

11-10-70

AGREEMENT

THIS AGREEMENT is made and entered into as of the 31st day of October, 1970, by and between JACKSON COUNTY, MISSOURI, hereinafter referred to as "the County," and JACKSON COUNTY SPORTS COMPLEX AUTHORITY, a body corporate and politic and political subdivision of the State of Missouri, hereinafter referred to as "the Authority."

The County is constructing a sports complex consisting of a 78,000 seat football stadium; a 42,000 seat baseball stadium; an unenclosed stadium plaza exhibition area located between the two stadiums; a central food and employee service facility beneath such stadium plaza exhibition area; parking facilities for approximately 16,000 cars; and access and circulation roadways; which facilities are being constructed on a tract of real estate acquired and owned by the County located in Kansas City, Jackson County, Missouri, bounded on the north by Interstate Highway 70 and Leeds Road; on the south by the railroad tracks of Chicago, Rock Island and Pacific Railroad Company; on the east by Blue Ridge Cutoff; and on the west by Interstate Highway 435, and which facilities, tract of real estate and access roadways thereto are hereinafter referred to as "the sports complex." The legal description of such tract of real estate is set forth in Exhibit A attached hereto and made a part hereof.

The acquisition of the above-described tract of real estate and the construction of the sports complex facilities to date have been financed with the proceeds of general obligation bonds of the County approved by the voters of the County in 1967 in an amount of \$43,000,000, together with any income earned on the investment thereof.

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The Authority was created and exists pursuant to Revised Statutes of Missouri, 1969, Sections 64.920 through 64.950, as amended.

Under an Agreement dated March 21, 1967, between the County and the Authority, the Authority has been acting, and continues to act, as the County's agent for the purposes of planning and designing the sports complex and selecting a site therefor; constructing the sports complex; and negotiating long-term leases of the sports complex facilities.

The March 21, 1967, Agreement contemplates that the County and the Authority will enter into a further agreement for the operation and management of the completed sports complex facilities by the Authority.

In order to complete the construction of the sports complex facilities in accordance with the existing plans and specifications prepared by the project architects, additional funds in an amount of at least \$13,000,000, less financing charges, will be required. The County does not have available such additional funds, and the Authority is willing to assume responsibility for providing the necessary additional funds by the issuance of its revenue bonds in connection with its assumption of responsibility for the operation and maintenance of the sports complex.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. The County hereby leases to the Authority and the Authority hereby leases from the County the sports complex for a term commencing on the date hereof and ending on: (1) June 30, 2007; or (2) the final expiration date of the term (including any renewal term) of all subleases or assignments of any portions of the sports complex entered into by the Authority with the approval of the County as herein authorized or contemplated, but in no event for

a term longer than fifty years from the date hereof.

2. As soon as reasonably practical, the Authority will authorize, issue and sell, or will cause to be legally authorized, issued and sold, a principal amount of revenue bonds sufficient to generate net proceeds of \$13,000,000, less financing charges. The Authority will deposit with a bank fiscal agent the net proceeds of such bond issue to be held or made available to the County to enable the County to let and finance additional contracts for the completion of the sports complex.

3. The County will apply to completion of the construction of the sports complex: (a) the presently unexpended portion of the \$43,000,000 sports complex general obligation bond proceeds, plus all interest earned by the County thereon; and (b) the net revenue bond proceeds referred to in paragraph 2, plus any interest earned by the County thereon.

4. The County assigns to the Authority all of its rights and interest in an August 1, 1969, letter lease agreement with Kansas City Chiefs Football Club and in an August 2, 1969, letter lease agreement with Kansas City Royals Baseball Club.

5. The Authority will operate and maintain the sports complex during the term hereof or will provide during the term hereof, through subleases, assignments or licenses (to be approved by the County as hereinafter provided), for such operation and maintenance by others.

6. Subject to the County's approval, the Authority shall have the right to sublease, assign and license the use of all, or portions of, the sports complex to other persons, corporations and entities and to pledge and encumber, as security for its revenue bonds described in paragraph 2, such subleases, assignments and licenses and the rentals therefrom. It is recognized that a

tract consisting of approximately 80 acres in the westerly portion of the sports complex is included in the lease to the Authority hereunder, but is not included in the presently contemplated subleases to franchise owners of the Kansas City Chiefs and Kansas City Royals (except for certain contingent parking rights related to such 80 acre tract).. Any sublease of this 80 acre tract, or any part thereof, and any development, improvement or use thereof shall be entered into only upon the agreement of the County as to the terms of the sublease and the nature of the development, improvement or use. In addition to the revenues provided for the County in paragraph 7 hereof, the County shall have the option to receive, share with the Authority, otherwise participate in, or waive any revenues generated by any sublease of the 80 acre tract by the Authority with County approval. Nothing herein contained shall in any way diminish the contingent parking rights referred to above.

7. Commencing on January 2, 1971, and continuing on the 2nd day of January each year thereafter during the term hereof, the Authority will pay to the County the sum of \$50,000, and commencing on the date when the entire \$13,000,000 principal amount of said revenue bonds shall have been retired, the Authority will pay to the County all of the revenues generated by any subleases made as herein provided.

8. It is agreed between the parties hereto that in the event revenues generated by any and all subleases made as herein provided for shall exceed at any time the sums necessary for meeting the currently due payments on said \$13,000,000 principal amount of revenue bonds, or any part thereof, plus such sums as may be necessary to meet the obligations of said subleases, such excess shall be accumulated and held for use either for prepayment

of said bonds or the addition of further facilities to the sports complex and that the decision as to which, or whether both, of such uses of excess funds shall be made, and when such uses shall be made will be mutually agreed upon by the County and the Authority.

9. The County shall, throughout the term of this agreement, insure the sports complex and all structures thereon and all personal property of the County and the Authority contained therein against loss or damage by or from the following risks:

(a) Fire and lightning;

(b) Earthquake, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles and smoke (as such terms are defined in the form of extended coverage endorsement presently in general use in Kansas City, Missouri), and such additional risks as may at the time of expiration of any policy purchased hereunder providing extended coverage, be covered by the broad form extended coverage endorsement then in general use in Kansas City, Missouri;

(c) Explosion and/or any sudden or accidental breakdown necessitating repair or replacement of such of the following equipment as may be in the stadium structure: steam boilers, steam pipes, steam engines and other steam pressure vessels and the electrical and lighting systems, including transformers and miscellaneous electrical apparatus (except that during any period when any of the equipment covered by such insurance is not in use and is shut down such insurance may be suspended with respect to such equipment not in use);

(d) Operation or malfunctioning of any automatic sprinkler system;

(e) Vandalism and malicious mischief;

(f) War damage insurance during any period or periods when war damage insurance is obtainable from the United States government or any of its agencies or a corporation formed by the United States government; and

(g) Use and occupancy or business interruption insurance in an amount not less than the basic annual rental being paid to the Authority by sublessees of the Authority.

Such casualty insurance coverage carried by the County may provide for deductible amounts up to a maximum of \$100,000.00, except that in the case of earthquake insurance, such deductible amount shall be that customarily written in earthquake policies covering stadium type construction, and the County shall be a self-insurer for such deductible amount. The County shall not be liable to the Authority, or to anyone claiming under or through the Authority for any loss or damage whatever resulting from fire or the risks covered by the extended coverage endorsement to a fire insurance policy, regardless of cause or origin. Furthermore, it is agreed that the Authority shall not be liable to the County, or to anyone claiming under or through the County, for any loss or damage whatever, resulting from fire, or any of the risks contained in the extended coverage endorsement to a fire insurance policy, regardless of cause or origin.

10. In addition to obtaining from the County approval of subleases or assignments as herein contemplated, the Authority agrees to enter into such subleases in full compliance with County purchasing and contract laws and procedures.

JACKSON COUNTY, MISSOURI

By Chas. J. [Signature]
Presiding Judge

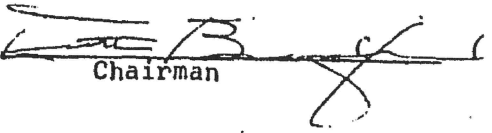
ATTEST:

Bernice J. Conley
County Clerk

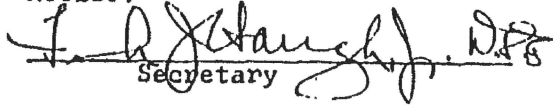
APPROVED:

[Signature]
County Counselor

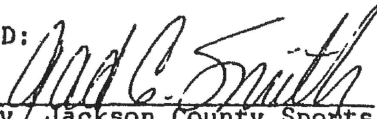
JACKSON COUNTY SPORTS COMPLEX
AUTHORITY

By 
Chairman

ATTEST:


Secretary

APPROVED:


Attorney Jackson County Sports
Complex Authority

