SIDLEY

STADIUM MANAGEMENT AGREEMENT – SUMMARY

This summary reflects the KSFA Vote Draft of the Stadium Management Agreement (this "Agreement"). This summary is qualified in its entirety by, and should be read by reference to, the Stadium Management Agreement. The precise wording of the Agreement should be consulted before interpreting the Agreement and relying upon such interpretation.

Deal Summary

- **Purpose**: The Stadium Management Agreement governs the operation, management and use of the Stadium and related improvements, including access roads, buildings and parking, and the underlying land (collectively, the "Stadium Facility").
- **Commercial structure**: KSFA (the "Owner") owns the Stadium Facility. Manager has exclusive day-to-day operational control of the Stadium Facility, subject to Owner oversight and approval rights in specified areas.
- **Use**: Owner appoints Manager as the exclusive manager and operator under a contractual license (no leasehold or real property interest is created). Manager may use the Stadium for any purpose that is not prohibited by this Agreement or Applicable Law and that does not change its primary purpose as a professional football and concert venue.

Term / Extensions

- **Commencement Date**: Date of Substantial Completion of the Stadium Facility.
- **Initial Term**: 30 years.
- **NFL Season extension**: If the Expiration Date falls during an NFL Season or within 30 days after the season ends, the Term automatically extends to 30 days after the season's conclusion.
- **Extension options**: Manager has up to six 5-year extension options (up to 30 additional years) exercisable on 12 months' prior notice.

State Suite & Civic Events

- **State Suite**: State provided a luxury suite; at no cost for Stadium Events other than certain "Major Events" for which State will pay a portion of the cost.
- **Civic Event Scheduling**: Owner may request Civic Events (i.e., community events such as graduations, high school sports, free public concerts) between 60 and 90 days in advance (shorter for sudden/unforeseen events), the Parties will cooperate to schedule larger-scale Civic Events further out from the window. Manager must reserve the date unless already booked. No Civic Event can be held the same date as a Home Game or a previously scheduled Manager's Event.
- **Restrictions**: Civic Events cannot include a professional football game or other professional sporting contest or any other event or activity that competes with the use of the Stadium as a venue for professional football, concerts and festivals. A Civic Event cannot include an event or activity that may cause damage to the field that cannot be prevented or repaired prior to the next Home Game.
- **Damage**: Owner or the State is responsible for repairing any damage from Civic Events, subject to exceptions.
- **Revenues**: Manager invoices Owner for actual, incremental Civic Event expenses (no markup, rent, or fee) and includes copies of back-up documentation evidencing all revenues derived from the Civic Event. Within 45 days of invoice, either (i) Owner will reimburse Manager for any losses, or (ii) Manager will pay Owner any profits.
- **Prices**: Prices charged for concessions or parking for Civic Events must be the same as or lower than pricing during Home Games.

Annual Payments (Rent)/Retained Amount

- **Base**: $7,000,000 per Term Year, due within 5 Business Days after the Commencement Date or each anniversary thereof.
- **Escalator**: Adjusted annually by the greater of CPI or 2%.
- **Retained Amount**: Owner retains $350,000/year, increasing by the greater of CPI or 2%.
    - May increase to $500,000 if Owner takes on administrative responsibilities for property beyond the Stadium Facility or Team Headquarters and Practice Facility.
- **Application**: Annual Payments (net of Retained Amount) fund the RMMO Fund up to the RMMO Threshold Amount (discussed below).
- **Late fee**: 5% per month, if not paid by the 7th day once due.

Manager Revenue Rights

- **Generally**: Manager has the exclusive right to control and retain all Stadium revenues, including ticketing, naming rights, advertising, broadcast rights, concessions, parking, merchandising, Luxury Suites and Club Level Seats, subject to the agreement's restrictions and approval rights.
- **Naming Rights**: Owner may reject a naming rights sponsor within certain prohibited or objectionable categories (including tobacco, vaping, adult entertainment, firearms, and political sponsors).
- **Concessions**: Owner has approval over all non-financial terms of concessionaire agreements (i.e., insurance, indemnification, legal compliance, etc.).
- **PSLs**: Owner retains ownership of personal seat licenses; proceeds are applied towards stadium construction. Manager acts as marketing/sales agent through the PSL Marketing Agreement.

Operations/Manager Obligations

- **Generally**: Manager has the exclusive right, power, authority and obligation to direct all aspects of operation, repair, maintenance, management and control of the Stadium Facility. Manager is responsible for all staffing, security, utilities, permits, concessions, ticketing, insurance and operational compliance.
- **Delegation**: Manager may delegate overall management responsibility to a third party only with Owner's prior written consent (except for ordinary-course janitorial/maintenance contracts, which do not require consent). Manager remains fully responsible for all obligations under the Agreement
- **Expenses**: Other than the Public RMMO Funding Commitment, Manager bears all costs.

Annual Assessment/ Annual Capital Plan

- **Annual Assessment**: Owner must conduct an Annual Assessment (performed by engineers/consultants retained by Owner in consultation with Manager) to inspect the structural, mechanical and architectural components of the Stadium). The Annual Assessment will include a written report regarding the repair and maintenance needs of the facility. All costs are paid from the RMMO Fund.
- **Annual Capital Plan**: Manager will then prepare a proposed annual capital plan covering the Capital Repairs, Maintenance and Repair Work and other expenditures that will be required for the upcoming year, based on the Annual Assessment. The final Annual Capital Plan is approved by both Manager and Owner. RMMO Expenditures included in the Annual Capital Plan are deemed approved.

RMMO Fund

- **Fund**: Owner establishes a segregated fund (the "RMMO Fund") for capital repairs (i.e., CapEx), maintenance and operations.
- **Minimum Annual Funding**: $17,000,000 (the "RMMO Threshold Amount"), increasing annually by the greater of 2% or CPI. The Threshold is funded first from 10% of the Sports Fund and then,

to the extent of any shortfall, from the Annual Payments (net of the Retained Amount). The Threshold caps Owner's funding obligations for maintenance and repairs, and is suspended if Manager does not make its Annual Payments during that Term Year (whether by reason of default or Force Majeure).

- **Manager Responsibility**: Manager is responsible for all costs necessary to fund the Capital Repairs, Maintenance and Repair Work and/or Management and Operations in excess of the RMMO Threshold Amount.
- **Approval**: Owner's approval is required for all RMMO Fund expenditures, except for expenditures that are (i) included in an approved Annual Capital Plan, (ii) below the $250,000 "Approval Threshold" (which threshold aggregates related expenditures), or (iii) made in response to an Emergency. An expenditure is deemed approved if Owner does not respond within 15 days, subject to tolling. Owner must make disbursements within 30 days of Manager's approved request.

Damage and Destruction

- **Generally**: In the event the Stadium is damaged or destroyed by a Casualty, Manager must repair, restore and replace the damage to the Stadium Facility as nearly as possible to its previous condition. If the Casualty Repair Work exceeds $2 million, the Owner approves any general contractor and lead architect, the terms of those contracts, and any contracts requiring payment greater than $10 million.
- **End of Term Casualty**: If a Major Casualty occurs in the last 3 years of the Term and Manager determines not to restore the Stadium Facility (so long as such damage and destruction was not the fault of Manager or its affiliates/employees/contractors), the Term may terminate. Any insurance proceeds would be payable 60% to Owner and 40% to Manager.

Eminent Domain

- **Total / Substantially Total Taking**: If a Taking occurs that lasts longer than one year, the Agreement automatically terminates. Manager may assert a separate claim; if not, Manager receives personal property loss and Team business damages from Owner's award, balance to Owner.
- **Partial Taking**: If a partial Taking occurs, the Term is unchanged and Manager must restore, repair or replace the remaining parts of the Stadium Facility. Any compensation proceeds received by Owner are used for restoration costs. Manager may separately claim just compensation and business damages.
- **Temporary Taking**: Obligations (including payments) abate during the taking period.

Alterations / Mechanics' Liens

- **Alterations**: Non-structural alterations allowed at Manager's expense without consent, provided they do not materially change function, design, useful life, aesthetics, sightlines, structure or systems, and comply with Applicable Law and the Project Program Statement. Structural alterations require Owner's written consent.
- **Mechanic's Liens**: Manager must discharge any mechanics' liens within 30 days.

Assignment / Sublicensing / Use

- **Assignments**: Assignments require Owner consent, subject to permitted-transfer rights and NFL-approved successor arrangements. Upon a permitted assignment of the SMA, Manager is released from Agreement obligations and must provide replacement guaranty support acceptable to Owner. Manager can generally sublicense for Manager's Events without consent.
- **Sublicenses**: Any sublicenses or rights of occupancy must require the applicable sublicensee or user to comply with this Agreement.

- **Team Use Agreement**: Manager will enter into a Use Agreement with TeamCo to permit the Team to use the Stadium, which Owner may review to ensure that it complies with this Agreement.

Indemnification

- Manager indemnifies Owner and State indemnified parties against all Losses arising from (i) any negligence, willful misconduct, tortious act or criminal act; (ii) any use, possession, occupation, condition, operation, maintenance, or management of the Stadium; and (iii) any failure to perform its obligations under this Agreement. Owner provides Manager a similar indemnity, limited by the Kansas Tort Claims Act.

Insurance

- Manager must maintain required insurance coverage at its sole cost, naming Owner, the State and related parties as additional insureds/loss payees. If Manager fails to maintain required coverage, Owner may procure coverage at Manager's expense.

End of Term

- **Surrender**: Manager must surrender the Stadium Facility free and clear of all Liens (with limited exceptions) and in good condition (normal wear and tear excepted).
- **Property**: Alterations that cannot be removed without material damage stay with the Stadium Facility (title to Owner). Manager must remove personal property and trade fixtures within 10 days or they are deemed abandoned (Owner may remove, sell or claim title).
- **Maintenance and Equipment**: Manager must deliver plans, drawings, specifications, maintenance logs and specialized equipment at Owner's request.

Taxes and Assessments

- Under Applicable Law as of the Effective Date, the Stadium Facility is exempt from ad valorem real estate taxes by virtue of Owner's public ownership, and Owner has cooperation obligations in achieving the same. Manager pays all special assessments.

Dispute Resolution

- Disputes related to the Non-Relocation Agreement are governed thereunder. All other disputes are subject to AAA arbitration (Commercial Arbitration Rules). No punitive or exemplary damages. Each Party bears own attorneys' fees; arbitration costs split equally.

Manager Default/Owner Remedies

- **Default Triggers**:
  - Breach of the Non-Relocation Agreement beyond its own notice and cure period.
  - Non-payment (10-business day cure after notice).
  - Breach of other obligations (90-day cure after notice).
  - Breach of other Stadium Agreements (subject to the notice and cure period provided thereunder and, if no notice and cure period is provided, 30 days).
  - Attachment/execution not discharged within 90 days.
  - Bankruptcy/insolvency of Manager or Guarantor (involuntary: 90-day dismissal period).
  - Failure to comply with arbitration decision (30-day cure).
- **Owner's Remedies (Cumulative)**:
  - Termination on 90 days' written notice (if breach during NFL Season, 90-day period begins after last Home Game).
  - Commence arbitration regarding summary eviction.

  - Engage in self-help by entering the Stadium Facility and/or taking all reasonable steps necessary to maintain and preserve the Stadium Facility, with reimbursement by Manager of any expenses, which self-help right terminates following Manager's cure.
  - Recover amounts payable and costs arising from Manager Default plus interest.
  - Any other remedy at law or equity, including injunctive relief and specific performance.
- **Acceleration**: Upon termination, all unpaid Annual Payments and other amounts for the remainder of the Term become immediately due, discounted at present value.
- **NFL remedies**: Upon Manager Default, the NFL may enter the Stadium Facility and perform Manager's obligations (in its sole discretion). This precedes the Owner self-help right (i.e., Owner cannot engage in self-help until the NFL has elected not to perform Manager's obligations, subject to certain imminent material harm exceptions).

Owner Default/Manager Remedies

- **Default trigger**:
  - Owner breach continuing for 30 days after written notice (or, if incurable within 30 days, failure to diligently commence cure and complete within a reasonable time).
  - Failure to comply with arbitration decision (30-day cure).
- **Remedies**: Self-help and any other legal/equitable remedy (cumulative).

Owner Entry Rights

- **Generally**: Routine entry during business hours on 24 hours' written notice. Must minimize interference with Stadium Events.
- **Emergency Entry**: Permitted without notice, so long as Owner uses reasonable efforts to notify Manager and limit disruption.

Miscellaneous

- **Small Business Support**: The Chiefs must use commercially reasonable efforts to maximize participation by local small businesses.
- **Force majeure**: Excuses delayed performance for certain qualifying events. Force Majeure only excuses maintenance and repair obligations to the extent performance is impossible. If a Force Majeure results in Manager not paying the Annual Payments when due, Annual Payments will be excused, the Term will be extended for one year, and Owner's RMMO Fund Contributions will be tolled to the additional year.
- **Community Event**: For any weekend in which the Chiefs are playing an additional exempt home game outside of the Stadium (which is permitted once every 4 years under the Non-Relocation Agreement), the Chiefs must hold a watch party or other large scale public event to ensure the district continues to generate activity.