

**FOURTH AMENDMENT TO ARENA MANAGEMENT AGREEMENT**

**THIS FOURTH AMENDMENT** (this "**Amendment**"), is made and entered into as of \_\_\_\_\_, 2016 (the "**Effective Date**") by and between the City of Kansas City, Missouri (the "**City**") and AEG Kansas City Arena, LLC ("**Manager**").

**RECITALS:**

A. City and Manager are parties to that certain Arena Management Agreement dated as of March 24, 2006 (the "**Original Agreement**"), as amended by that certain First Amendment to Arena Management Agreement dated as of March 24, 2006 (the "**First Amendment**"), that certain Second Amendment to Arena Management Agreement dated as of September 30, 2008 (the "**Second Amendment**"), and that certain Third Amendment to Arena Management Agreement dated as of June 30, 2012 (the "**Third Amendment**"). The Original Agreement as amended by the First Amendment, the Second Amendment and the Third Amendment is hereinafter referred to as the "**Management Agreement**". Capitalized terms not otherwise defined herein shall have the same meanings as ascribed to them in the Management Agreement.

B. The City and Manager desire to amend the Management Agreement as hereinafter set forth.

**NOW, THEREFORE**, for good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, City and Manager hereby agree as follows:

1. **Recitals**. The foregoing Recitals and introductory paragraphs are incorporated herein as if fully here set forth.

2. **Amendment of Section 5.5(f)**. **Section 5.5(f)** of the Management Agreement is hereby deleted in its entirety and the following inserted in lieu thereof:

(f) Net Cash Flow for a particular Fiscal Year to be allocated and paid under **Section 5.5(a)**, above, shall be allocated and paid on an annual basis following the end of such Fiscal Year, except as expressly provided otherwise in **Section 5.5(a)(i)**, **Section 5.5(a)(ii)**, **Section 5.5(a)(iii)**, **Section 5.5(a)(iv)** and **Section 5.7** hereof.

3. **Addition of Section 5.7**. The following new **Section 5.7** is hereby added to the Management Agreement as follows:

**Section 5.7    Retention of Net Cash Flow Under Section 5.5.**

(a) During 2012 and 2014, the Missouri Department of Revenue ("**DOR**") completed sales and use tax audits of the Arena, and the DOR issued final decisions regarding sales tax in connection with leases of suites and the fees relating to rights to purchase tickets at the Arena. Assessments of additional sales tax (the "**Additional Sales Tax**") for the periods October 1, 2007 to June 30, 2010 and September 1, 2010 to August 31, 2013 (the period from October 1, 2007 through August 31, 2013 is hereinafter referred to as the "**Assessment Period**") were made by the DOR. Manager contested the DOR's determinations by instituting proceedings in the State of Missouri's

Administrative Hearing Commission. Two cases on behalf of the Arena were consolidated into a single case, styled AEG Kansas City Arena, LLC, Petitioner vs. Director of Revenue, Respondent, No. 12-1347 RS (the "**Case**"). The hearing on the Case occurred on April 27, 2015. Briefs and reply briefs were filed by the parties through August 2015. No decision has been rendered by the Administrative Hearing Commission in the Case as of the Effective Date. The principal amount of additional sales tax assessed by DOR that is being contested in the Case is \$3,049,356 (the "**Assessment Amount**"). Manager contends that no Additional Sales Tax is due for the Assessment Period, and no portion of the Assessment Amount is properly due and payable.

(b) As of July 31, 2015 (the end of Fiscal Year 2014-2015), the unpaid principal balance of the 10.108 Million Dollar Advance (which is being repaid to City and Manager under **Section 5.5(a)(v)** of this Agreement) is \$3,010,951.00, and the unpaid principal balance of the Six Million Dollar Advance (which is being repaid to City and Manager under **Section 5.5(a)(ii)** of this Agreement) is \$5,671,168.00.

(c) Manager and City agree and acknowledge that if Manager had remitted the Additional Sales Tax at the times during the Assessment Period that DOR alleges that the Additional Sales Tax was due, then the Net Cash Flow available for allocation pursuant to **Section 5.5** hereof for the Fiscal Years ending in 2008, 2009, 2010, 2011, 2012, 2013 and 2104 would have been reduced, and in such event (i) the amounts allocated under **Section 5.5(a)(v)** of this Agreement would have been reduced by an aggregate amount equal to the Assessment Amount, and (ii) City would have received, in the aggregate for such Fiscal Years, \$2,439,484.80 (80% of the Assessment Amount) less than the aggregate amounts actually allocated to City for such Fiscal Years under **Section 5.5(a)(v)**.

(d) City and Manager agree that, for the Fiscal Year ending July 31, 2016, and for future Fiscal Years prior to the final disposition of the Case (whether by final nonappealable judgment, settlement or otherwise) (the "**Final Disposition**"), Manager shall continue to allocate Net Cash Flow as provided in **Section 5.5(a)** of this Agreement, but it is agreed that amounts allocated to City under **Section 5.5(a)** shall be handled as follows:

(i) For the Fiscal Year ending July 31, 2016, (A) all amounts allocable to City under **Section 5.5(a)(ii)** of this Agreement for such Fiscal Year shall be paid to City in accordance with **Section 5.5** of this Agreement, (B) \$222,415.00 of the amounts allocable to City under **Section 5.5(a)(v)** of this Agreement for such Fiscal Year shall be paid to City in accordance with **Section 5.5** of this Agreement, and (C) any remaining amounts allocable to City under **Section 5.5(a)(v)** of this Agreement for such Fiscal Year (the "**FY2015-2016 Retained Amount**") shall be retained by Manager, pending the Final Disposition, as a cash reserve to pay eighty percent (80%) of any amounts owed to DOR (including interest and additions to tax) as a result of the Final Disposition (the total amount owed by Manager to DOR as a result of the Final Disposition is hereinafter

referred to as the "**Final Disposition Amount**," and the amount equal to eighty percent (80%) of the Final Disposition Amount is hereinafter referred to as the "**City Portion**"; and

(ii) For each subsequent Fiscal Year following the Fiscal Year ending July 31, 2016 until conclusion of the Fiscal Year in which the Final Disposition occurs, (A) all amounts allocable to City under **Section 5.5(a)(ii)** of this Agreement for all such subsequent Fiscal Years shall be paid to City in accordance with **Section 5.5** of this Agreement, and (B) any amounts allocable to City under **Section 5.5(a)(v)** of this Agreement for all such subsequent Fiscal Years (the aggregate retained amount under **Section 5.5(a)(v)** of this Agreement for all such subsequent Fiscal Years is hereinafter referred to as the "**Subsequent Fiscal Years Retained Amount**") shall be retained by Manager, pending the Final Disposition, as a cash reserve to pay the City Portion (the FY2015-2016 Retained Amount and the Subsequent Fiscal Years Retained Amount are hereinafter collectively referred to as the "**Retained Amount**").

(e) At such time as the Final Disposition occurs, City and Manager agree that the Retained Amount shall be applied as follows:

(i) The City Portion shall be paid from the Retained Amount; and

(ii) any remaining balance of the Retained Amount shall be paid to City within ten (10) days after the payment of the Final Disposition Amount.

(f) If the Retained Amount is insufficient to pay the City Portion, then City agrees that Manager shall have the right to retain all amounts allocable to City under **Section 5.5(a)(ii)** and **Section 5.5(a)(v)** of this Agreement that become due and payable after the Final Disposition until Manager shall have recovered an amount equal to the difference between the City Portion and the Retained Amount. At all times while Manager is retaining any amounts allocable to City under **Section 5.5(a)(ii)** and **Section 5.5(a)(v)** of this Agreement, Manager shall provide to City a full accounting setting forth the amounts due from City under **Section 5.5(f)**.

4. **Ratification.** Except as specifically set forth in this Amendment, all provisions of the Management Agreement shall be unmodified and shall remain in full force and effect. The Management Agreement as amended by this Amendment is hereby ratified and confirmed.

5. **Counterparts and Facsimile.** This Amendment may be executed in multiple counterparts, each of which, when taken together shall constitute fully executed originals. Signature and transmission by facsimile transmission shall be deemed effective as if original signatures on the original documents.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

**CITY:**

**CITY OF KANSAS CITY, MISSOURI**

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Approved as to form and legality:

\_\_\_\_\_

**MANAGER:**

**AEG KANSAS CITY ARENA, LLC,**

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

APPROVED AND CONSENTED TO BY:

**GUARANTOR:**

**ANSCHUTZ ENTERTAINMENT GROUP,  
INC.**

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_