING FEES FOR SALE OF TAX CREDITS
JACKSON COUNTY, MISSOURI
SPECIAL OBLIGATION BONDS
(HARRY S. TRUMAN SPORTS COMPLEX PROJECT)
SERIES 2006

To: Wells Fargo Bank, N.A., as Trustee
One Ward Parkway, Suite 330
Kansas City, Missouri 64112
Attention: Corporate Trust Department

as Trustee under the Trust Indenture, dated as of August 1, 2006, from Jackson County,
Missouri to said Trustee (the "Indenture")

You are hereby requested pursuant to **Section 404(c)** of the Indenture, to transfer \$112,500.00 from the Tax Credit Capitalization Account to Oppenheimer & Co. as the investment banking fee for brokering the sale of tax credits on behalf of Jackson County.

The undersigned hereby states and certifies that:

1. The Chiefs and Royals have made contributions of \$28,333,334.00 in accordance with their respective Tax Credit Agreement with MDFB and have received a State Tax Credit in the gross amount of \$14,166,667.00.
2. The MDFB Tax Credit Administration Fee was deducted by MDFB in accordance with the Chiefs Tax Credit Agreement.
3. If applicable, the amount of the discount on the sale of the MDFB State Tax Credits did not exceed the amount permitted pursuant to the Tax Credit Agreement.
4. The MDFB Tax Credit Administration Fee and/or Discount on the Sale of MDFB Tax Credits shown on this Written Request has not been previously transferred from the Tax Credit Capitalization Account of the Project Fund to the respective Project Funds.

FILED

DEC 18 2007

MARY JO SPINO
COUNTY CLERK

Dated this _____ day of December, 2007.

JACKSON COUNTY, MISSOURI

By: MSa

Name: Michael D. Sanders

Title: County Executive
and Authorized County Representative

APPROVED AS TO FORM:
m. Jones
COUNTY COUNSELOR

FILED

Attachment to EXHIBIT I

Request No. 1 - Investment Banking Fees

Sale of Royals Tax Credits

<u>Purchase Date</u>	<u>Purchaser</u>		<u>Face Amount of Tax Credits Purchased</u>	<u>Investment Banking Fees</u>	<u>Fee Due</u>
11/29/2007	from Commerce Bank @	\$0.885 /\$1.00 Face Amount:	\$2,083,334.00	0.75%	\$15,625.00
11/29/2007	from U.S. Bancorp @	\$0.885 /\$1.00 Face Amount:	\$2,083,333.00	0.75%	\$15,625.00
			<u>\$4,166,667.00</u>		<u>\$31,250.00</u>

Sale of Chiefs Tax Credits

<u>Purchase Date</u>	<u>Purchaser</u>		<u>Face Amount of Tax Credits Purchased</u>	<u>Investment Banking Fees</u>	<u>Fee Due</u>
11/29/2007	from Commerce Bank @	\$0.885 /\$1.00 Face Amount:	\$3,750,000.00	0.75%	\$28,125.00
11/29/2007	from U.S. Bancorp @	\$0.885 /\$1.00 Face Amount:	\$3,750,000.00	0.75%	\$28,125.00
11/29/2007	from UMB Bank @	\$0.890 /\$1.00 Face Amount:	\$1,500,000.00	1.00%	\$15,000.00
11/29/2007	from UMB Bank @	\$0.900 /\$1.00 Face Amount:	\$1,000,000.00	1.00%	\$10,000.00
			<u>\$10,000,000.00</u>		<u>\$81,250.00</u>

Fee Calculation:

<u>Sale of Royals Tax Credits</u>	<u>Sale of Chiefs Tax Credits</u>	<u>Total Fee</u>
\$31,250.00	+ \$81,250.00	= \$112,500.00

Fee Schedule: 0.50% of sale proceeds from 83% to 85% of Par Value of Tax Credits
 0.75% of sale proceeds from >85% but <89% of Par Value of Tax Credits
 1.00% of sale proceeds from 89% or greater of Par Value of Tax Credits

EXHIBIT I

Request: No. 1 - ROYALS

Date: December 14, 2007

WRITTEN REQUEST FOR TRANSFER FROM THE
TAX CREDIT CAPITALIZATION ACCOUNT OF THE PROJECT FUND TO THE
ROYALS BOND PROCEEDS ACCOUNT OF THE PROJECT FUND
JACKSON COUNTY, MISSOURI
SPECIAL OBLIGATION BONDS
(HARRY S. TRUMAN SPORTS COMPLEX PROJECT)
SERIES 2006

To: Wells Fargo Bank, N.A., as Trustee
One Ward Parkway, Suite 330
Kansas City, Missouri 64112
Attention: Corporate Trust Department

as Trustee under the Trust Indenture, dated as of August 1, 2006, from Jackson County, Missouri to said Trustee (the "Indenture")

You are hereby requested pursuant to **Section 404(c)** of the Indenture, to transfer \$812,500.06 from the Tax Credit Capitalization Account of the Project Fund to the Royals Bond Proceeds Account of the Project to fund the following amount(s) in connection with the Royals Tax Credit Proceeds

MDFB Tax Credit Administration Fee	<u>\$333,333.36</u>
and	
Discount on the Sale of MDFB Tax Credits	<u>\$479,166.70</u>

The undersigned hereby states and certifies that:

1. The Royals have made a contribution of \$8,333,334.00 in accordance with their respective Tax Credit Agreement with MDFB and have received a State Tax Credit in the gross amount of \$4,166,667.00.
2. The MDFB Tax Credit Administration Fee was deducted by MDFB in accordance with the Royals Tax Credit Agreement.
3. If applicable, the amount of the discount on the sale of the MDFB State Tax Credits did not exceed the amount permitted pursuant to the Tax Credit Agreement.
4. The MDFB Tax Credit Administration Fee and/or Discount on the Sale of MDFB Tax Credits shown on this Written Request has not been previously transferred from the Tax Credit Capitalization Account of the Project Fund to the Royals Bond Proceeds Account of the Project Fund.

FILED

DEC 18 2007

MARY JO SPINO
COUNTY CLERK

Dated this _____ day of December, 2007.

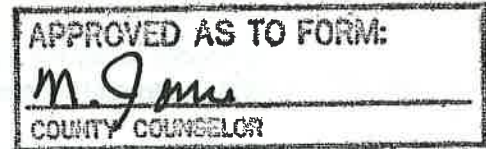
JACKSON COUNTY, MISSOURI

By: MSa

Name: Michael D. Sanders

Title: County Executive
and Authorized County Representative

Copy to: Kansas City Royals Baseball Corporation
Jackson County Sports Complex Authority



FILED

Attachment to EXHIBIT I

Request No. 1 - Royals

Calculation of MDFB Tax Credit Administration Fee

<u>Contribution Date</u>	<u>Teams Tax Credit Contribution Amount</u>	<u>4.00% MDFB Tax Credit Administration Fee</u>	<u>Net Amount Wired to Trustee By MDFB</u>	<u>Tax Credit Certificate Amount Issued to Teams:</u>	<u>Tax Credit Certificate Number:</u>
10/4/2007	\$8,333,334.00	\$333,333.36	\$8,000,000.64	\$4,166,667.00	20071004 4361 2 4361 : 4361
	<u>\$8,333,334.00</u>	<u>\$333,333.36</u>	<u>\$8,000,000.64</u>	<u>\$4,166,667.00</u>	

Calculation of Discount on Sale of MDFB Tax Credits

<u>Purchase Date</u>	<u>Purchaser</u>	<u>Face Amount of Tax Credits Purchased</u>	<u>Discount on Sale of Tax Credits</u>	<u>Tax Credit Sale Proceeds</u>
11/29/2007	from Commerce Bank @ \$0.885 /\$1.00 Face Amount:	\$2,083,334.00	\$239,583.41	\$1,843,750.59
11/29/2007	from U.S. Bancorp @ \$0.885 /\$1.00 Face Amount:	\$2,083,333.00	\$239,583.29	\$1,843,749.71
		<u>\$4,166,667.00</u>	<u>\$479,166.70</u>	<u>\$3,687,500.30</u>

TOTALS

Total Administration Fee	<u>\$333,333.36</u>
Total Tax Credit Sale Discount	<u>\$479,166.70</u>
Total Transfer From Tax Credit Capitalization Account to Royals Bond Proceeds Account:	<u><u>\$812,500.06</u></u>