

**AGREEMENT FOR REIMBURSEMENT OF OUT-OF-POCKET PROJECT COSTS IN
THE EVENT OF TERMINATION**

**BETWEEN CITY OF KANSAS CITY, MISSOURI AND
EDGEMOOR INFRASTRUCTURE & REAL ESTATE LLC**

This Agreement for Reimbursement of Out-of-Pocket Project Costs in the Event of Termination (“**Agreement**”) is entered as of this ____ day of February, 2018 (the “**Effective Date**”) between the City of Kansas City, Missouri (“**City**”) and Edgemoor Infrastructure & Real Estate LLC (“**Developer**”), a Maryland limited liability company registered to do business in Missouri, for certain third-party expenses related to development of a terminal modernization program at the Kansas City International Airport (the “**Airport**”). This Agreement outlines the terms and conditions under which Developer would finance and incur such third-party expenses, subject to City approval, and the City would reimburse for such expenses in case of a termination event.

RECITALS

- A. City issued a “Request for Qualifications/Proposals for Design, Construct and Private Financing of KCI/ Request #062017” (as amended, the “**RFQ/P**”) on May 30th, 2017 to identify a potential developer for development of a single terminal Airport improvement project (the “**Project**”).
- B. City selected Developer for the Project and determined to advance negotiations with Developer to enter into a development agreement (the “**Development Agreement**”) for the Project.
- C. City and Developer have entered into that certain Memorandum of Understanding (the “**MOU**”) related to the Project with an Effective Date of February ____, 2018, which provides, in part, that City shall have the right to terminate the MOU at any time, for any reason or no reason.

D. City has determined that it is in City's best interests to establish and pursue a Project schedule to enable an estimated Project completion in 2021, with anticipated financial close by September 2018 (the "Project Milestones").

E. City recognizes that to obtain more detailed Project cost information necessary to meet the Project Milestones, Project scoping and design must be further advanced to reach approximately thirty percent (30%) completion. City further recognizes that it will not achieve financial close of the Project unless it enters into new "Use and Lease Agreements" with the airlines related to airlines' use of City's airport system, which agreements will establish funding streams for the Project and are predicated on having more refined Project cost information derived from 30% complete Project designs.

F. Developer is willing to obtain financing to pay for professional services and other third-party expenses directly related to developing more detailed Project cost information, and City desires Developer to take such actions to further City's interests in meeting Project Milestones.

G. City recognizes that deliverables developed pursuant to this Agreement will be provided to City, per the terms of this Agreement, and that such deliverables represent significant value to City in advancing the Project, notwithstanding any potential City termination of the MOU prior to financial close, because they serve as foundational documents and drawings that will allow City to efficiently pursue advanced Project design without having to begin the design process anew.

H. City acknowledges that Developer's willingness to obtain financing and incur Out-of-Pocket Project Costs (as further defined below) on behalf of City, in accordance with City's interests and consistent with Section 17(F) of Developer's proposal in response to City's RFQ/P, depends on City's willingness to reimburse Developer for such costs, notwithstanding any potential City termination of the MOU prior to financial close, and City desires to provide such assurance of reimbursement to Developer.

I. City and Developer agree that the only costs covered by this Agreement and subject to City reimbursement are those Out-of-Pocket Project Costs directly related to Project design and development, as reflected in Exhibit A and as reviewed and validated by City's Aviation Department, incurred during the period from November 8, 2017 through the date of financial close or the earlier termination of the MOU. City and Developer further acknowledge and agree

that the estimated total Out-of-Pocket Project Costs covered by this Agreement will not be exceeded, except as specifically authorized by City, and that Out-of-Pocket Project Costs will only be reimbursed from the Airport Revenue Fund and that no such costs will be reimbursed from City's General Fund.

J. City and Developer desire that City will review and approve in advance the scope, deliverables and cost of any Project design and development work Developer proposes to undertake to refine Project costs and to meet the Project Milestones, in accordance with this Agreement.

K. City and Developer acknowledge and agree that this Agreement confers on Developer no termination rights, and is intended only to set forth the process by which, and conditions under which, City agrees to be responsible for City-approved Out-of-Pocket Project Costs, pursuant to the terms of this Agreement.

L. City and Developer agree that City will audit Developer's Project-related expenses for the period from November 8, 2017 through the Effective Date to determine those costs validly incurred in furtherance of City's interests to advance the Project and which, under the terms of this Agreement, should be considered reimbursable Out-of-Pocket Project Costs.

M. City and Developer agree that although Out-of-Pocket Project Costs through financial close are estimated at \$28.3 million, City's obligations under this Agreement are capped at \$23.2 million, with Developer at risk for all amounts above such cap.

N. City and Developer wish to memorialize their agreement regarding these matters by executing this Agreement.

O. The City Council authorized the City Manager's execution of this Agreement with its passage of Ordinance No. _____.

AGREEMENT

I. **Recitals.** The recitals cited above are true as of the Effective Date and are hereby incorporated herein.

II. Out-of-Pocket Project Costs

a. Out-of-Pocket Project Costs means those costs incurred by Developer that are direct expenses incurred by Developer for services or materials provided by a third party that are not increased by any dollar or percentage amount representing added profit, fee, or administrative or other charge and which have been documented by the Developer and approved by the Aviation Director. For purposes hereof, Out-of-Pocket Project Costs shall be limited to and include only those costs related to the Project and incurred by Developer for contractors (and their subcontractors), design professionals, consultants (and their subconsultants), attorneys, other architectural and engineering design professionals (including costs of preconstruction services of third party project contractor(s)), Loan principal, interest, and fees as described below, related financing costs and legal fees and other approved costs related to the Project.

b. An estimate of the total Out-of-Pocket Project Costs anticipated to be incurred under this Agreement is attached hereto as Exhibit A, which provides detailed costs outlays by month within each of the categories described in the accompanying narrative. Of the approximately \$28.3 million total for projected costs through September 2018, 87% of the costs are related to architect's design costs, geotechnical, surveys, preconstruction services and the like. No costs for Developer's labor are included as reimbursable expenses.

c. Actual costs to date versus costs subject to reimbursement under the Agreement are presented in Exhibit B, broken out by spend per member of Developer team. Developer's actual spend through year end 2017 totaled approximately \$2.3 million; \$1.1 million of that total is subject to reimbursement under this Agreement.

III. Funding of Out-of-Pocket Project Costs Through Financial Close

a. Developer shall obtain a pre-construction loan or similar loan, which shall include loan principal, current and capitalized interest, and fees that have accrued to the loan ("Loan") from a lending institution reasonably acceptable to the City ("Lender") for purposes of funding Out-of-Pocket Project Costs through financial close of the Project. Developer shall advise the City as to the proposed Loan terms and shall use reasonable commercial efforts to address any comments raised by the City. The City shall

acknowledge the Loan terms as documented in the agreement between the Developer and the Lender. All Out-of-Pocket Project Costs shall be paid for and funded by the Loan. Upon the date of financial close, Developer shall wire funds directly to the lending institution to pay off all amounts due under the Loan.

b. Developer and City shall enter into such documents as the Lender may reasonably require in issuance of the Loan, including, but not limited to, an assignment of Developer's rights under this Agreement (an "Assignment") to the Lender, together with a collateral assignment of such rights. Developer acknowledges and agrees that under no circumstances will City enter into any documents with either Developer or the Lender whereby City would be obligated to pay the Lender any amount due on the Loan, except pursuant to an Assignment, in which event City shall have no obligation greater than it has to Developer.

IV. Documentation and Approval of Out-of-Pocket Project Costs

a. On or about the 25th day of each month, Developer shall provide City's Aviation Director with documentation detailing the services and related Out-of-Pocket Project Costs that Developer expects to be performed in the following month and which shall be subject to City approval under Section IV.b below.

b. Within five (5) business days after City's receipt of Developer's documentation under Section IV.a, City's Aviation Director shall approve in writing Out-of-Pocket Project Costs, in City's reasonable discretion. Loan costs shall not be subject to rejection by City if such costs are consistent with the loan documents entered into between Developer and Lender. In the event the Aviation Director rejects any Out-of-Pocket Project Costs documented in accordance with Section IV.a, the Aviation Director shall provide Developer with written notice giving reason for the rejection and stating any additional information needed by the Aviation Director to approve the cost. In such case, and in Developer's discretion, the services related to the rejected Out-of-Pocket Project Costs will not be performed until after financial close of the Project or will be performed by Developer at its own cost. For the avoidance of doubt, any Out-of-Pocket Project Costs rejected by the City shall be expressly excluded from any draw request under the Loan. Any and all

City-approved Out-of-Pocket Project Costs shall be a reimbursement obligation of City pursuant to Section V below.

c. On the 20th day of each subsequent month, Developer shall provide City's Aviation Director with a spreadsheet (and backup documentation upon request) detailing the actual Out-of-Pocket Project Costs incurred through the end of the immediately preceding calendar month.

V. City's Obligation to Reimburse Developer for Out-of-Pocket Project Costs

a. In the event the parties fail to achieve financial close of the Project for any reason, other than as set forth in Section V.b below, City shall reimburse Developer, including all documented Loan-related financing costs, for Developer's Out-of-Pocket Project Costs incurred by Developer from and after November 8, 2017 through the date City notifies Developer that it will no longer pursue the Project. Reimbursement of any and all City-approved Out-of-Pocket Project Costs shall not be subject to set-off, deductions, abatement, reduction or withholding for any reason by the City, provided the City receives all Instruments of Service (defined below) in accordance with Section V.c. Payment by City under this Section V.a shall be made to Developer within thirty (30) calendar days after Developer furnishes to City the Instruments of Service and any other documents required under Section V.c.

b. City shall have no obligation to reimburse Developer for Out-of-Pocket Project Costs in the event the Project fails to achieve financial close due to Developer's fraudulent act or willful misconduct.

c. Upon receipt of payment from the City in accordance with this Agreement, Developer shall grant or cause to be granted to City and its agent an irrevocable nonexclusive license to use, reproduce and distribute the instruments of service prepared by Developer's architect or other design professionals in connection with the Project (the "Instruments of Service"). Instruments of Service shall include any drawings, specifications, models, renderings or other materials prepared in connection with the Project, as well as any other documents related to the Project for which the City has an

obligation to reimburse the Developer, as prepared by Developer's contractors, consultants, attorneys, and other such entities.

d. Developer hereby irrevocably directs City to make any payments under this Reimbursement Agreement to the Lender, a Blocked or Lock-Box Account in which the Lender has a first-priority, perfected security interest, or alternatively as the Lender may direct. Developer and City agree and acknowledge that City will not accept any redirection of payments without Lender's written consent.

VI. Termination

Upon the earlier to occur of Project financial close or full repayment of the Loan, this Agreement shall automatically terminate, without further instrument or action, and shall be of no force or effect.

VII. Miscellaneous

a. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

b. Applicable Law. The applicable laws of Missouri shall govern the validity, construction and effect of this Agreement. All disputes arising under or relating to this Agreement shall be filed, maintained, and resolved in accordance with the laws of the State of Missouri without regard to its conflict of law rules.

c. Assignment. Neither party to this Agreement shall be permitted to assign or transfer its rights under this Agreement without the consent of the other party, except that Developer may assign or transfer its interest under this Agreement to an affiliate or subsidiary entity of Developer or as otherwise permitted by Section III.b.

d. Amendments. This Reimbursement Agreement may not be varied, amended or supplemented and any obligation, right, power or remedy shall not be waived except by an agreement in writing signed by duly authorized representatives of City and Developer and with Lender's prior written consent.

e. Notices. A notice or communication under this Agreement by either party to the other shall be sufficiently given or delivered if dispatched by hand, national courier services, or by registered or certified mail, postage prepaid, addressed as follows:

If to City:

Pat Klein
Director, Aviation Department
601 Brasilia Avenue
Kansas City, Missouri
Telephone: (816) 243-3107
Facsimile: (816) 243-

With a copy to:

Galen P. Beaufort
Senior Associate City Attorney
City Attorney's Office
2800 City Hall
414 East 12th Street
Kansas City, Missouri 64106
Telephone: (816) 513-3122
Facsimile: (816) 513-2716

If to Developer:

Edgemoor Infrastructure & Real Estate LLC
7500 Old Georgetown Rd.
Bethesda, MD 20814
Attn: Geoffrey Stricker
Facsimile: (301) 272-1912
Telephone: (301) 272-2990

With a copy to:

Edgemoor Infrastructure & Real Estate LLC
7500 Old Georgetown Rd., 3rd Floor
Bethesda, MD 20814
Attn: Frank J. Baltz
Facsimile: (301) 272-1916
Telephone: (301) 272-8181

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

DEVELOPER:

EDGEMOOR INFRASTRUCTURE & REAL ESTATE
LLC

By: _____

Name: Neal Fleming
Title: President

By: _____

Name: Geoffrey Stricker
Title: Managing Director

CITY:

CITY OF KANSAS CITY, MISSOURI

By: _____

Name: Troy M. Schulte
Title: City Manager

APPROVED AS TO FORM:

By: _____

Name: Galen P. Beaufort
Title: Senior Associate City Attorney

CERTIFICATION OF AVAILABILITY OF FUNDS

I hereby certify that there is a balance, otherwise unencumbered, to the credit of the appropriation to which the foregoing expenditure is to be charged, and a cash balance, otherwise unencumbered, in the treasury, to the credit of the fund from which payment is to be made, each sufficient to meet the obligation hereby incurred.

Randall J. Landes
Director of Finance

EXHIBIT A to Exhibit F
ESTIMATED OUT-OF-POCKET PROJECT COSTS
(ATTACHED)

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[illegible][illegible][illegible]

\$23,200,000	\$23,200,000
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Out-of-Pocket Project Expenses – Detail

Design-Build Costs

- **SOM Team**
 - This includes all design work by SOM and their consultants for the period up to the financial close
 - This work includes but is not limited to:
 - Program Validation – the process of reviewing the Project program documentation to confirm that KCAD and the Airlines have adequately communicated their intent for the design of the Project.
 - Review of the Design Day Flight Schedule (DDFS) – this document is to be provided to CWC/SOM by KCAD. The DDFS is the document that provides the data and recommendations that dictate many of the major design parameters of the Project including number of gates, number of security points, width of circulation spaces, size of baggage handling equipment, etc. It is the starting point for design of every airport facility.
 - Development of the conceptual design documents from which the Baseline Budget will be determined.
 - Meetings with design-assist subcontractors to develop the most economical design.
 - Develop all documentation to support the permitting, procurement, and construction of all early start work (utility relocation, HAZMAT abatement, demolition, etc.).
 - Development of pricing documents from which CWC will determine its lump sum price
 - Support the FAA, Environmental, and SHPO processes with documentation and studies
 - Produce documentation to support the acquisition of permits
 - Meet with KCAD & Airlines to ensure that the design meets the Project program
 - This work will need to be done by any design firm that ultimately completes the project, and SOM's work will be usable by a replacement firm in the event our team is terminated.
- **Geotechnical Work**
 - The existing geological conditions at the site must be evaluated. The evaluation is performed by drilling soil borings throughout the site using exploratory drilling equipment. The information gathered by the soil borings will be documented in the Geotechnical Report. The report is produced by the Geotechnical Engineer and will reflect the actual data collected by the soil borings such as: 1) the type of soils and soil strata, 2) depth of bedrock, 3) elevation of the water table, 4) the load bearing capacity of the soil and rock, 5) the existence of contaminated soil or water, and 6) any particular soil and rock characteristics that are unique to the site.
 - The Geotechnical Report will make recommendations of the types of foundations systems to be used given the information gathered by the soil borings. The recommendations are made by the Geotechnical Engineer of record for the project. The Geotechnical Engineer's recommendations will be used by the structural engineer when selecting the foundation systems, water proofing systems, and subsurface drainage systems for the new airport building. The recommendations will also be used by the civil engineer for pavement design, suitability of existing soils for backfill, and permeability of the existing soils.
 - The Geotechnical Report is the document that permits much of the structural and civil design to proceed. Its information is also critical in determining the extent and location of contaminated soil and water which impacts the cost and schedule of the project during the excavation, underground utility, utility relocation, and foundations phases of the Project.
 - TSI GEOTECHNICAL, INC. located in Kansas City, MO has been selected to be the Geotechnical Engineer of record for the Project. TSI GEOTECHNICAL, INC. will perform all of the soil borings and produce the Geotechnical Report for the Project.

- The Geotechnical Report is site specific and the information contained in it can be used and will be required by any team designing and constructing the Project.
- The Geotechnical Report will belong to the City in the event Developer is terminated and it will be used by any replacement team.
- Existing Conditions Surveying
 - Surveys of the existing buildings on the site must be performed to determine the scope of the demolition work, the scope of hazardous materials removal, and the existing condition of facilities to remain. This survey will be performed by Clark/Weitz/Clarkson (CWC), SOM (and its consultants), and hazardous materials (hazmat) consultants. The information gathered in the surveys will result in documents being produced 1) by CWC for the bidding of the demolition and hazmat removal work on the project, 2) by SOM to depict the extent of the existing facilities to be demolished, and 3) by the hazmat consultant to depict the location, type, and quantity of hazmats to be removed.
 - Surveys of the existing utilities (above and below ground) are especially important as the Project is being performed adjacent to an active airport that cannot experience utility service shutdown. Such existing utilities include but are not limited to: storm drains for the removal of water from runways and existing roofs, underground electrical power cables, FAA control cables, fiber optic communication cables, underground water service piping for domestic water and fire suppression, underground heating and cooling piping from the existing central plant, underground aviation fuel distribution piping, etc.
 - The surveys will be conducted by reviewing existing information provided by KCAD, excavation of exploratory holes (test pits) throughout the site, ground penetrating radar, and site observations. The surveys will be conducted by CWC and SOM (and its consultants). The resulting documentation will detail the type, location, and extent of the existing utilities in the area of the Project.
 - The documentation will then be used to develop utility relocation documents to permit the construction of the Project. The design of the utility relocation documents will require extensive coordination, approval, and permits from FAA, TSA, KC Power & Light (KCP&L), Time/Warner Cable, Google, Century Link, Level 3, AT&T, City of Kansas City Missouri Water Services, KCAD Fire Dept, Spire (MGE), Allied Fuel (jet fuel), and KCAD. The utility relocation documents will need to contemplate the relocation of utilities without interruption of service to the active airport operations.
 - The existing building survey, existing utility survey, and the resulting documents are critical obtaining permits to proceeding with the work that enables the Project to proceed with construction.
 - The firms that have been engaged in the existing surveys work will be:
 - SOM – overall coordination and development of the documents that memorialize existing site conditions and demolition of existing facilities.
 - HENDERSON ENGINEERS, Kansas City, Missouri – development of existing utility survey and utility relocation plans (chilled and hot water, aviation fuel distribution, electrical power).
 - TALIAFERRO & BROWNE, INC. , Kansas City, Missouri – development of existing utility survey and utility relocation plans (water and sewer piping, storm water piping, natural gas).
 - ANLAB ENVIRONMENTAL, Kansas City, Missouri – conduct existing conditions survey, develop hazmat documents.
 - The existing building survey, existing utility survey, and resulting documentation is site specific and the information contained in them can be used and will be required by any team designing and constructing the Project.

- The surveys and resulting documentation will belong to the City in the event of termination and will be used by any replacement firm.
- Traffic Study
 - Traffic studies are required to establish traffic volumes and thereby properly demonstrate the design of roads system to carry traffic in and out of the airport and related structures. The report generated by the traffic study is critical to the civil engineering firm. The civil engineering firm, using the traffic study data, will design the traffic system for the new single terminal project. The traffic system will consist of traffic lights, pavement widths, pavement depths, signage, etc.
 - The results of this study will belong to the City in the event of termination and will be used by any replacement firm.
- Parking Study
 - From the data generated in the traffic study, the parking study establishes the overall need for the number of parking spaces, the requirements for loading and unloading the garage, etc. The parking garage designer will use the parking study as the basis of the parking garage design.
 - The results of this study will belong to the City in the event of termination and will be used by any replacement firm.
- Underground Investigation
 - The underground investigation is performed in conjunction with the geotechnical consultant's work and the existing conditions survey to help identify extraordinary underground conditions related to the site geology, existing underground utilities, and existing contaminated soil and ground water. The existing conditions will be documented in the form of a 3-D computer model. The 3-D model superimposes the new underground facilities to be installed for the Project (foundations, new underground utilities, relocated utilities, etc.) on the existing conditions to indicate constraints created. The 3-D computer model is an invaluable risk avoidance and planning tool for the Project.
 - The Underground Investigation 3-D model will be developed by a specialty consultant.
 - This will be required by any firm performing the work in order to fairly price the excavation of site.
 - The results of this investigation will belong to the City in the event of termination and will be used by any replacement firm.
- Asbestos Abatement
 - Due to the age of the existing facilities, they must be surveyed for the existence of hazardous materials (asbestos, lead paint, PCB's, etc.). The survey generates the HAZMAT report which will characterize the type, location, and quantity of hazardous materials in the existing facility. The HAZMAT report is the basis of the scope of work for the HAZMAT removal contractor. Further, it is used as a guide to determine that the HAZMAT removal contractor has completed the work thereby allowing demolition to commence.
 - This survey will belong to the City in the event of termination and will be used by any replacement firm.
- Construction Fencing
 - This refers to fencing required to separate the Project from the public and the air-side of the airport. The fence design, construction, access points, security procedures, and location will need to be approved by the FAA.
 - The documents produced for the construction fencing, once approved by the FAA, will belong to the City and could be used by any construction firm.

- Co-location Office
 - The costs associated with this item refer to the build-out of the space to be used as Developer's site office. The following services will be performed at the site office:
 - SOM on-site design services staff
 - Collaboration among Developer team and KCAD
 - Procurement of subcontracts
 - Edgemoor management staff
 - CWC project management staff for preconstruction services
 - Subcontractor project management staff
 - The approximate number of staff occupying the site office to perform the above functions during the period prior to financial close will be 100.
 - The site office build-out would be usable by any replacement firm in the event of termination.
- Office Expense
 - Office expenses are those costs for operating the CWC site office. Such costs include office machines (copiers, printers, computers, wifi, telephones, etc.), office furniture, office supplies, cleaning service, etc.
- Travel
 - This covers travel (airlines, hotels, transportation, meals, etc.) for CWC, SOM, and SOM's out-of-town consultants.
 - This does not include travel for Developer personnel—that is covered under "Developer costs".
- Vehicles and Transportation
 - Cost of company owned vehicles used by authorized personnel.
- Information Technology
 - Cost to install company IT networks and servers
 - Monthly charges for telecommunications services
- Clark/Weitz/Clarkson Preconstruction:
 - The costs contained in this section are primarily for the CWC professional and administrative staff and some 3rd party consultants to perform the preconstruction services for the Project. The preconstruction services staff will be a combination of local Kansas City Area residents as well as support professionals that are located at CWC's central offices. The primary function of the preconstruction services effort is to 1) develop a design that meets the program requirements of KCAD, 2) manage the design of the Project to meet the budget constraints of KCAD, and 3) develop and manage to a schedule that meets KCAD's goals for the Project. Some of the activities that will be undertaken by the preconstruction services staff will be:
 - Establishing the Baseline Budget – the development of the Baseline Budget on any project is an iterative process. It begins with the Architect & Engineers working to develop a design that meets KCAD and the Airlines' program requirements. Typically, the first designs developed are higher in cost than the owner requires. This begins an iterative budgeting process through value engineering, material selections, design alternatives, etc. to arrive at a design and budget that work for KCAD and the Airlines, i.e. the Baseline Budget.
 - Design Management – In order for the design to progress in a manner that facilitates the procurement of trade contractors and budget checkpoints, the CWC preconstruction team has full time design managers to oversee SOM and its consultants work. The design management process is twofold: 1) ensure that the design progresses in a manner that a lump sum price can be established for the financial close, 2) ensure that the design is progressing in accordance with KCAD's program requirements.

- Periodic Budget Updates – periodic checkpoints are established as the design progresses to ensure that the design is staying within the Baseline Budget. During these design/budget checkpoints, the preconstruction team begins to engage major trade subcontractors as part of the design assist strategy. Part of controlling the overall cost of the project is to engage the major trades to capture current market conditions (pricing, material availability, labor availability, etc.). KCAD is provided a budget update report at each checkpoint.
- Constructability Studies – as part of the budget checkpoint process, CWC evaluates the design for constructability. Constructability reviews include such subjects as structural details, waterproofing details, availability of selected materials and any other elements of the design that could impact the efficiency of the construction in the field.
- Development of Trade Contractor RFP's – the preconstruction team will conduct the procurement process for the tradework on the project. The procurement process includes but is not limited to: advertising bid opportunities for contractors, conducting contracting opportunity events, developing the MWBE participation plan, conducting RFQ processes, issuing RFP's, evaluation of trade contractor proposals, award of trade contracts.
- Finalizing of the Design – the preconstruction team will continue its work until the construction documents are complete and all of the trade packages have been purchased.
- The document generated during the preconstruction process include:
 - Checkpoint budget update reports – these reports include: 1) updates of the budget based on the design as it stands at the checkpoint, 2) constructability reviews, and 3) value engineering reports.
 - SOM design documents
 - Design management update reports – status of KCAD comments being incorporated into the design.
- The documents generated will belong to the City and could be used by any construction firm.

Developer Costs

Costs below represent Developer's Non-Labor costs only.

- Travel
 - This covers travel (airlines, hotels, transportation, meals, etc.) for Developer personnel.
- Community Relations
 - These are costs incurred working with local community groups to get input into the design and construction process, which will build community buy-in for the project.
 - This item also covers working to understand the community concerns so that we can plan construction to minimize impact on neighbors.
- Insurance Advisors
 - This is the cost of retaining insurance advisors to develop the proper insurance program for the project.
- Technical Advisors
 - This is the cost of hiring 3rd-party to independently evaluate project on behalf of rating agencies. Scope includes review of contracts, airport revenues, price, and schedule.
- Ratings Agency
 - This is the cost of engaging the ratings agencies who will rate the debt.
 - This rating must be obtained before the debt can be sold regardless of who constructs the project.
- Legal Costs
 - These are costs for counsel to negotiate and prepare the agreements.

- Agreements include MOU, Reimbursement Agreement, Pre-Development Loan, Development Agreement, Financing Documents, Contracts for Service Providers
- Financial Advisors
 - This is the cost of engaging PFAL to lead financing process for the deal.
 - Cost includes both monthly fee and reimbursable expenses
 - Scope of work will include both the pre-development loan and the permanent financing
 - The work to structure the financing will be used by the City even if we are terminated—the City might even want to assume this contract and use their work in event of termination.
- Consultants
 - Estimated costs to hire additional development consultants throughout the pre-development period. This could include O&M, environmental, commissioning, testing/inspections, and other development consultants.
- Costs through Referendum
 - These include, among other things, costs Developer team incurred supporting the referendum, and managing team.

Financing Costs

- Cost for pre-development loan to fund development and design-build activities prior to financial close.
- Assumes Interest Expense of \$640K. Interest calculation includes interest costs, and commitment fee expenses. Interest expected to be LIBOR + 50 – 100 bps
- Assumes Upfront Fee Expense of \$930K
- Assumes Legal and other closing costs of \$1.25M

EXHIBIT B to Exhibit F
HISTORICAL OUT-OF-POCKET PROJECT COSTS:ESTIMATED VS. ACTUAL
(ATTACHED)

Edgemoor - Actual					Edgemoor - For Reimbursement Agreement				
Company	Period 1 Costs Prior to 9/23/17	Period 2 Costs 09/23/17 to 11/07/17	Period 3 Costs 11/08/17 to 12/31/2017	Totals	Company	Period 1 Costs Prior to 9/23/17	Period 2 Costs 09/23/17 to 11/07/17	Period 3 Costs 11/08/17 to 12/31/2017	Totals
LABOR COSTS					LABOR COSTS				
Edgemoor	\$92,802.82	\$93,953.09	\$75,843.28	\$262,599.19	Edgemoor	\$0.00	\$0.00	\$0.00	\$0.00
SUB-TOTALS:	\$92,802.82	\$93,953.09	\$75,843.28	\$262,599.19	SUB-TOTALS:	\$0.00	\$0.00	\$0.00	\$0.00
NON-LABOR COSTS					NON-LABOR COSTS				
Edgemoor	\$12,096.39	\$45,767.59	\$33,623.10	\$91,507.08	Edgemoor	\$0.00	\$0.00	\$33,623.10	\$33,623.10
SUB-TOTALS:	\$12,096.39	\$45,767.59	\$33,623.10	\$91,507.08	SUB-TOTALS:	\$0.00	\$0.00	\$33,623.10	\$33,623.10
TOTALS:	\$104,899.21	\$139,740.68	\$109,466.38	\$354,106.27	TOTALS:	\$0.00	\$0.00	\$33,623.10	\$33,623.10
Clark/Welz/Clarkson - A Joint Venture - Actual					Clark/Welz/Clarkson - A Joint Venture - For Reimbursement Agreement				
Company	Period 1 Costs Prior to 9/23/17	Period 2 Costs 09/23/17 to 11/07/17	Period 3 Costs 11/08/17 to 12/31/2017	Totals	Company	Period 1 Costs Prior to 9/23/17	Period 2 Costs 09/23/17 to 11/07/17	Period 3 Costs 11/08/17 to 12/31/2017	Totals
LABOR COSTS					LABOR COSTS				
Clark	\$72,756.18	\$92,703.51	\$177,563.49	\$343,023.18	Clark	\$0.00	\$0.00	\$177,563.49	\$177,563.49
Welz	\$0.00	\$52,398.00	\$53,763.00	\$106,161.00	Welz	\$0.00	\$0.00	\$53,763.00	\$53,763.00
Clarkson	\$22,645.89	\$13,319.17	\$32,168.14	\$68,134.20	Clarkson	\$0.00	\$0.00	\$32,168.14	\$32,168.14
SUB-TOTALS:	\$95,402.07	\$158,420.68	\$263,495.63	\$517,318.38	SUB-TOTALS:	\$0.00	\$0.00	\$263,495.63	\$263,495.63
NON-LABOR COSTS					NON-LABOR COSTS				
Clark	\$19,510.36	\$94,964.23	\$152,106.04	\$266,580.63	Clark	\$0.00	\$0.00	\$152,106.04	\$152,106.04
Welz	\$3,569.41	\$13,420.31	\$297.00	\$17,286.72	Welz	\$0.00	\$0.00	\$297.00	\$297.00
Clarkson	\$1,403.26	\$90.84	\$0.00	\$1,494.10	Clarkson	\$0.00	\$0.00	\$0.00	\$0.00
SUB-TOTALS:	\$24,783.03	\$108,465.38	\$152,403.04	\$285,651.45	SUB-TOTALS:	\$0.00	\$0.00	\$152,403.04	\$152,403.04
TOTALS:	\$120,185.10	\$266,886.06	\$415,898.67	\$802,569.83	TOTALS:	\$0.00	\$0.00	\$415,898.67	\$415,898.67
SOM - Actual					SOM - For Reimbursement Agreement				
Company	Period 1 Costs Prior to 9/23/17	Period 2 Costs 09/23/17 to 11/07/17	Period 3 Costs 11/08/17 to 12/31/2017	Totals	Company	Period 1 Costs Prior to 9/23/17	Period 2 Costs 09/23/17 to 11/07/17	Period 3 Costs 11/08/17 to 12/31/2017	Totals
SOM					LABOR COSTS				
SOM	\$134,747.50	\$297,932.50	\$370,632.50	\$803,312.50	SOM	\$0.00	\$0.00	\$370,632.50	\$370,632.50
SUB-TOTALS:	\$134,747.50	\$297,932.50	\$370,632.50	\$803,312.50	SUB-TOTALS:	\$0.00	\$0.00	\$370,632.50	\$370,632.50
NON-LABOR COSTS					NON-LABOR COSTS				
Reimbursables	\$9,593.45	\$55,734.95	\$23,291.22	\$88,619.62	Reimbursables	\$0.00	\$0.00	\$23,291.22	\$23,291.22
Consultants	\$0.00	\$0.00	\$258,950.92	\$258,950.92	Consultants	\$0.00	\$0.00	\$258,950.92	\$258,950.92
SUB-TOTALS:	\$9,593.45	\$55,734.95	\$282,242.14	\$347,570.54	SUB-TOTALS:	\$0.00	\$0.00	\$282,242.14	\$282,242.14
TOTALS:	\$144,340.95	\$353,667.45	\$652,874.64	\$1,150,883.04	TOTALS:	\$0.00	\$0.00	\$652,874.64	\$652,874.64
LABOR					LABOR				
LABOR	\$322,952.39	\$550,306.27	\$706,971.41	\$1,580,230.07	LABOR	\$0.00	\$0.00	\$634,128.13	\$634,128.13
Non-Labor	\$46,472.87	\$189,987.92	\$468,268.28	\$704,729.07	Non-Labor	\$0.00	\$0.00	\$468,268.28	\$468,268.28
GRAND TOTALS:	\$369,425.26	\$740,294.19	\$1,175,239.69	\$2,287,959.14	GRAND TOTALS:	\$0.00	\$0.00	\$1,102,396.41	\$1,102,396.41

