City of Arlington, Texas

Request for Qualifications
Bond Underwriter Services
Dallas Cowboys Complex Development Project

DUE: December 7, 2004 at 5:00 P.M. Central Standard Time
# TABLE OF CONTENTS

Section I: Statement of Work ......................................................................................................................... 1
   A. Purpose of Request for Qualifications ........................................................................................................ 1
   B. Background .................................................................................................................................................. 1
   C. Scope of Services ......................................................................................................................................... 3
   D. Qualifications Format .................................................................................................................................. 3
      1. Basic Information .................................................................................................................................. 4
      2. Financial Condition ............................................................................................................................... 4
      3. Personnel Assigned .............................................................................................................................. 5
      4. State of Texas Experience .................................................................................................................... 5
      5. Firms Experience with Sports Facility Financings ............................................................................... 5
      6. Senior Manager and Co-manager Experience ..................................................................................... 6
      7. Securities Structuring, Marketing and Distributions ............................................................................ 6
      9. Innovative Financings .......................................................................................................................... 7
     10. Optional ................................................................................................................................................ 7
     11. Participation in City Competitive Bond Sales ..................................................................................... 7
     12. Cost Proposal and Format .................................................................................................................... 7
        a) Exhibit A — Underwriters Compensation ......................................................................................... 8
        b) Exhibit B — Takedowns ..................................................................................................................... 9

Section II: General Information & Instructions for Proposing ....................................................................... 10
   A. Registration ................................................................................................................................................ 10
   B. Questions Concerning RFQ Content .......................................................................................................... 10
   C. Scope of Engagement ............................................................................................................................... 10
   D. Addendum to RFQ .................................................................................................................................... 10
   E. Cost of Preparing Proposal ..................................................................................................................... 10
   F. Submission of Proposals .......................................................................................................................... 10
   G. Independent Price Determination ........................................................................................................... 11
   H. Preparation ................................................................................................................................................ 11
   I. Errors in Proposal Preparation ............................................................................................................... 11
   J. Evaluation of Proposals ............................................................................................................................ 12
   K. Interviews and Schedule .......................................................................................................................... 12
   L. Awards ..................................................................................................................................................... 12
   M. Rejection of Proposals ............................................................................................................................ 12
   N. Payments .................................................................................................................................................. 12
   O. Property ................................................................................................................................................... 13
   P. Independent Relationship ......................................................................................................................... 13
   Q. Reservations .......................................................................................................................................... 13
   R. MBE/WBE .............................................................................................................................................. 13

Section III: Attachments
   A. Master Agreement Regarding Dallas Cowboys Complex Development Project
   B. Cowboys Complex Fair Share Agreement
   C. City of Arlington Financial Policies
   D. GFOA Underwriters’ Expense Component Guidelines
REQUEST FOR QUALIFICATIONS
For
UNDERWRITER SERVICES
DALLAS COWBOYS COMPLEX DEVELOPMENT PROJECT

SECTION I
STATEMENT OF WORK

A. PURPOSE OF REQUEST FOR QUALIFICATIONS

The City of Arlington, Texas (the “City”) is soliciting proposals from investment banking firms for negotiating the sale of bonds (the “Bonds”) to finance a portion of the costs of constructing and equipping the City’s Dallas Cowboys Complex Development project (the “Cowboy Stadium Complex”) to be leased by the City to the Dallas Cowboys Football Club, L.L.C., or an affiliated entity (the “Cowboys”), and issuance costs associated with the issuance of Bonds.

The City will issue, in one or more series, tax-exempt bonds that will be secured by and payable from a senior lien pledge of (a) Sales Tax, (b) Hotel Occupancy Tax, and (c) Rental Car Tax. The City will issue, in one or more series, taxable bonds secured by a subordinate lien pledge of (a) the Sales Tax, (b) the Hotel Occupancy Tax, and (c) the Rental Car Tax and a senior pledge of the base rent payable under the lease agreement with the Cowboys. The City may also consider the possible use of other financial products including synthetic fixed rate debt and or an interest rate lock, if appropriate after full consideration of risks and benefits.

The City intends to use this Request for Qualifications (“RFQ”) at a minimum to select the underwriting team (the “Underwriters”), including the Senior Manager(s) and Co-Managers, for the structuring and sale of the senior and junior lien and lease revenue bonds described above.

Firms responding to this RFQ may not propose as teams for the various underwriting roles. However, Firms should indicate its desired role as Senior Underwriter or Co-Senior Underwriter or both.

B. BACKGROUND

The City

The City is in the eastern part of Tarrant County between Dallas and Fort Worth on IH-30. The City’s location places it at the geographical center of the Dallas-Fort Worth Metropolitan Area.

In November 2004, City voters approved a one-half cent sales tax to fund a portion of the Project Costs of the Cowboy Complex pursuant to the Master Agreement (see Attachment A), between the City and the Cowboys, dated August 17, 2004, in an amount that is equal to the lesser of (i) 50% of the actual Project Costs, or (ii) $325 million, which portion shall be funded out of bond proceeds of one or more series of bonds to be issued by the City.

Project Description and Taxes Authorized

The City plans to construct a first-class, air-conditioned stadium with a retractable roof and a permanent seating capacity of 75,000 people at an estimated cost of $650 million. The costs include construction, land acquisition and infrastructure. The City will pay half of the cost or $325 million, whichever is less. The Cowboys or its affiliate as lessee of the Cowboy Stadium Complex will pay the other half of the costs
plus the costs of any overruns. The project area is in central Arlington, west of Johnson Creek and near the Ameriquest Field, a major league baseball stadium owned by the City that is home to the Texas Rangers Major League Baseball Team.

The lessee of the Cowboy Complex will maintain and operate the facilities and will pay all costs thereof, and will receive all revenues from the operation of the stadium. The lessee will pay the City of Arlington a base rent of $2 million a year beginning in August 2009 and continuing annually throughout the term of the lease, which will end following the NFL playing season that begins in 2038. The lessee will also pay additional rent to the City equal to five percent of certain naming rights proceeds up to $500,000 a year.

The election approved on November 2, 2004, gave authority to the City under Chapter 334 of the Texas Local Government Code to raise three taxes within the City to help pay the City’s cost for the stadium. The sales tax will increase one-half of one percent, the tax paid on a rental car will increase five percent, and the tax paid on a hotel room will increase two percent. The City will pledge the rent received from the lease together with these three tax sources to the payment of bonds issued to finance the City’s share of the capital costs of the stadium complex.

The City was also given authority by the November 2 election to impose two user taxes on the users of the stadium complex, consisting of an admission tax up to 10% added to the price of each ticket sold to an event held at the stadium and a parking tax of up to $3.00 per vehicle for parking at an event. These two revenues sources are available at the option of the lessee, along with additional payments, to secure and pay non-recourse special revenue bonds. This issuance is discussed further in the Master Agreement under section 2.8 (d) and is termed the incremental funding.

The lessee will obtain the funds required to pay its share of the capital costs, including any cost overruns, from conventional commercial and NFL sources as well as the incremental funding. These sources may include long-term bonds payable solely from the user taxes and from other revenues provided by the Cowboys (incremental funding as described above). Respondents are requested to be familiar with the incremental funding. However, this is not a request for qualifications for that financing.

The following table presents the historical sales tax and occupancy tax revenues of the City. For purposes of structuring the firm’s response to this RFQ assume the one-half cent sales tax and two percent occupancy tax at 2004 levels, annual car rental tax revenues of $200,000 and base rent of $2.0 million beginning in August 2009.

<table>
<thead>
<tr>
<th></th>
<th>actual collection</th>
<th>pro forma</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1% Sales Tax</td>
<td>7% Hotel Tax</td>
</tr>
<tr>
<td>1995</td>
<td>32,307,239</td>
<td>3,578,111</td>
</tr>
<tr>
<td>1996</td>
<td>34,660,104</td>
<td>4,286,090</td>
</tr>
<tr>
<td>1997</td>
<td>36,975,373</td>
<td>4,227,215</td>
</tr>
<tr>
<td>1998</td>
<td>37,572,823</td>
<td>4,519,249</td>
</tr>
<tr>
<td>1999</td>
<td>39,130,327</td>
<td>4,525,015</td>
</tr>
<tr>
<td>2000</td>
<td>43,383,927</td>
<td>4,590,234</td>
</tr>
<tr>
<td>2001</td>
<td>44,436,164</td>
<td>4,675,990</td>
</tr>
<tr>
<td>2002</td>
<td>41,172,479</td>
<td>4,118,312</td>
</tr>
<tr>
<td>2003</td>
<td>38,695,033</td>
<td>3,909,501</td>
</tr>
<tr>
<td>2004</td>
<td>39,652,951</td>
<td>3,982,000</td>
</tr>
</tbody>
</table>
Finance Team

The City Finance team consists of City Staff, Vinson & Elkins L.L.P., Bond Counsel; Public Financial Management, Financial Advisor.

C. SCOPE OF SERVICES

The Underwriters will be expected to provide the following services to the City in the typical role of senior managing or co-senior managing underwriter:

1. Review with City, Financial Advisor and Finance Team: current financial plans, financial planning assumptions for funding all capital project costs.

2. Provide financial structuring alternatives and analysis of available funding and financing options within City’s debt policy;

3. Work with City, Financial Advisor and Finance Team to develop optimum funding and financing structure.

4. Assist as required in the preparation of preliminary and final official statements and such other documentation as may be required to issue, market and sell the Bonds;

5. Assist in presentations to rating agencies and bond insurers;

6. Provide comments regarding the debt service structure as proposed by the City, call provisions, discount or premium bonds;

7. Assume primary responsibility for all activities associated with marketing the Bonds, including the development of a marketing plan for the Bonds;

8. Participate as required in all necessary informational meetings for prospective investors prior to the issuance of the Bonds;

9. Supervise as required the formation of any underwriting/syndication group for submission of a proposal to the City of a purchase agreement for the Bonds for resale to investors;

10. Assist City staff, City consultants, and bond counsel in such other matters related to the Bonds as may in the City’s opinion become necessary including appearances before or responding to any governmental oversight body or other interested entity.

D. PROPOSAL FORMAT

NOTE: PAGE LIMIT IS 30 PAGES.

The page limit does not include a transmittal letter of up to two pages highlighting why your firm should be considered for selection, and appendices. Any Proposals exceeding the page limit listed or not in accordance with the format as outlined may be deemed non-responsive and will not be considered for selection.
1. Basic Information
   
a) Firm Information - State the name of your firm, address, telephone, telefax number, and the name, title and e-mail address of the person who will serve as the City’s key contact with your firm with respect to your Proposal. State whether or not there is a local (Arlington) office.

b) Position Desired - Indicate whether your firm wishes to be considered for the position of Senior Managing Underwriter or Co-Managing Underwriter.

c) Firm Ownership - Please indicate if your firm is certified as a minority business enterprise (“MBE”) or women business enterprise (“WBE”) (Please see attachment B).

d) RFQ Compliance - Please indicate that your firm understands the restrictions regarding contact with City officials imposed by the RFQ and has complied.

2. Financial Condition
   
a) For the three most recently completed fiscal years, provide a tabular presentation of the following information:
      i. Total Firm Capital
      ii. Total Equity Capital
      iii. Uncommitted Excess Net Capital
      iv. Limitation on Municipal Underwriting Liability (Per Transaction)
      v. Average Daily Position- All Fixed Income Securities
      vi. Average Daily Position- Municipal Fixed Income Securities
      vii. Average Daily Uncommitted Capital
      viii. Total Public Finance Employees

b) Are there any pending or threatened investigations or litigation by the United States Securities and Exchange Commission, other Federal Agency, or any other regulatory body or court (local, state or federal) or other state agencies regarding your firm or its management with respect to matters related to or potentially affecting work contemplated by this RFQ? Have there been any such investigations or litigation or threats thereof within the past three years? If so, describe thoroughly.

c) Please describe a recent example of your firm’s willingness and ability to underwrite municipal debt that was not sold on a priority basis and how the amount underwritten compared with your firm’s liability in the Agreement Among Underwriters. Please provide the debt issuer's contact and phone number.

d) Provide a copy of your firm’s most recent annual report including the audited financial statements. (Not included in page limitation).
3. Personnel Assigned

a) Identify the lead banker of your firm who will be involved in this financing, i.e. the person who will have the day-to-day management responsibility and who will provide the Underwriting team leadership for the Bonds. Please indicate the status of this individual within your organization and his/her professional background and experience in: (i) Dedicated (preferably sales) tax bond financing, (ii) State of Texas debt, and (iii) provide his/her experience in the completion of sports facility transactions. Please furnish three references for the lead banker.

b) Please provide background information for your firm’s lead underwriter for the Bonds.

4. State of Texas Experience

a) Describe in tabular and anecdotal form your firm’s experience since January 1999 with managing and structuring State of Texas municipal issues as Senior and/or Co-Managing Underwriter. Please specify for each transaction your firm’s role (Senior vs. Co-Manager), date, par amount, purpose, priority orders, allotted bonds and bonds underwritten. (Tables detailing financing experience do not count against the page limit.)

b) Please provide two brief case studies, which demonstrate your firm’s understanding and value-added in structuring, selling and underwriting State of Texas bonds.

5. Firms Experience with Sports Facility Financings

a) Describe your experience with sports facility financings. Provide, in tabular format, financings for which your firm served as senior manager or co-manager from January 1, 1999 to present. Include both negotiated and competitive financings. Provide the following information: Sale Date, Issuer, Par Amount, Ratings (Moody’s/S&P/Fitch), Type of Sale (C or N), and Role (Sr. or Co.).

b) Additionally, please provide the following totals pertaining to the list submitted:

   i. Total number of issues and associated par amounts.
   ii. Total number of issues and associated par amounts where firm acted as senior manager.
   iii. Total number of competitive issues and associated par amounts where firm acted as senior manager.
   iv. Total number of negotiated issues and associated par amounts where firm acted as senior manager.
   v. Total number of revenue bond issues and associated par amounts where firm acted as senior manager.

Include total number of issues and associated par amounts where firm acted as co-manager.
6. Senior Manager and Co-manager Experience

   a) Please provide the following information from January 1, 1999 to present. (Firms with no Senior Manager experience will be considered for Co-Manager only.)

   b) Number of, and Average Size, of Senior Managed Deals

   c) Average Participation in Senior Managed Deals

   d) Number of, and Average Size of, Co-Managed Deal

   e) Average Participation in Co-Managed Deals

7. Securities Structuring, Marketing and Distribution

   a) Describe your firm’s strengths and capabilities to market and distribute the Bonds.

   b) Describe the marketing program you would recommend the City employ in selling the Bonds? Explain your rationale for such a program. Do you recommend a separate retail order period? If so, why?

   c) Provide the criteria you believe to be appropriate for structuring the management group and syndicate or selling group. Be as specific as possible with regard to the number, type of firms, including recommended liability, as well as your rationale for their inclusion (assuming a $150 million issuance). Describe your views about the use and level of retention by managers and by Syndicate members.

   d) How would you propose to allot Bonds among all of the managers after the bond marketing and order period has ended and what mechanisms, controls and reports would you offer to assure the City that all managers had been fairly treated in the bond allotment process?

   e) What type of priority rules would you establish on the allocation of bonds?

   f) Describe the Texas bond market’s appetite for call features that are more aggressive than a standard ten-year call at par.

   g) Provide your views on discount and premiums bonds in the current interest rate and market environment.

   h) Describe the advantages and disadvantages of fixed vs. floating rate debt in the current interest rate environment.

8. Financial Plan and Financing Model Review

Taking into consideration the information, funding requirements, objectives, and financial planning structures provided in Attachment A (Master Agreement) and Attachments B, C, and D and the base year revenue estimates provided on page two:

   a) Please provide recommendations for financing alternatives or financial structuring techniques to assist the City in meeting funding capacity requirements and objectives at the lowest cost with prudent levels of risk and flexibility.
b) In addressing Question 8a, please provide comments and recommendations concerning the following:

i. Enhancing senior lien debt capacity under existing debt covenants and statutory requirements.

ii. Structuring and optimizing subordinate lien sales tax debt capacity.

iii. Projecting and optimizing the use of future sales tax revenues for meeting City payment obligation and project funding capacity objectives, in particular considering: a) the appropriateness of a no growth assumption, b) historic sales tax growth rates, and c) financial market perceptions and considerations on sales tax secured debt.

iv. The use of derivative products to lower the cost and/or lower the market risks of the overall financing plan. In particular address:

- The appropriateness of synthetic fixed or variable rate debt in the financing structure,

- The appropriateness of introducing tax risk into the structure or hedging tax risk if your proposal calls for the inclusion of VRDB's in the structure,

- The appropriateness of the use of forward delivery or forward purchase agreements to hedge market risk, and/or

- The appropriateness of the use of “floors, caps, collars” or other hedging devices to manage market risk inherent to the financing schedule and structure.

v. The extent to which you think your funding recommendations could have an impact upon the Master Agreement between the Cowboys and the City.

9. Innovative Financings

Please provide up to three examples of innovative techniques your firm has used in revenue bond financings within the last five years.

10. Optional

Please provide additional information that you feel would demonstrate your firm’s value added on this Project.

11. Participation in City Competitive Bond Sales

Please provide the firm’s historical participation in the City of Arlington’s competitive bond sales.

12. Cost Proposal And Format

a) Please provide cost information in a tabular format in the order specified in Exhibit A. Failure to provide all cost information will result in the Proposal being deemed non-responsive. Please refer to Attachment F for details of expenses that are acceptable to the City as outlined by the Government Finance Officers Association (the “GFOA”).
b) Please list takedowns in Exhibit B assuming a $150 million fixed rate financing with Bonds being amortized from 2006 to 2035 on a level debt service basis. Indicate changes in your takedown schedule should the par amount change by $50 million in either direction. Please detail separate fee arrangement for subordinated debt and the use of other structures or products.

EXHIBIT A
Underwriters Compensation

Provide compensation proposals for senior lien and subordinate lien debt and any alternative financing structures that you may have presented in your proposal.

<table>
<thead>
<tr>
<th></th>
<th>Whole Dollars</th>
<th>Dollars Per Thousands</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Management Fee:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Manager(s)</td>
<td>$________</td>
<td>$________</td>
</tr>
<tr>
<td>Co-Managers</td>
<td>$________</td>
<td>$________</td>
</tr>
<tr>
<td>Total Management Fee:</td>
<td>$________</td>
<td>$________</td>
</tr>
<tr>
<td>B. Takedown (from Exhibit B)</td>
<td>$________</td>
<td>$________</td>
</tr>
<tr>
<td>C. Risk</td>
<td>$________</td>
<td>$________</td>
</tr>
<tr>
<td>D. Expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(please specify by category)</td>
<td>$________</td>
<td>$________</td>
</tr>
<tr>
<td>- Underwriter’s Counsel *</td>
<td>$________</td>
<td>$________</td>
</tr>
<tr>
<td>- Travel Expenses</td>
<td>$________</td>
<td>$________</td>
</tr>
<tr>
<td>- Other (please detail)</td>
<td>$________</td>
<td>$________</td>
</tr>
<tr>
<td>GROSS SPREAD</td>
<td>$________</td>
<td>$________</td>
</tr>
</tbody>
</table>

*Please list the name and address of the proposed Underwriter’s Counsel and the name and contact information for the lead person. Proposed Underwriter’s Counsel should be a Texas based law firm, or have offices located in Texas.
EXHIBIT B
Takedowns

Provide proposed takedowns for senior lien and junior lien debt and any alternative financing structures that you may have presented in your proposal.

<table>
<thead>
<tr>
<th>Year</th>
<th>Takedown</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td></td>
</tr>
<tr>
<td>2024</td>
<td></td>
</tr>
<tr>
<td>2025</td>
<td></td>
</tr>
<tr>
<td>2026</td>
<td></td>
</tr>
<tr>
<td>2027</td>
<td></td>
</tr>
<tr>
<td>2028</td>
<td></td>
</tr>
<tr>
<td>2029</td>
<td></td>
</tr>
<tr>
<td>2030</td>
<td></td>
</tr>
<tr>
<td>2031</td>
<td></td>
</tr>
<tr>
<td>2032</td>
<td></td>
</tr>
<tr>
<td>2033</td>
<td></td>
</tr>
<tr>
<td>2034</td>
<td></td>
</tr>
<tr>
<td>2035</td>
<td></td>
</tr>
</tbody>
</table>
SECTION II
GENERAL INFORMATION AND INSTRUCTIONS FOR PROPOSING

A.  REGISTRATION

Please provide the name, phone number, fax number, and e-mail address for a designated person in your firm for purposes of registering your firm's interest in proposing under this RFQ. This information will be used for all follow-up correspondence and communication from the City regarding this RFQ.

B.  QUESTIONS CONCERNING RFQ CONTENT

All inquiries to this RFQ may be addressed at a pre-bid conference on November 29, 2004 at 2:00 p.m. Central Standard Time. The pre-bid conference will be held at 101 West Abram Street, Arlington, Texas 76010 (Arlington City Hall, 3rd floor briefing room).

No inquiries will be responded to after the pre-bid conference. Contact with City policy-makers or staff other than the contact listed herein is prohibited. Any inquiries to this Request for Qualifications should be directed to:

<table>
<thead>
<tr>
<th>Chris W. Allen</th>
<th>Marlin Mosby</th>
</tr>
</thead>
<tbody>
<tr>
<td>700 Lavaca, Suite 1500</td>
<td>530 Oak Court Drive, Suite 160</td>
</tr>
<tr>
<td>Austin, Texas 78701</td>
<td>Memphis, TN 38117</td>
</tr>
<tr>
<td>(512) 472-7194</td>
<td>(901) 382-8356</td>
</tr>
</tbody>
</table>

C.  SCOPE OF ENGAGEMENT

The City is requesting proposals to secure the services of Senior Managing and Co-Managing Underwriters. A more detailed discussion of the scope of services is contained in Section I of this RFQ.

D.  ADDENDUM TO RFQ

The City reserves the right to amend the RFQ prior to the due date of responses. If it becomes necessary to revise any part of the RFQ, an addendum shall be provided to all respondents who have been sent a copy of this RFQ. All respondents shall include acknowledgment of all addenda as part of their proposal. Failure to acknowledge addenda may result in disqualification of the proposal.

E.  COST OF PREPARING PROPOSAL

Costs incurred developing proposals are to be entirely borne by the respondents and will not be reimbursed under any circumstances. This includes costs to determine the nature of this engagement, preparation of the proposal, submission of proposal, and all other costs associated with this RFQ and responses thereto. All supporting documentation and manuals submitted with this proposal will become the property of the City. All proposals and associated documents are public record (see section II, N. Property, for further detail).

If for any reason the proposal is incomplete or questions are unanswered, the proposal may be rejected.
F. **SUBMISSIONS OF PROPOSALS**

Five copies of each proposal shall be submitted to Chuck Springer, two copies to Chris Allen, and one copy to Marlin Mosby no later than 5:00 p.m. Central Standard Time on December 7, 2004.

Chuck Springer  
Treasury Manager  
City of Arlington  
201 E. Abram St., Suite 800  
Arlington, TX 76004  
(817) 459-6307

Chris Allen  
Senior Managing Consultant  
Public Financial Management, Inc.  
700 Lavaca, Suite 1500  
Austin, TX 78701  
(512) 472-7194

Marlin Mosby  
Managing Director  
Public Financial Management, Inc.  
530 Oak Court Drive, Suite 160  
Memphis, TN 38117  
(901) 382-8356

In order to be considered for selection, responses must arrive at the City on or before the date and time specified. Respondents mailing responses should allow for normal mail delivery time to ensure receipt by the City. Proposals received after the stated time shall not be considered. The City retains the right to waive irregularities.

Proposals exceeding the specified length will not be considered.

Each copy of the proposal shall be signed by an authorized representative of the firm or individual responding.

G. **INDEPENDENT PRICE DETERMINATION**

A Proposal will not be considered for award if the fees were not arrived at independently and without collusion, communication or agreement as to any matter related to such prices with any other vendor, competitor or public officer.

The vendor must include a certified statement in the proposal transmittal letter certifying that the price was arrived at without any conflict of interest, as described above.

H. **PREPARATION**

Responses should provide a straightforward, concise description of proposer’s capabilities to satisfy the requirements of this RFQ. Emphasis should be on completeness and clarity of content. Repetition of the terms and conditions of the RFQ, without additional explanation will not be considered sufficiently responsive.

I. **ERRORS IN PROPOSAL PREPARATION**

The City has the right to rely on any price quotes provided by respondents. The proposer may be responsible for any mathematical error or incorrect extension of any calculations leading to the proposer’s price quotes. The City reserves the right to reject cost proposals which contain errors.
J. EVALUATION OF PROPOSALS

All Proposals submitted in response to the RFQ will be evaluated by the City, with consideration focused toward, but not limited to, the following:

1. Approach to structuring and plan of finance that meets the City’s financing objective in the most cost-effective manner.

2. Approach to marketing and sale of bonds, including ability of firm to efficiently market both taxable and tax-exempt bonds of the type being considered.

3. The firm’s experience in structuring and marketing taxable municipal bonds and sales tax bonds. Specific experience in financing stadium or sports complexes will be given preference in the evaluation of proposals.

4. Experience and qualifications of individuals to be responsible for the project.

5. Costs

6. Firm’s participation in the City of Arlington’s competitive bond sales.

7. The firm’s financial stability and strength.

8. Level of MBE/WBE participation.

K. INTERVIEWS AND SCHEDULE

Based on the proposed evaluation, the City plans to interview the three to five highest ranked firms to allow an opportunity for the proposer to further present its credentials and respond to any questions. The City plans to notify these firms by December 13/14, 2004 and interviews are scheduled for December 16 & 17, 2004.

L. AWARDS

Awards will be made by the City based upon the best interest of the City. The successful proposer will be notified by the City. The City reserves the right to approve the selection of Senior Managing Underwriter(s) and Co-Managing Underwriters.

M. REJECTION OF PROPOSALS

The City reserves the right to reject any or all proposals, or to award in whole or in part if deemed to be in the best interest of the City.

N. PAYMENTS

Payments to successful proposer(s) shall be contingent upon the actual issuance of Bonds and will be made in accordance with mutually agreeable terms between the successful proposer and the City.
O. PROPERTY

All proposals received in response to this request shall become the property of the City. All proposals shall be regarded as public records with the exception of those parts of each proposal which are appropriately defined by the proposer as business or trade secrets provided that said parts are submitted in an envelope and clearly marked as “Trade Secret”, “Confidential” or “Proprietary”. The City shall not otherwise be liable or responsible for anything that may result from the disclosure of any proposal. Submission of a proposal acknowledges agreement with this provision and affirms the understanding that all interns submitted in response to this request, or related thereto, are public records, except when properly defined and marked “Trade Secret”, “Confidential”, or “Proprietary”. The proposer shall be responsible for defending any challenge to the “Trade Secret”, “Confidential”, Proprietary”, or similarly labeled material.

P. INDEPENDENT RELATIONSHIP

All parties hereto, in the performance of any services provided as a result of this RFQ, will be acting in each such party’s individual capacity and not as agents, employees, partners, joint ventures or associates of one another. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

Q. RESERVATIONS

The City reserves the right to select a different Senior Managing Underwriter and/or Co-Manager for future series of bonds which the City may issue. Any firm which submits a proposal to serve as Senior Managing Underwriter pursuant to this RFQ will by virtue of submitting a proposal therefore be considered for a Co-Managing Underwriter position if the firm is not selected as a Senior Manager.

R. MBE/WBE

Please provide the City with your firm’s Affirmative Action and Equal Opportunity Policy Statement, if any, and such other information or documentation which you believe indicates the results achieved throughout the implementation of such policy. MBE/WBE goals will be a factor in selecting Underwriters.
SECTION III
ATTACHMENTS

Master Agreement Regarding Dallas Cowboys Complex Development Agreement ...... Attachment A
Cowboys Complex Fair Share Agreement ........................................................................... Attachment B
City of Arlington Financial Policy ................................................................................... Attachment C
GFOA Underwriters’ Expense Component Guidelines .................................................... Attachment D
ATTACHMENT A
MASTER AGREEMENT REGARDING DALLAS COWBOYS COMPLEX DEVELOPMENT PROJECT
MASTER AGREEMENT REGARDING
DALLAS COWBOYS COMPLEX DEVELOPMENT PROJECT

Between

CITY OF ARLINGTON
And
DALLAS COWBOYS FOOTBALL CLUB, L.L.C.

Dated as of August 17, 2004
# TABLE OF CONTENTS

**ARTICLE I**

**THE COWBOYS COMPLEX DEVELOPMENT**

<table>
<thead>
<tr>
<th>Section 1.1.</th>
<th>Affiliated Club Parties</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 1.2.</td>
<td>Development of the Cowboys Complex</td>
<td>3</td>
</tr>
<tr>
<td>Section 1.3.</td>
<td>Ownership of the Cowboys Complex, Exemptions from Ad Valorem Taxes, and Sales Taxes During Construction</td>
<td>4</td>
</tr>
<tr>
<td>Section 1.4.</td>
<td>Design and Construction of The Cowboys Complex</td>
<td>4</td>
</tr>
<tr>
<td>Section 1.5.</td>
<td>Architect and Engineers</td>
<td>5</td>
</tr>
<tr>
<td>Section 1.6.</td>
<td>General Contractor</td>
<td>5</td>
</tr>
<tr>
<td>Section 1.7.</td>
<td>City Participation in Designing The Cowboys Complex</td>
<td>5</td>
</tr>
<tr>
<td>Section 1.8.</td>
<td>City Permits and Inspectors</td>
<td>6</td>
</tr>
<tr>
<td>Section 1.9.</td>
<td>Contractor Assurances</td>
<td>7</td>
</tr>
<tr>
<td>Section 1.10.</td>
<td>Construction Contracts</td>
<td>7</td>
</tr>
<tr>
<td>Section 1.11.</td>
<td>Additional Requirements</td>
<td>7</td>
</tr>
<tr>
<td>Section 1.12.</td>
<td>Naming Rights, Sponsors and Signage</td>
<td>9</td>
</tr>
<tr>
<td>Section 1.13.</td>
<td>Marketing</td>
<td>9</td>
</tr>
</tbody>
</table>

**ARTICLE II**

**COSTS AND FINANCING OF THE COWBOYS COMPLEX**

<table>
<thead>
<tr>
<th>Section 2.1.</th>
<th>The Cowboys Complex Costs</th>
<th>10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 2.2.</td>
<td>Project Budget and Master Plan</td>
<td>12</td>
</tr>
<tr>
<td>Section 2.3.</td>
<td>City Project Fund and Cost Account</td>
<td>12</td>
</tr>
<tr>
<td>Section 2.4.</td>
<td>Club Project Cost Account</td>
<td>13</td>
</tr>
<tr>
<td>Section 2.5.</td>
<td>Disbursement Account</td>
<td>13</td>
</tr>
<tr>
<td>Section 2.6.</td>
<td>Disbursements To Pay Project Costs</td>
<td>14</td>
</tr>
<tr>
<td>Section 2.7.</td>
<td>City’s Funding Commitment</td>
<td>15</td>
</tr>
<tr>
<td>Section 2.8.</td>
<td>Club’s Funding Commitment</td>
<td>17</td>
</tr>
<tr>
<td>Section 2.9.</td>
<td>Closing; Closing Date</td>
<td>17</td>
</tr>
<tr>
<td>Section 2.10.</td>
<td>Right to Audit</td>
<td>18</td>
</tr>
</tbody>
</table>

**ARTICLE III**

**THE LAND**

<table>
<thead>
<tr>
<th>Section 3.1.</th>
<th>The Cowboys Complex Site</th>
<th>18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 3.2.</td>
<td>Land Acquisition</td>
<td>19</td>
</tr>
<tr>
<td>Section 3.3.</td>
<td>Condemnation</td>
<td>19</td>
</tr>
<tr>
<td>Section 3.4.</td>
<td>Streets</td>
<td>19</td>
</tr>
</tbody>
</table>
Section 3.5. Related City Roadway Improvements ................................................................. 19
Section 3.6. Parking Requirements ...................................................................................... 19

ARTICLE IV
LEASE MATTERS
Section 4.1. Club Lease ...................................................................................................... 20
Section 4.2. Non-Relocation Agreement ............................................................................ 21
Section 4.3. Community Contribution ................................................................................. 22

ARTICLE V
CONDITIONS
Section 5.1. Conditions to the City’s Obligations ................................................................. 22
Section 5.2. Conditions to the Club’s Obligation ................................................................. 22

ARTICLE VI
TERMINATION
Section 6.1. Termination .................................................................................................... 23
Section 6.2. Termination Procedure .................................................................................... 23
Section 6.3. Termination upon Execution of Project Documents ......................................... 24

ARTICLE VII
MISCELLANEOUS
Section 7.1. Further Agreements ....................................................................................... 24
Section 7.2. GOVERNING LAW ......................................................................................... 24
Section 7.3. Compliance with Laws .................................................................................... 24
Section 7.4. Venue for Actions ............................................................................................ 24
Section 7.5. Taxes ............................................................................................................... 24
Section 7.6. Force Majeure ................................................................................................. 25
Section 7.7. Representatives ............................................................................................... 25
Section 7.8. Obligations to Defend Validity of Agreement .................................................. 25
Section 7.9. Exclusive Dealing ............................................................................................ 25
Section 7.10. Confidentiality ............................................................................................... 26
Section 7.11. Successors and Assigns .................................................................................. 26
Section 7.12. Non-Compete Covenant ................................................................................. 26
Section 7.13. Minority Hiring, Contracting, Vending ........................................................... 26
Section 7.14. Entire Agreement: Amendment ..................................................................... 26
Section 7.15. Waiver .......................................................................................................... 26
Section 7.16. Notices .......................................................................................................... 27
Section 7.17. Delays or Omissions ....................................................................................... 27
Section 7.18. No Joint Venture ............................................................................................ 28
Section 7.19.  Counterparts...........................................................................................................28
Section 7.20.  Titles and Subtitles.................................................................................................28
Section 7.21.  Notice and Cure .................................................................................................28
**LIST OF EXHIBITS**

<table>
<thead>
<tr>
<th>EXHIBIT A</th>
<th>Chapter 334 Election Ordinance</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXHIBIT B</td>
<td>Preliminary Site Map</td>
</tr>
<tr>
<td>EXHIBIT C</td>
<td>Preliminary Cowboys Complex Project Budget</td>
</tr>
</tbody>
</table>
MASTER AGREEMENT REGARDING

COWBOYS COMPLEX DEVELOPMENT PROJECT

THIS MASTER AGREEMENT REGARDING COWBOYS COMPLEX DEVELOPMENT PROJECT (this “Agreement”) is entered into as of August 17, 2004, by and between the CITY OF ARLINGTON, TEXAS, a duly incorporated home rule city of the State of Texas (the “City”), and THE DALLAS COWBOYS FOOTBALL CLUB, L.L.C., a Texas Limited Liability Company (the “Club”).

W I T N E S S E T H:

WHEREAS, the Club, as the owner of a professional football team that is popularly known as the “Dallas Cowboys” (the “Team”) and that is in good standing as a member team of the National Football League (the “NFL”), has determined that it is in the best interests of the Team and its fans to play all of its regularly scheduled home football games in a new, flexible, retractable roof, multi-functional stadium, coliseum, sports and community venue project (the “Cowboys Complex”) to be located and constructed within the City on a portion of the “Land,” preliminarily identified on Exhibit B hereto (the “Land”); and

WHEREAS, the Club intends that the Cowboys Complex will be constructed as a first-class facility on a par with other comparably-sized, municipally-owned, multi-use outdoor/indoor sports and community venue projects recently constructed in North America, and, although designed and constructed primarily for use as the home field of the Team, the Cowboys Complex will be designed to accommodate approximately 75,000 persons for indoor or outdoor professional and college football games and will be capable of temporary reconfiguration for other types of indoor or outdoor sports and entertainment events; and

WHEREAS, subject to the performance by the City of its undertakings described herein, the Club has agreed to execute a non-relocation agreement (the “Non-Relocation Agreement”) to designate the Cowboys Complex as the home field of the Team commencing with the Team game season in the year 2009 and to play all of its regularly scheduled home football games in the Cowboys Complex thereafter through the regular season ending in the year 2039; and

WHEREAS, pursuant to the authority granted to the City in Chapter 334, Local Government Code, as amended (the “Act”), and in consideration of the undertakings of the Club contained herein and the other agreements described herein and of the continuing economic benefits to be derived therefrom by the City and its citizens, the City, if authorized by its citizens at an election (the “Election”) called and held in accordance with the Chapter 334 Election Ordinance attached hereto as Exhibit A, has agreed to join with the Club in the financing and development of the Cowboys Complex and to share in the costs thereof to the extent provided in and in accordance with the terms of this Agreement and the other contracts and agreements referred to or incorporated herein or contemplated hereby; and

WHEREAS, if a majority of the City’s voters who cast votes in the Election shall have voted in favor of the proposition, then, in such event, the City and the Club have agreed to use
diligent good faith efforts to attempt to reach final agreement on all of the Project Documents (as defined herein) necessary to pursue the Cowboys Complex; and

WHEREAS, in the event that such Project Documents have not been agreed to by the City and the Club on or before December 31, 2004, then either party shall have the right to terminate this Agreement, in which event, neither party shall have any further liability to the other on account thereof; and

WHEREAS, if, on the other hand, the Project Documents are executed, on or before December 31, 2004, then the Project Documents shall supersede the terms and provisions of this Agreement and the relationship of the parties shall continue in accordance with the terms thereof; and

WHEREAS, the Project Documents shall include a Project Development Agreement, a Funding Agreement, an Operating Agreement or Lease, a Club Lease or Sublease Agreement, a Club Non-Relocation Agreement, a Lease-Performance Guaranty Agreement by the Club, if the Club is not itself the “lessee” under the Lease, and such other agreements as the parties may mutually agree to; and

WHEREAS, the Club currently estimates that the “Cowboys Complex Budget,” as defined herein, will be approximately $650 million, subject to subsequent adjustments based on the ultimate land acquisition and preparation costs and the completion of final design and architectural plans and final construction costs for the Cowboys Complex; and

WHEREAS, the City, if authorized at the Election, has agreed to pay for a portion of the Project Costs (as hereinafter defined) of the Cowboys Complex pursuant to the provisions hereof in an amount that is equal to the lesser of (i) 50% of the actual Project Costs, or (ii) $325 million, which portion shall be funded out of the proceeds (the “Available Bond Proceeds”) of one or more series of the Cowboys Complex Bonds, as described in Section 2.7(a) hereof to be issued by the City in accordance with the Act; and

WHEREAS, as consideration for the use and occupancy of the Cowboys Complex and in addition to all other amounts for all purposes required to be paid and expended by the Club under this Agreement and the Project Documents, the Club will pay or cause to be paid to the City as the City’s money and property a rental (the “Base Rent”) equal to the total of (i) the annual amount of Two Million Dollars ($2,000,000) commencing in the year 2009 and annually throughout the initial term of the Club Lease, and (ii) five percent (5%) of certain naming rights proceeds, but not exceeding $500,000 per year, derived in the future and at any time after the execution of this Agreement and continuing throughout the initial term of the Club Lease, by the Club from the sale of the naming rights for the Cowboys Complex as described in this Agreement; and

WHEREAS, in addition to the Base Rent, the Club directly or through other selected entities affiliated with the Club or the principals of the Club, has agreed to pay or contribute, in annual amounts of $500,000, the aggregate sum of $16.5 million, commencing in the year 2006 and continuing annually thereafter through the initial term of the Club Lease to benefit the youth
of the City by funding various facilities and programs for youth sports, recreation and education purposes; and

WHEREAS, the share of the costs of the Cowboys Complex to be provided by the Club shall be obtained and provided by the Club from any sources determined by the Club, including but not limited to the private funds and sources described herein; and

WHEREAS, any portion of the costs of the Cowboys Complex not funded by the methods described in the previous recitals may, at the option of the Club, be obtained through “Incremental Funding,” as described in Section 2.8(c) hereof, that will be secured by and payable solely from one or more of the following and other user sources as more fully detailed in the Project Documents: (i) the Additional Rent (as set forth herein) paid to the City, and (ii) if authorized at the Election and in accordance with the Act, (A) an admissions tax on each ticket sold for admission to an event at the Cowboys Complex, at a rate not to exceed 10% of the price of a ticket sold (the “Admissions Tax”); (B) an event parking tax on each motor vehicle parking in a parking facility of the Cowboys Complex at a rate not to exceed $3 for each motor vehicle (the “Parking Tax”); and any other private sources, as determined by the Club, and pursuant to the rights and options reserved to the Club in Section 2.8(c) hereof, all to be done without recourse to the City; and

WHEREAS, this Agreement sets forth the preliminary plan of the City and the Club regarding the financing and development of the Cowboys Complex, and the parties have agreed, subject to the Project Documents, to complete and implement the financing and development plan consistent with the terms of this Agreement and the Project Documents as soon as practicable following the execution of the Project Documents if the proposition submitted pursuant to the Election Ordinance attached hereto as Exhibit A is approved by the voters at the Election;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged and confessed by each of the parties hereto, the City and the Club have agreed and do hereby agree as follows:

ARTICLE I

THE COWBOYS COMPLEX DEVELOPMENT

Section 1.1. Affiliated Club Parties.

The Club will have the right to form wholly-owned subsidiaries or the principal owners of the Club will have the right to form other entities affiliated with the Club or such principal owners, either of which may be responsible for and control the development, construction, operations and maintenance of the Cowboys Complex.

Section 1.2. Development of the Cowboys Complex

Subject to the terms and conditions set forth in this Agreement, (a) the Club (or its designee) shall plan, design, develop, construct, complete and make operational the Cowboys
Complex substantially in accordance with the Cowboys Complex Stadium Elements; and (b) the respective funding commitments shall be funded from the sources and in the manner provided in Article II hereof.

Section 1.3. Ownership of the Cowboys Complex, Exemptions from Ad Valorem Taxes, and Sales Taxes During Construction

(a) The City shall own the Cowboys Complex for public purposes as provided herein and as set forth in the Act. The City and the Club shall jointly own all the Cowboys Complex architectural drawings, renderings, designs, plans and specifications (the “Plans”); provided, however, that the City shall not use any of such Plans for commercial purposes or purposes unrelated to the Cowboys Complex. The Club shall have exclusive rights and benefits to licensing and granting rights in the Plans as contemplated herein and in the Project Documents.

(b) The components of the Cowboys Complex located on the Land and owned by the City and the Club’s leasehold interest therein is intended to be and shall remain exempt from ad valorem taxes as set forth in the Act.

(c) During construction of the Cowboys Complex, the City and the Club shall cooperate in seeking a determination from the Comptroller of Public Accounts of the State of Texas confirming that items of tangible personal property (including without limitation materials, equipment and supplies) acquired by the City or by the Club on behalf of the City pursuant to the Project Documents shall be exempt from sales and use taxes. The City and the Club shall take appropriate or necessary steps to establish and maintain the foregoing exemption, including without limitation (i) structuring all construction contracts and subcontracts as “separated contracts” within the meaning of the Texas Tax Code, containing separately stated contract prices for materials and labor, (ii) executing and delivering an agreement or agreements between the City and the Club providing for donation and assignment to the City of items of tangible personal property (including without limitation materials, equipment and supplies) purchased with funds disbursed out of the “Project Account(s),” as defined herein, as and when incorporated into the Cowboys Complex or as and when delivered to the Land (including any staging area relating to the Cowboys Complex), (iii) the City’s confirming in writing to the Club the City’s acceptance of delivery of each donation of such tangible personal property, and (iv) the Club’s issuing exemption certificates to its contractors and requiring that all contractors issue resale certificates to their subcontractors, in each case claiming appropriate exemption from tax.

Section 1.4. Design and Construction of The Cowboys Complex

The Club shall have exclusive control over the planning, design, engineering and construction of the Cowboys Complex, except to the extent this Agreement expressly provides for the City’s participation in that process. The Club shall be responsible for meeting or requiring through its contracts with its design professionals and contractors for meeting those requirements of law applicable to the construction of improvements on privately owned real property in the State of Texas (including without limitation, if applicable, (i) United States Occupational Safety and Health Administration requirements, (ii) Americans with Disabilities Act requirements, (iii) requirements under Title VII of the Civil Rights Act of 1964, as amended, (iv) Age
Discrimination in Employment Act requirements, (v) building codes and zoning requirements, and (vi) storm water, street, utility and related requirements).

Section 1.5. Architect and Engineers.

(a) The Club shall have all authority, control and rights in selecting (including the procedures or methods of procurement and selection), terminating and replacing such design professionals as reasonably required for the design of the Cowboys Complex, including an architect (the “Architect”) who shall have the primary responsibility for the architectural design of the Cowboys Complex and who shall meet the qualifications criteria stated in this section.

(b) The Architect shall be an architectural firm experienced in the design of sports and entertainment facilities of the nature contemplated herein. The Club shall contractually obligate the Architect to indemnify the Club and the City as joint indemnitees consistent with the provisions of Chapter 130, Texas Civil Practices and Remedies Code, and to maintain insurance (including errors and omissions coverage) for the benefit of the Club and the City as additional insureds to the extent that such additional insured status is commercially available without additional premium cost, in each case in form and substance not less than is customary for a City-operated design project with a scope similar to that of the Cowboys Complex.

(c) The Club shall require in its contracts with the Architect or structural engineer (if the Club contracts directly with such structural engineer) that the structural elements of the Cowboys Complex be engineered in accordance with generally accepted engineering practices and engineered at a standard for an estimated useful life of the structural elements of not less than 40 years. In addition, the Club shall require that, at a minimum, the Cowboys Complex be designed to comply, in all material respects, with the current requirements of the NFL when such design is made.

Section 1.6. General Contractor.

The Club shall have exclusive authority, control and rights in selecting (including the procedures or methods of procurement and selection), terminating and replacing the general contractor(s) (the “General Contractor”) for the Cowboys Complex.

Section 1.7. City Participation in Designing The Cowboys Complex.

The City and the Club (or its designee) shall negotiate the terms of a Project Development Agreement containing terms customary for a project similar to the Cowboys Complex, and incorporating the following provisions and such other provisions as the parties may reasonably agree to:

(a) In accordance with the requirements between the Club and the City with regard to the development and construction of the Cowboys Complex, the Club shall reasonably consult or contractually obligate its Architect, those engineers with whom the Club has contracted directly, and the General Contractor to reasonably consult with the City department head or employee of the City designated by the City Manager (the “Cowboys Complex City Representative” or “Director”), or the Director’s authorized designee, with respect to the Club’s satisfaction of the City’s code requirements applicable to the design and construction of the Cowboys Complex.
(b) The Director’s participation in the design and construction of the Cowboys Complex shall be limited to (i) the enforcement of City code requirements applicable to the Cowboys Complex, (ii) verifying that the design of the Cowboys Complex conforms to City codes, general construction ordinances and regulations applicable to the Cowboys Complex, (iii) verifying that the Cowboys Complex is constructed substantially in accordance with the Cowboys Complex Stadium Elements as adjusted pursuant to subsection (c) immediately below, (iv) approving all connections or tie-ins between the Cowboys Complex and existing City streets, storm sewers and utilities and (v) approving the proposed vehicle access and circulation in order to maximize efficient and effective traffic flow to and from public streets, during both event and non-event days.

(c) The Club may at any time or from time to time change any element of the Cowboys Complex Stadium Elements with notice to the Director; provided, however, that if any such proposed change would result in (i) the seating for professional football games being less than 72,000 seats or (ii) the Cowboys Complex not being in substantial compliance with the standards set forth in Section 1.5 regarding the engineering design of the structural elements or the minimum facility standards of the NFL at the time of design, such change shall not be made by the Club without first having been approved in writing by the Director, which shall not be unreasonably withheld or delayed.

(d) To ensure that neither the design nor the construction of the Cowboys Complex is delayed due to delays in the delivery of City responses or delays in other required City actions, the City shall cause the Director, his designee and other City personnel to respond in an expeditious manner to all submissions and requests by the Club, the Architect, the engineers or the General Contractor, which such response shall be binding on the City. By performing the functions described in this Section 1.7, the Director shall not, and shall not be deemed to, assume the obligations or responsibilities of the Architect, or the General Contractor, whose respective obligations pursuant to their respective agreements with the Club shall not be affected by the Director’s exercise of the functions described in this Section 1.7.

Section 1.8. City Permits and Inspectors.

(a) The Club shall obtain, or cause to be obtained through contracts with the Architect or General Contractor, all City permits, licenses and approvals required pursuant to the agreement between the Club and the City regarding reasonable permitting requirements and procedures in connection with the construction of the Cowboys Complex and all other permits or approvals (if any) issued by other governmental agencies, to the extent required by law. Fees imposed by the City relating to the permit process shall not exceed the rates and amounts that are uniformly applied throughout the City for similar construction activities, and the amount of the fees shall be a Project Cost.

(b) To facilitate and expedite (i) scheduling and conducting necessary inspections, (ii) granting necessary permits and (iii) the completion of other required compliance with City ordinances, rules or regulations with respect to the design and construction of the Cowboys Complex, the City shall assign at all times a sufficient number of City personnel to the Cowboys Complex who shall, as necessary, be available at the construction site on a full-time basis during the construction of the Cowboys Complex and who shall have such authority necessary to
provide all such approvals and issue such permits as required from the City with regard to the construction of the Cowboys Complex.

Section 1.9. Contractor Assurances.

The Club shall contractually obligate the General Contractor to provide the following assurances to protect the City and the Club during and after construction: (i) reasonable procedures to assure payment and performance by the General Contractor’s subcontractors, including payment and performance bonds to be furnished by those subcontractors if required by the Club, (ii) indemnification (which shall include commitments to defend and hold harmless) consistent with indemnification provisions customarily provided by prime contractors for City-operated construction projects with a scope similar to that of the Cowboys Complex, and (iii) insurance, including commercial liability, all-risks builders risks, workers compensation, auto liability and excess umbrella coverage, each in form and substance not less than is customary for a City-operated construction project with a scope similar to that of the Cowboys Complex. Each such indemnity and insurance policy shall name both the City and the Club, and the Club’s affiliates, as joint indemnitees and as additional insureds, as the case may be. The City may from time to time reasonably request in writing that the Club furnish to the City evidence of the insurance provided by the General Contractor.

Section 1.10. Construction Contracts.

The Club shall have the sole right and responsibility to negotiate and enter into all contracts necessary for the design, engineering, construction and completion of the Cowboys Complex containing such terms and provisions as agreed by the Club, subject to such requirements as provided in Section 1.11 below. The Club shall provide to the City a copy of each construction contract to which the Club is a party.

Section 1.11. Additional Requirements.

In connection with the design and construction of the Cowboys Complex, the Club, pursuant to the Project Development Agreement, shall contractually obligate the following entities or persons to take the following actions and to undertake the following responsibilities:

(a) The Architect shall provide to the Director copies of schematic design, design development and construction plans and specifications for the Cowboys Complex (including revisions) as such plans and specifications are completed and approved or accepted by the Club and shall be available, in accordance with the requirements between the Club and the City with regard to the development and construction of the Cowboys Complex, to discuss with the Director comments the Director may have concerning such plans and specifications (provided that the Club shall have sole discretion and full right and authority to make decisions regarding such comments);

(b) The Architect shall provide at least three sets of construction documents approved or accepted by the Club to the Director, signed and sealed by one or more registered professional architects or engineers licensed in the State of Texas;
(c) In accordance with the requirements between the Club and the City with regard to the development and construction of the Cowboys Complex, the Club or such person selected by and contracting with the Club shall provide the Director with a copy of the detailed construction schedule outlining the major items of work of each major construction contractor, and any revisions to such schedule;

(d) The Architect or such other qualified person selected by and contracting with the Club shall have on-site observation responsibilities of a standard at least comparable to that set forth in Section 2.6.5 of AIA Document B141/Cma;

(e) The Club or such person selected by and contracting with the Club shall keep the Director reasonably advised and informed regarding the design and construction of the Cowboys Complex in accordance with the requirements between the Club and the City with regard to the development and construction of the Cowboys Complex;

(f) The Club or such person selected by and contracting with the Club shall provide the Director with reasonable advance notice of regularly-scheduled construction meetings and shall permit the Director to attend such meetings in accordance with the requirements between the Club and the City with regard to the development and construction of the Cowboys Complex;

(g) The General Contractor shall be responsible for maintaining reasonable vehicular and pedestrian access to property and buildings on the Land that abut City right-of-way, including the provision of temporary facilities, including pavements and utilities, until permanent facilities are in place or existing facilities are restored;

(h) The General Contractor shall arrange for site security within designated areas under construction, except as otherwise expressly required by its contract with the Club;

(i) The General Contractor shall comply with, and shall require that its agents and contractors comply with, all applicable laws regarding the use, removal, storage, transportation, disposal and remediation of hazardous materials;

(j) The General Contractor shall notify the Club and shall not proceed without the Club obtaining the Director’s approval (which shall not be unreasonably withheld or delayed) with regard to all field changes that directly result in material changes to preexisting plans for the Cowboys Complex connections with City streets, storm sewers and utilities;

(k) The appropriate engineers designated by the Club shall cause all appropriate soils and materials testing to be conducted by certified independent laboratories and, upon the City’s written request, shall furnish to the City copies of reports of such testing otherwise prepared for such engineers.

(l) The General Contractor shall promptly repair, restore or correct, on a commercially reasonable basis, all damage caused by the General Contractor or its subcontractors to property or facilities of the City, and shall reimburse the City for out-of-pocket costs actually incurred by the City that are directly related to the City’s necessary emergency repairs of such damage;
(m) The General Contractor shall provide reasonable advance notice to the Director and shall allow the Director to be present during the scheduled pre-final (if any) and final inspection of the Cowboys Complex following substantial completion of construction;

(n) The General Contractor shall obtain correction of defective work, and shall perform warranty work (or shall cause such work to be performed) within the applicable corrective period as required in its contract with the Club;

(o) The General Contractor shall provide the Club with a sufficient number of copies of all building systems, training, operation and maintenance manuals for the Cowboys Complex within a reasonable time following completion of construction to allow the Club to provide such manuals to the Director in accordance with the requirements between the Club and the City with regard to the development and construction of the Cowboys Complex; and

(p) The General Contractor shall provide the Club with a sufficient number of complete as-built drawings for the Cowboys Complex within a reasonable time following completion of construction to allow the Club to provide one such set to the Director in accordance with the requirements between the Club and the City with regard to the development and construction of the Cowboys Complex.

If any of the foregoing entities or persons shall fail in a material respect to perform any of its contractual obligations described above (or in Section 1.9, Section 1.10 or Section 1.11), the Club shall use good faith efforts to enforce, to the extent practicable, such contractual obligations against such entities or persons.

Section 1.12. Naming Rights, Sponsors and Signage.

Prior to the Closing Date (as defined herein) and thereafter pursuant to the Operating Agreement or Lease and/or the Club Lease, the Club shall have all authority, control and rights in selecting the name or names of the Cowboys Complex, as well as the sponsor or sponsors for which the various portions of the Cowboys Complex will be named from time to time, and all signage, branding, service, concession or other rights, including without limitation, the right, subject to the provisions of Section 4.1 hereof, to retain all proceeds therefrom; provided, however, that the name given to the Cowboys Complex shall not include any reference to any proper geographic name unless such reference is to “Arlington” or to the “City of Arlington.” Any naming or sponsorship agreements entered into by the Club prior to the Closing Date shall be subject to termination by the City upon any termination of this Agreement prior to the Closing (as defined herein) being consummated.

Section 1.13. Marketing.

Advertising placed within the boundaries of the Cowboys Complex, including any marquee, pylon, monument or directional signs, will not be restricted, except by safety, environmental, zoning and other like regulations, and the City shall provide (or shall cause to be provided by any other applicable governmental authority) the necessary permits, variances and authorizations to maximize signage and signage revenue. In addition, the City acknowledges that it is desirable and appropriate for additional signage (including advertising and directional signage) for the Cowboys Complex to be placed outside the boundaries of the Cowboys
Complex, such as on certain highways, roadways, etc. near the Cowboys Complex, and the City agrees to provide all permits, variances and authorizations required for all such signage as may be reasonably requested by the Club to the extent permitted by applicable law.


The Club shall own all intellectual property rights in, to and relating to the Cowboys Complex, whether now in existence or created in the future, including without limitation all copyrights, trademarks, trade dress and merchandising rights in the Cowboys Complex, all names, logos and likenesses, as well as all rights to protect, enforce and license any or all of the foregoing.

ARTICLE II

COSTS AND FINANCING OF THE COWBOYS COMPLEX

Section 2.1. The Cowboys Complex Costs.

(a) The costs of the Cowboys Complex (collectively, the “Project Costs”) shall be the costs for which funds from the “venue project fund” required by the Act may be used under the Act, including without limitation the following:

(i) acquisition and preparation costs of the Land, including any and all awards in condemnation proceedings, if any, to acquire any part of the Land incurred after the date of this Agreement by the City or the Club, including without limitation (i) all environmental remediation necessary with respect to the Land, (ii) the cost of physical improvements, landscaping and security for existing facilities that will be located on property adjacent to the Land, as may be required by agreements pursuant to which a tract included in the Land is located is acquired;

(ii) land planning, design, architectural and engineering costs incurred by the Club for preparation of plans, specifications and designs for the Cowboys Complex and for appropriate construction oversight and assessments by the Architect and engineers; costs incurred by the Club to construct, equip and furnish the Cowboys Complex;

(iii) environmental assessments covering the Cowboys Complex, and covering the land and projects adjacent to the Cowboys Complex (and assessments of costs if remediation is needed or required on any portion of the Cowboys Complex or on any portion of adjacent land which, without such remediation, may adversely affect any portion of the Cowboys Complex);

(iv) soil conditions reports and evaluation of soil removal, reclamation, fill and improvements requirements;

(v) all on-site and off-site work to cause utilities to be available at the Cowboys Complex, utility relocation and street abandonment;
(vi) zoning and land use issues and confirmation that all zoning and land use ordinances, codes and laws allow the development and construction of the Cowboys Complex as contemplated by this Agreement, and/or the availability of variances and special use permits for any non-compliance;

(vii) existing liens, easements and other encumbrances imposed upon or otherwise affecting the Cowboys Complex;

(viii) determination of any special development restrictions (such as FAA approval, archeological and historical significance requirements/assessments, etc.);

(ix) all other due diligence performed or to be performed by the parties pertaining to the Cowboys Complex (such as, by means of example only but without limitation, impact statements and impact fee requirements, traffic studies and transportation requirements [local and regional], all potential infrastructure, utility, parking, signage, and drainage needs and requirements)

(x) costs incurred for any “related infrastructure” (as such term is defined in the Act) that is not located on the Land, and including without limitation (A) costs incurred by the Club for demolition, grading, paving, constructing, landscaping, installing lighting and striping the parking areas, and parking structures, if any (B) costs of detention facilities and other related infrastructure improvements, and (C) costs of acquiring right-of-way for designing and constructing various necessary roadway improvements which otherwise might constitute “related infrastructure;”

(xi) permit, license and inspection fees incurred after the date of this Agreement by the Club;

(xii) fees and expenses of the General Contractor, subcontractors, consultants and similar persons incurred after the date of this Agreement by the Club, directly or indirectly in connection with the planning, design, engineering, construction, equipping and furnishing of the Cowboys Complex;

(xiii) costs incurred after the date of this Agreement by the Club in complying with the requirements of Section 1.11 hereof;

(xiv) costs incurred after the date of this Agreement by the Club in connection with removing, or providing security for, any material lien or encumbrance that arose in connection with the design, engineering, construction, equipping or furnishing of the Cowboys Complex;

(xv) reasonable general and administrative expenses of the Club allocable to the administration or oversight of the activities contemplated in Section 1.11 hereof and incurred after the date of this Agreement by the Club, directly or indirectly, in connection with the planning, design, engineering, construction, equipping and furnishing of the Cowboys Complex;
(xvi) all other out-of-pocket costs of the City or the Club paid out or incurred prior to or after the financing stage for the Cowboys Complex that were expended for and that are attributable to the construction of the Cowboys Complex or the acquisition of the Land.; and

(xvii) such other costs and expenses as the parties hereto shall mutually approve in writing.

Section 2.2. Project Budget and Master Plan

As soon as practicable after the Club determines (but prior to the Closing) that the Architect’s preliminary or conceptual plans for the Cowboys Complex are satisfactory and in conformity with the Cowboys Complex Stadium Elements, and after an initial estimate of total Project Costs has been determined based on such plans, which estimate must also be satisfactory to the Club, the Club shall deliver to the City (i) a set of such preliminary or conceptual plans (the “Master Plans”) that reasonably identify the proposed locations of the parking tracts and of the Cowboys Complex, the parking facilities and the infrastructure on the Land, and (ii) a written preliminary budget (the “Cowboys Complex Budget”) setting forth the aggregate amount of the Project Costs and identifying in reasonable detail each material cost item. The Club shall deliver to the City any updates to the Master Plans and the Cowboys Complex Budget that are delivered to the Club. The City and the Club currently estimate that the Cowboys Complex Budget will be approximately $650 million (exclusive of any contribution from Tarrant County for any other infrastructure costs as agreed to by the Club and Tarrant County), subject to subsequent adjustments based on the ultimate Land acquisition and preparation costs and the completion of final design and architectural plans. The Cowboys Complex Budget shall reflect the line items set forth on the attached Exhibit C and no material change shall be made by the Club in the Cowboys Complex Budget unless (i) such change is disclosed to the City, (ii) such change does not affect the suitability of the Cowboys Complex as a NFL venue, and (iii) to the extent such change causes the Project Costs to exceed $650 million, the Club, subject to the Club’s acceptance of the revised Budget, shall be responsible for any such cost overrun; provided, however, the Project Development Agreement will further detail the required completion standards resulting from the Club’s change orders as elected by the Club.

Section 2.3. City Project Fund and Cost Account

(a) Pursuant to the Funding Agreement, on or prior to the Closing Date, the City shall establish the City Project Fund (the “City Project Fund”) as the venue project fund for the Cowboys Complex, as provided in the Act. The City Project Fund shall consist of separate accounts as are necessary to comply with the terms and conditions of the “City Financing” (defined below) and as are necessary for funding the payment of the City’s portion of Project Costs. The City Project Fund shall include (i) an account (the “City Project Cost Account”), into which account the “City Contribution” (defined below) shall be deposited and out of which account funds shall be transferred to the “Disbursement Account” (defined below) for payment of the City’s portion of Project Costs pursuant to the procedure set forth in Section 2.6, and (ii) other accounts as may be required in the proceedings authorizing the City’s Cowboys Complex Bonds (as defined herein) issued by the City and any bonds issued pursuant to Section 2.8, including without limitation an account referred to as the “City Debt Service
Account. “The City Debt Service Account shall be maintained as directed by the proceedings authorizing the Cowboys Complex Bonds.

(b) The City Project Cost Account shall be maintained at a current depository bank for City funds and shall not be commingled with any other funds of the City. The City acknowledges that the funds in the City Project Cost Account shall be dedicated solely to the payment of Project Costs. The City Project Cost Account shall be administered and controlled (including signatory authority) by the City and funds in such account shall be disbursed in the manner provided in Section 2.6. Pending disbursement of funds in the City Project Cost Account, the City shall invest such funds only in investments permitted and authorized by applicable law and the City’s investment policy as in effect from time to time. All income earned on such investments shall be deposited in, and shall become part of, the City Debt Service Account or the City Project Cost Account, at the option of the City.

(c) If funds remain in the City Project Cost Account after the completion of the Cowboys Complex and the payment of all Project Costs pursuant to the terms hereof, then such funds shall be used by the City for the purpose of paying or retiring the Cowboys Complex Bonds.

Section 2.4. Club Project Cost Account.

(a) On or prior to the Closing Date, the Club shall establish an account (the “Club Project Cost Account”) at a depository institution that has one or more branches located in the City, into which account the Club Contribution (defined below) shall be deposited or, if applicable, each Club Deposit (defined below) shall be deposited (if not deposited directly into the Disbursement Account) and into which account any subsequent contributions by the Club for “Overruns” (defined below) shall be deposited. The Club acknowledges that funds in the Club Project Cost Account shall be dedicated solely to the payment of Project Costs. The Club Project Cost Account shall be administered and controlled (including signatory authority) by the Club and funds in such account shall be disbursed by the Club in the manner provided in Section 2.6. Pending disbursement of funds in the Club Project Cost Account, the Club may invest all or any portion of such funds in any investment authorized by applicable law. All income earned on such investment shall be deposited in and should become part of the Club Project Cost Account.

(b) If funds remain in the Club Project Cost Account after the completion of the Cowboys Complex and the payment of all Project Costs pursuant to the terms hereof, then such funds shall thereafter be the exclusive property of the Club and shall be available for use by the Club for any purposes as determined by the Club.

Section 2.5. Disbursement Account.

On or prior to the Closing Date, the Club shall establish an account designated as the “Cowboys Complex Disbursement Trust Account” (the “Disbursement Account”), into which account funds transferred from the City Project Cost Account in accordance with Section 2.6 and the Club Project Cost Account in accordance with Section 2.6 shall be deposited (or, if applicable, into which Club Deposits shall be deposited) and out of which account Project Costs
shall be paid pursuant to Section 2.6. The parties acknowledge that the Disbursement Account is a trust account and shall be dedicated solely to the payment of Project Costs. The Disbursement Account shall not be commingled with any other City or Club funds. The Disbursement Account shall be administered and controlled (including signatory authority) by the Club. The term “Project Account(s)” shall mean, collectively, the City Project Cost Account, the Club Project Cost Account, and the Disbursement Account.

**Section 2.6. Disbursements To Pay Project Costs.**

Funds shall be periodically disbursed from the City Project Cost Account by the City and from the Club Project Cost Account by the Club to the Disbursement Account, and from the Disbursement Account by the Club in direct payment of such Project Costs, in accordance with the following provisions:

(a) The Club shall promptly disburse funds from the Disbursement Account to pay each Project Cost, provided that a Payment Certificate authorizing such payment is duly completed in the manner described in subsection (b) of this section.

(b) “Payment Certificate” shall mean a written certificate prepared by the Club:

(i) which (A) reasonably identifies and represents that the identified Project Costs are due and owing and authorized to be paid pursuant to such Payment Certificate, (B) certifies that the amounts payable do not include contract retentions (other than those that are due) and (C) identifies the portion of such amount (if any) to be transferred to the Disbursement Account from the City Project Cost Account and the portion of such amount to be transferred to the Disbursement Account from the Club Project Cost Account (or to be deposited directly into the Disbursement Account by the Club as an Club Deposit);

(ii) which has attached to it a copy of an invoice(s) relating to such Project Costs which reasonably identifies the payee (or payees), the goods, services and/or materials provided by such payee (or payees) and the total amount due and owing with respect to such goods, services and/or materials;

(iii) which, in the case of any Project Cost covered by such Payment Certificate that was incurred in connection with services, goods or materials provided by the General Contractor or any other contractor, has been executed by the Architect for the purpose of confirming that such services, goods or materials have been satisfactorily delivered or completed as the case may be;

(iv) which, in the case of any Project Cost covered by such Payment Certificate that was incurred under contracts providing for the fees of the Club or its employees or agents has been executed by an independent auditor (the “Independent Auditor”) selected by the City Manager, for the purpose of confirming that the amount reflected in the invoices) attached to such Payment Certificate with respect to such Project Cost is consistent with the terms of the written contract pursuant to which such Project Cost was incurred; and
(v) which has been executed by the Club or its designee to certify that the fees, costs, expenses and other charges reflected on the Payment Certificate constitute Project Costs and are due and owing.

(c) If a Payment Certificate is otherwise completed and executed in accordance with items (i), (ii), (v) and, if applicable, (iii) and/or (iv) of subsection (b), above, and is submitted to the Director, the Director or his designee shall promptly prepare and submit, through normal payment procedures established for withdrawals from the City Project Cost Account, an appropriate directive for payment to the Disbursement Account of the amount certified in the Payment Certificate for disbursement by the City. The City shall cause the Director or his designee to respond promptly and expeditiously to all requests by the Club or its designee relating to Payment Certificates.

(d) The Independent Auditor shall be an accountant or accounting firm which, in connection with working for the Club and the City, satisfies the criteria for a “independent” certified public accountant set forth in Rule 2-01 of Regulation S-X promulgated by the United States Securities and Exchange Commission. The fees and expenses of the Independent Auditor shall be Project Costs.

(e) With respect to each Payment Certificate completed prior to the transfer of the City Contribution to the Disbursement Account for payment of Project Costs pursuant to the procedures set forth in Section 2.6, the City shall promptly transfer funds from the City Project Cost Account to the Disbursement Account an amount equal to 50.0% of the Project Costs to be paid pursuant to each such Payment Certificate; and (ii) the Club promptly shall transfer funds from the Club Project Cost Account to the Disbursement Account an amount equal to 50.0% of the Project Costs to be paid pursuant to each such Payment Certificate. After the required aggregate maximum amount is transferred from the City Project Cost Account to the Disbursement Account in payment of Project Costs pursuant to the procedures set forth in Section 2.6, the Club shall promptly transfer funds from the Club Project Cost Account to the Disbursement Account in an amount equal to 100% of the Project Costs to be paid pursuant to each such Payment Certificate.

(f) Upon the completion of each Payment Certificate, the Club shall promptly deposit in the Club Project Cost Account an amount (each such deposit being herein referred to as an “Club Deposit”) equal to the amount to be disbursed from the Club Project Cost Account pursuant to subsection (e), above, to fund the Club’s portion of the Project Costs set forth in the Payment Certificate. In lieu of depositing any Club Deposit directly into the Club Project Cost Account for disbursement to the Disbursement Account, the Club may, at its election, deposit such Club Deposit directly into the Disbursement Account in satisfaction of the Club’s funding obligation under subsection (e), above.

Section 2.7. City’s Funding Commitment.

(a) Subject to the terms and conditions set forth in Section 6.1, on the Closing Date, the City shall provide $325 million for payment of Project Costs (the “City Contribution”) by depositing an amount equal to the City Contribution from the net available proceeds (after the payment of all costs and expenses of the financing, including reserve fund or other deposits
required by the financing) (the “Available Bond Proceeds”) of the following issues of bonds to be approved, authorized, and issued by the City in accordance with the Act that are secured and payable as follows:

(i) The City shall issue, in one or more series, tax-exempt bonds (the “Senior Bonds”) that will be secured by and payable from a senior or junior lien pledge of (A) the Sales Tax, (B) the HOT, and (C) the CRT;

(ii) The City shall issue, in one or more series, taxable bonds (the “Taxable Subordinate Bonds”) secured by a senior lien pledge of the Base Rent and by a subordinate lien pledge of (A) the Sales Tax, (B) the HOT, and (C) the CRT;

(iii) If necessary in order to obtain Available Bond Proceeds equal to the City Contribution, the City shall also issue, and if necessary the Club shall purchase or cause to be purchased, on mutually approved terms, in one or more series, bonds (the “Third Lien Bonds”) secured by and payable from a subordinate pledge of the Base Rent, and by a third-lien pledge of (A) Sales Tax, (B) HOT, and (C) CRT. The Third Lien Bonds shall have a final maturity of thirty years and pay interest currently but subject to accrual with interest if funds are not available on a current basis. Principal of the Third Lien Bonds shall be subject to mandatory redemption from all Sales Tax, HOT, and CRT and Base Rent received by the City on and after all the principal of and interest on the Senior Bonds and the Subordinate Bonds shall have been paid in full;

(iv) The Senior Bonds, the Taxable Subordinate Bonds, and the Third Lien Bonds (collectively, the “Cowboys Complex Bonds”) shall fund the City Contribution in full; and

(v) In the event the Available Proceeds on the Closing Date expected to be generated from the Senior Bonds and the Taxable Subordinate Bonds are less than $290 million, the Club shall have the right to terminate this Agreement and the Project Documents without further obligation or liability.

(b) As soon as practicable after the Election, the City shall use good faith efforts to arrange the financing of the City Contribution by issuing the Cowboys Complex Bonds. The principal amount, structure, maturities, interest rates, provisions and specific terms of the Senior Bonds and the Taxable Subordinate Bonds shall be as approved by the City and the Club. The amount, terms and provisions of the Taxable Third Lien Bonds, if any, shall be as approved by the City and the Club. It is provided, however, that none of the Cowboys Complex Bonds shall (i) be a general obligation of the City, (ii) be secured by or payable from ad valorem taxes levied by the City, (iii) be secured by, guaranteed by or payable by the Club or its owners, or any of their affiliates or related parties or (iv) be secured by a lien, security interest or any similar interest on the Cowboys Complex.

(c) The City shall not submit in the Election any tax, bond financing or similar proposition other than the proposition set forth in the Election Ordinance attached as Exhibit A.
Section 2.8. Club’s Funding Commitment.

(a) Subject to the terms and conditions set forth in Section 6.1, the Club shall provide $325 million for payment of Project Costs (the “Club Contribution”) which shall be deposited in the Club Project Cost Account as and when needed to pay Project Costs on a pari passu basis with the City Contribution. The Club shall provide reasonably satisfactory assurances to the City and any bond insurer for the Cowboys Complex Bonds that the Club Contribution will be available to pay Project Costs as and when needed. Notwithstanding the foregoing, if, prior to the Closing Date, the Club determines that the aggregate of the Club Contribution and the Available Bond Proceeds generated from the Third Lien Bonds will be more than $360 million, the Club shall have the right to terminate this Agreement and the Project Documents without further obligation or liability.

(b) If any Project Costs are incurred after the funds in the City Project Cost Accounts and in the Club Project Cost Account are completely depleted (the “Overruns”), the Club shall promptly pay, or at the Club’s election, contribute to the Club Project Cost Account from time to time as necessary, cash in an amount equal to such Overruns.

(c) The Club shall determine the manner and method of obtaining funds with which to make the Club Contribution and to pay for any Overruns and it may obtain and provide the Club Contribution and any Overruns from any source, including but not limited to, cash, equity, the Parking Tax or surcharge, the Ticket Tax or surcharge, rent (the “Additional Rent”) payable to the City that is additional to the Base Rent payable to the City, any revenue generated from the Cowboys Complex, funds obtained from the NFL, personal or permanent seat license revenue, or third party contributions or financing.

(d) The Club reserves the right to request the City to issue non-recourse special revenue bonds (the “Incremental Funding”) to aid the Club in providing the Club Contribution. If the City is so requested, the Club shall obligate itself to pay rent that is additional to the Base Rent and/or other payments or collections, including a Parking Tax and a Ticket Tax (at rates specified by the Club) to the City (all of such amounts, the “User Incremental Funding Payments”). If the City is requested to provide Incremental Funding, it will pledge all of the User Funding Payments as the payment of and as the security for such bonds, and will use its good faith efforts to issue taxable bonds secured solely by the User Incremental Funding Payments (and any other revenues determined by the Club) to generate all or any portion of the Club Contribution or any Overruns. Bonds issued as part of the Incremental Funding, if any, shall not be secured by or payable from any portion of the Sales Tax, the HOT, the CRT, or the Base Rent, or by any other funds or resources of the City.

Section 2.9. Closing; Closing Date.

(a) Subject to the City and the Club reaching final agreement on the Project Documents, the City and the Club each shall use good faith efforts to consummate their respective financings and to make their respective contributions or deliveries in accordance with Section 2.7 and Section 2.8 as soon as is practicable for the consummation of both such contributions after the Election. The City shall deliver written notice to the Club identifying the proposed sale date of the Cowboys Complex Bonds. The Club shall use good faith efforts to
deliver to the City, not later than the tenth business day after the date on which the City’s notice of the proposed sale date is delivered to the Club, the status of the financing necessary for the Club Contribution (or for the delivery of the assurances thereof), subject to customary exceptions and conditions.

(b) The closing (the “Closing”) for the transactions contemplated in Section 2.7, Section 2.8 and Article 4 shall occur on the earliest date (the “Closing Date”) after the date hereof on which the City can complete its financing and make the City Contribution and on which the Club can complete its financing and make the Club Contribution (or deliver the assurances of the Club Contribution). The City and the Club each shall use good faith efforts to keep the other party advised regarding the status of such party’s financing efforts. The City and the Club shall coordinate their financing efforts to cause the Closing to occur on the earliest practicable date at a time and place to be agreed upon by the Club and the City. The City shall use good faith efforts to effectuate the City Financing as soon feasible, based on the anticipated revenue streams from the taxes to be approved in the Election.

Section 2.10. Right to Audit.

The Club and the City shall each have the right to audit, upon reasonable notice and, at its own expense, all expenditures and financial records related to the Cowboys Complex, including the records related to the Project Account(s). Upon written request by the Club, the City shall give the Club access to all records controlled by, or in the direct or indirect possession of the City (other than records subject to legitimate claims of attorney-client privilege) relating to the City Project Cost Account, and permit the Club to review such records in connection with conducting a reasonable audit of such account. Upon written request by the City, the Club shall give the City access to all records controlled by, or in the direct or indirect possession of the Club (other than records subject to legitimate claims of attorney-client privilege) relating to the Club Project Cost Account and the Disbursement Account, and permit the City to review such records in connection with conducting a reasonable audit of such accounts. The City and the Club shall reasonably cooperate with the assigned independent auditors (internal or external) in this regard, and shall retain and maintain all such records for at least 3 years from the date of completion of the Cowboys Complex.

ARTICLE III

THE LAND

Section 3.1. The Cowboys Complex Site.

The City shall acquire, as provided in this Article III, own and lease to the Club (as provided in Section 4.1) the Land. Upon the City’s written request from time to time, the Club (i) shall furnish to the City copies of soils and other geotechnical reports relating to the Land that previously were obtained by the Club, the Architect or the General Contractor, and (ii) shall use good faith efforts to have the entities that rendered such reports address same to the City.
Section 3.2.  Land Acquisition

The City shall acquire the land by purchase, gift, donation or the exercise of the power of eminent domain (as further described in Section 3.3 below). The City shall make the Land available to the Club for the Cowboys Complex, as contemplated by the Project Documents.

Section 3.3.  Condemnation

If necessary for the purpose of constructing and equipping the Cowboys Complex, including necessary and related automobile parking facilities, the City may use its power of eminent domain to the extent legally permissible to acquire, with funds provided in the manner set forth in Section 2.6, all or any portion of the Land for the public purposes of the Cowboys Complex and development and diversification of the economy, the elimination of unemployment and underemployment and the development or expansion of transportation and commerce, subject to reimbursement and indemnity under the procedures set forth in Section 2.6 and on terms and conditions acceptable to the City in its sole discretion. If the City acquires any part of the Land through the exercise of its powers of eminent domain, the City shall deed restrict such property for use as a part of the Cowboys Complex pursuant to deed restrictions acceptable to the Club, and such property shall form a part of the leasehold estate leased in and created in the Project Documents.

Section 3.4.  Streets

At the Club’s request and in accordance with the Master Plan, the City may consider closing any streets or alleys that would constitute any portion of the site for The Cowboys Complex.

Section 3.5.  Related City Roadway Improvements

The City agrees to design the roadway improvements (collectively, the “Roadway Improvements”) necessary to support the Cowboys Complex. The estimated costs of such improvements is $25 million. The City agrees to work with Tarrant County and the Club to develop a method of financing such improvements. To the extent such improvements are not financed by the County, the costs thereof shall constitute a part of the Project Costs and paid for under the procedures and from the sources provided in Section 2.6. The parties recognize that the timing of Tarrant County’s contribution will be as set out in the Project Documents. The City’s design costs shall be Project Costs and reimbursed to it from the Disbursement Fund when funds are available therein in accordance with Section 2.6.

Section 3.6.  Parking Requirements

The Cowboys Complex will have sufficient parking spaces available (either on or off site) to accommodate the necessary patron parking for events occurring at the Cowboys Complex.
ARTICLE IV

LEASE MATTERS

Section 4.1: Club Lease.

The Operating or Club Lease Agreement shall include the following material terms, and such other terms as are customary for a long-term triple-net operating agreement or lease of facilities similar to those contemplated for the Cowboys Complex:

(a) The Operating or Club Lease Agreement and Club Sublease shall each be for an initial lease term commencing on and as of the dates on which the Land is acquired by the City and delivered to the Operator/Tenant and extends until December 31, 2038 as such date may be extended for any applicable playoff football games. The Operator/Tenant (and the Club) shall each have the option to renew such leases for two (2) successive renewal periods of ten (10) years each.

(b) The Operating or Club Lease Agreement shall be structured as a “triple-net” agreement. The Operator/Tenant (or the Club) shall have the obligation to pay all operating, maintenance and utility costs of the Cowboys Complex, shall be obligated to maintain the same in first class condition, reasonable wear and tear excepted, and shall have the right to retain and receive all revenues generated therefrom. The Club shall guarantee the obligations of the Operator/Tenant under the Operating or Club Lease Agreement. The Project Documents shall also address the Club’s agreement to reimburse the City for any reasonable and necessary event day costs incurred by the City for traffic control outside the Cowboys Complex.

(c) As stated in the preambles to this Agreement, during the initial term of the Operating or Club Lease Agreement, the tenant will be obligated to pay or cause to be paid to the City as the City’s money and property a rental (the “Base Rent”) equal to the total of (i) the annual amount of Two Million Dollars ($2,000,000) commencing on the opening date of the Cowboys Complex in the year 2009 and annually throughout the initial term of the Lease, and (ii) five percent (5%) of the proceeds received from the sale of naming rights of the Cowboys Complex, net of fulfillment costs related to the granting of such rights, at any time after the execution of this Agreement and continuing through the initial term of the Lease, by the Club from the sale of the naming rights for the Cowboys Complex as described in this Agreement. During any extended or renewal term of the lease, Base Rent shall be paid to the City in the amount of $1 million per year.

(d) At the expiration of the initial term, the Operator/Tenant (or the Club) shall have the option to acquire the Cowboys Complex from the City for the option price of $100 Million, subject to a credit against such amount for all Base Rent paid during the term by the Operator/Tenant or Club to the City, and Operator/Tenant operator costs plus any additional Project Costs in excess of $650 million funded by the Club. In the event such purchase option is not exercised at the expiration of the initial term and the Operating or Club Lease Agreement is extended, the Operator/Tenant (or the Club) shall again have the option to acquire the Cowboys Complex on the same terms as applied at the expiration of the initial term. The City shall not be
obligated to incur any third party costs associated with the transfer of title of the Cowboys Complex to the Club following the Club’s exercise of its option.

(e) The Operator/Tenant of the Cowboys Complex shall have the right to lease and license the use of the Cowboys Complex and related improvements for professional football and for any other lawful use not inconsistent with the Act. The Project Documents shall address the Club’s agreement to use commercially reasonable efforts to maximize non-football event usage of the stadium.

(f) The Operator/Tenant shall enter into a sublease with the Club providing for a sublease term co-terminous with the term of the Club Lease. Subject to the timely completion of the Cowboys Complex, commencing with the 2009 NFL football season, the Club shall use the Cowboys Complex for all of its preseason (other than neutral site games, when the Club is designated as the “home team”), regular season and post-season and league championship home games (except in all cases, as required by the NFL to play certain games at neutral or other sites).

(g) For so long as any bonds are outstanding that are payable from and secured by the User Incremental Funding Payments, the Club shall pay the User Incremental Funding Payments to the City, including rent that is additional to the Base Rent under the Club Lease, in an amount sufficient to pay debt service on such bonds on a level basis for a 30 year term. The payment of such additional rent shall be paid on a prorated monthly basis commencing on the date that the stadium improvements for the Cowboys Complex are substantially complete and ready for use by the Club for its first home game, or as otherwise required by the financing documents pursuant to which such bonds are issued. If the option to purchase is not exercised, and the option to extend the Club Lease is exercised, then the Operator/Tenant shall continue to be responsible for all operating expenses relating to the Cowboys Complex, subject to the right to retain all revenues derived therefrom and, in addition, Operator/Tenant shall pay to the City as base rent during the renewal term, the sum of $1 million per year (payable on a prorated basis monthly as described above) for each year of any renewal term.

(h) The Club Lease shall contain the customary provisions for repair, maintenance, insurance, indemnity, hazardous materials, default and remedy, casualty and condemnation, assignment and compliance with laws which are typical for a major professional sports team that plays its home games in a municipally-owned stadium.

(i) In no event shall the Club or its affiliates be precluded from mortgaging its (or their) leasehold interest in the Cowboys Complex.

Section 4.2. Non-Relocation Agreement.

The City and the Club will enter into a separate Non-Relocation Agreement which will be co-terminus with and cross defaulted with the Club Lease and will obligate the Team to play all home games in the Cowboys Complex for 30 years and during each renewal term of the Club Lease. The Non-Relocation Agreement will contain specific performance provisions. In the event the Operator/Tenant (or the Club) exercises the right to purchase the Cowboys Complex at the end of the initial term, then the Club will be obligated to extend the Non-Relocation Agreement for another 10 year period.
Section 4.3. Community Contribution.

As stated in the preambles to this Agreement, the Club directly or through other selected entities affiliated with the Club or the principals of the Club shall pay or contribute the sum of $16.5 million to the City. Such amount shall be paid or contributed in an amount equal to $500,000 per year beginning on October 1, 2006 and on each anniversary date thereafter until the expiration of the initial term of the Club Lease. The City and the Club (or the Jones Family) will jointly create, in accordance with applicable tax, legal and accounting guidelines, an appropriate charitable entity that will oversee and administer the disbursement of such contributions for programs and facilities benefiting the youth of the City for sports, recreational and educational purposes.

ARTICLE V

CONDITIONS

Section 5.1. Conditions to the City’s Obligations.

The City shall have no obligation to deposit the City Contribution or to consummate on the Closing Date the other transactions described herein, unless the following conditions have been satisfied:

(i) A majority of the City’s voters who cast votes in the Election shall have voted in favor of the proposition submitted in the Ordinance calling the Election attached hereto as Exhibit A;

(ii) The Club shall have executed and delivered the Project Documents;

(iii) The Club shall have delivered the Master Plans and the Cowboys Complex Budget;

(iv) The Club shall have timely performed all of the material covenants, agreements and obligations required hereunder to be performed by the Club on or before the Closing Date and shall not be in default under the Project Documents or this Agreement; and

(v) The Club shall have satisfied its obligations with respect to the Club Contribution and the User Contribution or delivered assurances of the availability thereof as and when needed, as required by Section 2.8, simultaneously with the City’s deposit of the City Contribution, as required by Section 2.7.

Section 5.2. Conditions to the Club’s Obligation

The Club shall have no obligation to deposit the Club Contribution, to develop the Cowboys Complex as set forth herein or to consummate on the Closing Date the other transactions described herein, unless the following conditions have been satisfied:
(i) A majority of the City’s voters who cast votes in the Election shall have voted in favor of the proposition submitted in the Ordinance calling the Election attached hereto as Exhibit A;

(ii) The City shall have executed and delivered the Project Documents;

(iii) The City shall have purchased or acquired exclusive possession of all of the Land,

(iv) The City shall have adopted a resolution approving the Project Documents and authorizing and directing the City Manager and other City officials to perform, fulfill and carry out the City’s obligations under this Agreement and the Project Documents;

(v) The City shall have timely performed all of the material covenants, agreements and obligations required hereunder to be performed by the City on or before the Closing Date and shall not be in default under the Project Documents or this Agreement; and

(vi) The City shall have deposited the City Contribution, as required by Section 2.7, simultaneously with the Club’s satisfaction of its obligations with respect to the Club Contribution or delivery of assurances of the availability thereof as and when needed, as required by Section 2.8.

ARTICLE VI

TERMINATION

Section 6.1. Termination

This Agreement may be terminated under the following circumstances:

(i) By the mutual written consent of the City and the Club;

(ii) By either the City or the Club if a majority of the City’s voters who cast votes in the Election vote against the proposition submitted thereat;

(iii) By either the City or the Club if the Project Documents have not been fully executed by December 31, 2004;

(iv) By either the City or the Club if the Closing shall not have occurred by July 1, 2005; or

(v) By the Club pursuant to Sections 2.7 or 2.8.

Section 6.2. Termination Procedure.

If either party determines that it wishes to terminate this Agreement pursuant to Section 6.1(ii), Section 6.1(iii), Section 6.1(iv) or Section 6.1(v) (as applicable), then such party
must deliver a written notice to the other party to the effect that the notifying party thereby terminates this Agreement. The notice must be in writing and must specify in reasonable detail the factual basis for the termination of this Agreement.

Section 6.3. Termination upon Execution of Project Documents.

On the date of the execution of the Project Documents this Agreement shall automatically terminate and be deemed to have been fully performed by both the City and the Club.

ARTICLE VII

MISCELLANEOUS

Section 7.1. Further Agreements.

The City and the Club agree to use their good faith efforts to complete and execute, as soon as practicable following the execution of this Agreement, all Project Documents necessary, appropriate or desirable to carry out the transactions agreed to by the parties in this Agreement.

Section 7.2. GOVERNING LAW.

THIS AGREEMENT SHALL BE INTERPRETED AND THE RIGHTS OF THE PARTIES DETERMINED IN ACCORDANCE WITH THE LAWS OF THE UNITED STATES APPLICABLE THERETO AND THE LAWS OF THE STATE OF TEXAS APPLICABLE TO AN AGREEMENT EXECUTED, DELIVERED AND PERFORMED IN SUCH STATE.

Section 7.3. Compliance with Laws.

The Club and the City shall comply in all material respects with all applicable laws in connection with the design, engineering, construction, equipping and furnishing of the Cowboys Complex.

Section 7.4. Venue for Actions.

The venue for any legal action arising out of this Agreement shall lie exclusively in Tarrant County, Texas.

Section 7.5. Taxes.

The City covenants that if, in the future, the City, the County, or any other taxing jurisdiction imposes any form of tax, which is exclusively imposed or levied on any portion of the Cowboys Complex or the Club that will be assessed on advertising, tickets, concessions, catering, parking (other than as set forth in the Election and the Project Documents), rent or other revenue streams of the Cowboys Complex, then the Club will receive a dollar for dollar offset in the economic arrangements of the Club Lease, and/or Operating Agreement or Lease, which offset and the calculation of same shall be established in the Project Documents.
Section 7.6.  Force Majeure.

After the Closing Date, the time within which any party to this Agreement shall be required to perform any act under this Agreement shall be extended by a period of time equal to the number of days during which performance of such act is delayed by condemnation, casualty, damage, strikes or lockouts, acts of God, governmental restrictions, failure or inability to secure materials or labor, reason of priority or similar regulations or order of any governmental or regulatory body, enemy action, terrorism, civil disturbance, fire, unavoidable casualties or any other cause beyond the reasonable control of the party seeking the delay.

Section 7.7.  Representatives.

(a)  During the term of this Agreement, the City Manager (and, where expressly provided for in this Agreement, the Director or his designee) shall have full authority to administer this Agreement on behalf of the City. The Club shall be entitled to rely on the authority of the City Manager (or, where indicated, the Director or his designee) for such purposes under this Agreement.

(b)  During the term of this Agreement, the Club shall designate two individuals (the “Club Representatives”) who shall have full authority (acting together and not alone) to administer this Agreement on behalf of the Club. The initial Club Representatives shall be Jud Hefflin and David Frey. The Club may designate a permanent or temporary replacement for either Club Representative by delivering a written notice to the City executed by the Club. If the Club assigns its rights under this Agreement to another entity (the “Assignee”), the Assignee shall ensure that one or more of its senior executive officers possesses the authority to be exercised by the Club Representatives. From and after the date of any assignment to the Assignee, the officer or officers designated by the Assignee shall serve as the Club Representatives. The City shall be entitled to rely on the authority of the Club Representatives (acting together) for such purposes under this Agreement.

Section 7.8.  Obligations to Defend Validity of Agreement.

If litigation is filed by a third party against the Club or the City in an effort to enjoin either party’s performance of this Agreement, the parties hereto who are named as parties in such action shall take all commercially reasonable steps to support and defend the validity and enforceability of this Agreement. Either party may intervene in any such matter in which the other party hereto has been named as a defendant. Each party shall be responsible for its attorneys’ fees and costs of litigation.

Section 7.9.  Exclusive Dealing.

During the term of this Agreement, the Club will not solicit or accept any proposal of, or enter into any plan or agreement with, any county or any city other than the City regarding any project or facility having a purpose similar to the Cowboys Complex. The Project Documents, if executed, shall contain a similar provision for the term thereof.
Section 7.10. **Confidentiality.**

The Club has advised the City that the information to be included in the Project Documents may contain confidential commercial information relating to the Club and its business and affairs that is protected from public disclosure under applicable law, and that premature disclosure thereof will have a material adverse business and financial impact on the Club. Accordingly, the City agrees that it will follow all procedures established by applicable law that give the Club the right to contest the public disclosure of confidential commercial and business information relating to the Club and its affiliated business entities.

Section 7.11. **Successors and Assigns.**

The provisions hereof shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. Except as expressly provided herein, this Agreement may not be assigned without the prior written consent of the other party hereto; provided however the rights and interest of the Club under this Agreement are assignable to any successor-in-interest of the ownership of the Team.

Section 7.12. **Non-Compete Covenant.**

The City shall covenant that it will not, directly or indirectly, own, manage, operate, control, finance (either directly or in any manner), sponsor, develop, provide City-owned land or in any other way participate in or cooperate with (subject to applicable laws) any indoor or outdoor sports, entertainment or multi-use venue or complex with an attendance capacity of more than 25,000 and located anywhere within the City (other than Ameriquest Field).

Section 7.13. **Minority Hiring, Contracting, Vending.**

The Club and its affiliates covenant to abide by the guidelines set forth in Section 335.076, Local Government Code, as amended, regarding contracts with historically underutilized businesses (as defined by statute). The City agrees to advise the Club and its affiliates relating to these matters. The parties agree that the construction contracts for the Cowboys Complex shall be subject to any local, state or federal prevailing wage laws. The Project Documents shall address the agreement of the Club to work with the City to use reasonable efforts to use qualified, Arlington-based subcontractors.

Section 7.14. **Entire Agreement: Amendment.**

This Agreement (including the Exhibits attached hereto) and the other documents delivered pursuant hereto and referenced herein constitute the full and entire understanding and agreement between the parties with regard to the subject matter hereof and thereof and supersede any prior or contemporaneous, written or oral agreements or discussions between the parties. Neither this Agreement nor any term hereof may be amended, waived, discharged or terminated, except by a written instrument signed by the parties hereto.
Section 7.15. Waiver.

No term or condition of this Agreement shall be deemed to have been waived, nor shall there be any estoppel to enforce any provision of this Agreement, except by written instrument of the party charged with such waiver or estoppel.

Section 7.16. Notices.

All notices and other communications required or permitted hereunder shall be in writing and shall be mailed by first-class mail, postage prepaid, or delivered by hand, messenger, telecopy or reputable overnight courier, and shall be deemed given when received at the addresses of the parties set forth below, or at such other address furnished in writing to the other parties hereto.

If to the City: City of Arlington
101 West Abram Street
Arlington, Texas 76010
Attn: City Manager

with copies to: City Attorney
201 E. Abram Street
Arlington, Texas 76010

with copies to: Vinson & Elkins, L.L.P.
Trammel Crow Center
2001 Ross Avenue
Dallas, Texas 75201
Attn: Ray Hutchison

If to the Club: The Dallas Cowboys
One Cowboy Parkway
Irving, Texas 75063
Attn: J. Stephen Jones

with copies to: Winstead Sechrest & Minick P.C.
2400 Bank One Center
910 Travis Street
Houston, Texas 77002
Attn: Denis Clive Braham

Section 7.17. Delays or Omissions.

Except as otherwise provided herein to the contrary, no delay or omission to exercise any right, power or remedy inuring to any party upon any breach or default of any party under this Agreement shall impair any such right, power or remedy of such party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be
deemed a waiver of any other breach or default theretofore or thereafter occurring. All remedies either under this Agreement or by law or otherwise afforded to the parties shall be cumulative and not alternative.

Section 7.18. No Joint Venture.

Nothing contained in this Agreement or any other agreement between the Club and the City is intended by the parties to create a partnership or joint venture between the Club, on the one hand, and the City on the other hand and any implication to the contrary is hereby expressly disavowed. It is understood and agreed that this Agreement does not create a joint enterprise, nor does it appoint either party as an agent of the other for any purpose whatsoever. Neither party shall in any way assume any of the liability of the other for acts of the other or obligations of the other. Each party shall be responsible for any and all suits, demands, costs or actions proximately resulting from its own individual acts or omissions.

Section 7.19. Counterparts.

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

Section 7.20. Titles and Subtitles.

The titles of the articles, sections, paragraphs and subparagraphs of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

Section 7.21. Notice and Cure.

A party’s failure to perform any obligation or agreement required to be performed hereunder after the Closing Date shall not constitute a breach or default hereunder until and unless the non-defaulting party gives the defaulting party written notice of the non-performance and the defaulting party then fails to cure such non-performance by the 10th day after the date on which such notice is given.

[execution page follows]
This Agreement has been executed and delivered as of the date first written above.

CITY OF ARLINGTON

By: _________________________________
    Charles R. Kiefer
    City Manager, City of Arlington

ATTEST:

_____________________________
Barbara G. Heptig
City Secretary, City of Arlington

APPROVED AS TO FORM:

_____________________________
Jay Doegey
City Attorney, City of Arlington

DALLAS COWBOYS FOOTBALL CLUB, L.L.C.

By: _________________________________
    J. Stephen Jones, Executive Vice President/
    Chief Operating Officer
EXHIBIT A

CHAPTER 334 ELECTION ORDINANCE
 ORDINANCE NO. _____


WHEREAS, on August 10, 2004, pursuant to Chapter 334, Local Government Code (the “Act”), the City Council (the “Council”) of the City of Arlington (the “City”) adopted Resolution No. 04-358 (the “Resolution”), designating and, subject to approval at an election, authorizing the Dallas Cowboys Complex Development Project (the “Project”) as a sports and community venue project within the City of the type described and defined in Section 334.001(4)(A) of, and permitted by, the Act, and described in summary form as follows:

A multi-purpose and multi-functional stadium, coliseum, community and entertainment venue that is planned for use for one or more professional or amateur sports events, including the professional football games of the “Dallas Cowboys Football Club,” a member team of the National Football League, and related infrastructure as defined in the Act;

and

WHEREAS, in the Resolution, the Council designated the following methods of financing authorized by the Act to finance the Project and the maximum rate of each method:

(a) The imposition of a sales and use tax at a rate not to exceed one-half of one percent (0.5%) on taxable retail sales and transactions within the City, as and to the extent authorized by Subchapter D of the Act;

(b) The imposition of a tax at a rate not to exceed five percent (5%) on the gross rental receipts from the short-term rental in the City of a motor vehicle, as and to the extent authorized by Subchapter E of the Act; and

(c) The imposition of a tax on the occupancy of a room in a hotel located within the City, at a rate not to exceed two percent (2%) of the price paid for such room, as and to the extent authorized by Subchapter H of the Act; and
(d) The imposition of a tax, not to exceed three dollars ($3.00) on each parked motor vehicle parking in a parking facility of the Project, as and to the extent authorized by Subchapter G of the Act, and

(e) The imposition of a tax on each ticket sold as admission to an event held at the Project, at a rate not to exceed ten percent (10%) of the price of the ticket sold as admission, as and to the extent authorized by Subchapter F of the Act.

WHEREAS, as required by Section 334.022 of the Act, the City sent a copy of the Resolution to the Comptroller of Public Accounts, and the Comptroller has notified the City that she has determined that the imposition of the taxes called for in the Resolution would have no significant negative fiscal impact on state revenue; and

WHEREAS, the Council is authorized and has determined to order an election on the question of approving and implementing the Resolution pursuant to Section 334.024 of the Act; Now, Therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ARLINGTON:

Section 1. That an election (the “Election”) is ordered and shall be held in the City of Arlington on Tuesday, November 2, 2004, between the hours of 7:00 a.m. and 7:00 p.m., which date is not less than 62 days from the effective date of this ordinance, is a uniform election date as defined in the Texas Election Code, as amended (the “Code”) for the purpose of submitting to the qualified voters of the City a proposition on the question of approving and implementing the Resolution.

Section 2. That an electronic voting system must be used for voting at and on the date of the Election in compliance with the provisions of the Texas Election Code, as amended. At the Election, the following proposition shall be submitted:

Authorizing the City of Arlington to provide for the planning, acquisition, establishment, development, construction and financing of the Dallas Cowboys Complex Development Project, a sports and community venue project within the City of the type described and defined in Section 334.001(4)(A) of and permitted by Chapter 334, Local Government Code, as amended (the “Act”), designated by Resolution No. 04-358 (the “Resolution”) and described in summary form as a multi-purpose and multi-functional stadium, coliseum, community and entertainment venue that is planned for use for one or more professional or amateur sports events, including the professional football games of the “Dallas Cowboys Football Club,” a member team of the National Football League, and related infrastructure as defined in the Act, and (i) to impose a sales and use tax within the City at a rate of one-half of one percent (0.5%), as authorized by Subchapter D of the Act, (ii) to impose a tax at a maximum rate of five percent (5%) on the gross rental receipts from the short-term rental in the City of a motor vehicle, as and to the extent authorized by Subchapter E of the Act, (iii) to impose a tax on the occupancy of a room in a hotel located within the City, at a maximum
rate of two percent (2%) of the price paid for such room, as and to the extent authorized by Subchapter H of the Act, (iv) to impose an admissions tax on each ticket sold as admission to an event held at the Dallas Cowboys Complex Development Project, at a maximum rate not to exceed ten percent (10%) of the price of the ticket sold as admission, as and to the extent authorized by Subchapter F of the Act, and (v) to impose a tax on each parked motor vehicle parking in a parking facility of the Dallas Cowboys Complex Development Project at a maximum rate not to exceed three dollars ($3.00) per vehicle, as and to the extent authorized by Subchapter G of the Act, for the purpose of financing the Dallas Cowboys Complex Development Project, and approving the Resolution

Section 3. That the manner of conducting the election must be in accordance with the ordinances and charter of the City of Arlington and the laws of the State of Texas applicable to the holding of special elections.

Section 4. All resident, qualified voters of the City shall be eligible to vote at the Election.

Section 5. The voting precincts for the Election are hereby designated to be those municipal voting precincts identified by their respective county precinct numbers set forth in Exhibit A hereto and incorporated herein by reference for all purposes. Each polling place shall be open from 7:00 a.m. to 7:00 p.m. on the date of the Election.

Section 6. Election judges shall be paid $8.00 per hour, alternate judges shall be paid $8.00 per hour and clerks shall be paid $7.50 per hour for their service in the Election.

Section 7. E-slate, a Direct Record Electronic (DRE) System shall be used for early voting by personal appearance, and paper ballots, which are optically scanned, shall be used for early voting by mail. In the November 2, 2004 election, the City Secretary shall cause paper ballots, which are optically scanned, to be prepared in the form of the ballot set forth below, being in both English and Spanish, and shall furnish election officials said ballots, in such form, together with any other forms or blanks, in accordance with the Charter of the City of Arlington, Texas, the Constitution and laws of the State of Texas and the Voting Rights Act of 1965, and any amendments thereto, insofar as same are applicable.

Section 8. A summary of the Proposition shall be set forth substantially in the following form, so as to permit the voters to vote “FOR” or “AGAINST” the Proposition, which shall be set forth on the ballots in substantially the following form:

PROPOSITION

AUTHORIZING THE CITY OF ARLINGTON, TEXAS, TO PROVIDE FOR THE PLANNING, ACQUISITION, ESTABLISHMENT, DEVELOPMENT, CONSTRUCTION AND FINANCING OF THE DALLAS COWBOYS COMPLEX DEVELOPMENT PROJECT WITHIN THE CITY AND (i) TO IMPOSE A SALES AND USE TAX WITHIN THE CITY AT A RATE OF ONE-HALF OF ONE PERCENT (0.5%), (ii) TO IMPOSE A TAX AT A MAXIMUM RATE OF FIVE PERCENT (5%) ON THE GROSS RENTAL RECEIPTS FROM
THE SHORT-TERM RENTAL IN THE CITY OF A MOTOR VEHICLE, (iii) TO IMPOSE A TAX ON THE OCCUPANCY OF A ROOM IN A HOTEL LOCATED WITHIN THE CITY, AT A MAXIMUM RATE OF TWO PERCENT (2%) OF THE PRICE PAID FOR SUCH ROOM, (iv) TO IMPOSE AN ADMISSIONS TAX ON EACH TICKET SOLD AS ADMISSION TO AN EVENT HELD AT THE DALLAS COWBOY COMPLEX DEVELOPMENT PROJECT, AT A MAXIMUM RATE NOT TO EXCEED TEN PERCENT (10%) OF THE PRICE OF THE TICKET, AND (v) TO IMPOSE A TAX ON EACH PARKED MOTOR VEHICLE PARKING IN A PARKING FACILITY OF THE DALLAS COWBOY COMPLEX DEVELOPMENT PROJECT AT A MAXIMUM RATE NOT TO EXCEED THREE DOLLARS ($3.00) PER VEHICLE.

Section 9. Early voting shall be conducted at the following locations:

(a) Bob Duncan Community Center, 2800 South Center Street, Arlington, Texas 76014;

(b) Cliff Nelson Recreation Center, 4600 West Bardin Road, Arlington, Texas 76017;

(c) Sherrod Elementary School, 2626 Lincoln Drive, Arlington, Texas 76006; and

(d) Kooken Educational Center, 423 North Center Street, Arlington, Texas 76011.

Section 10. Early voting by personal appearance shall begin on Monday, October 18, 2004, and shall end at 7:00 p.m. on Friday, October 29, 2004, with the voting times to be from 8:00 a.m. to 5:00 p.m. on October 18, 2004 through October 22, 2004. Extended hours for early voting shall take place on Saturday, October 23, 2004 from 7:00 a.m. to 7:00 p.m.; Sunday, October 24, 2004 from 11:00 a.m. to 4:00 p.m.; and Monday, October 25, 2004 through Friday, October 29, 2004 from 7:00 a.m. to 7:00 p.m.

Section 11. Early voting by mail shall be conducted in conformance with the requirements of the Code. Ballot applications and ballots voted by mail shall be sent to: Robert Parten, Early Voting Clerk, Elections Administration, 100 W. Weatherford Street, Room B90, P.O. Box 961011, Fort Worth, TX 76161-0011.

Section 12. The election materials enumerated in the Code shall be printed in both English and Spanish for use at the polling places and for early voting for the Election and provisions shall be made for oral assistance to Spanish-speaking voters.

Section 13. The holding of the Election shall be in compliance with the Code except as modified by other applicable provisions of law.

Section 14. The election officers shall make returns for the Election in the manner required by law, and the ballots that are properly marked in conformance with the provisions of the Code for votes cast both during the period of early voting and on the day of the Election shall be counted in the manner required by law.
Section 15. Notice of the Election shall be given by posting a notice containing a substantial copy of this Ordinance in both English and Spanish at the City Hall on the bulletin board used for posting notices of the meetings of the City Council not less than twenty-one (21) days prior to the date of the Election, and by publication of said notice at least once in a newspaper of general circulation not earlier than the 30th day nor later than the 10th day before the election.

PRESENTED AND GIVEN FIRST READING on the _____ day of _______________, 2004, at a regular meeting of the City Council of the City of Arlington, Texas; and GIVEN SECOND READING, passed and approved on the _____ day of _______________, 2004, by a vote of _____ ayes and _____ nays at a regular meeting of the City Council of the City of Arlington, Texas.

ATTEST:

ROBERT N. CLUCK, Mayor

BARBARA G. HEPTIG, City Secretary

APPROVED AS TO FORM:
JAY DOEGEY, City Attorney

BY __________________________
EXHIBIT A

POLLING LOCATION - PRECINCT

B. N. Pope Elementary, 901 Chestnut Drive, Arlington 76012
Precincts 2003, 2303

Wood Elementary, 3300 Pimlico Drive, Arlington 76017
Precincts 2007, 2505

W. R. Wimbish Elementary, 1601 Wright Street, Arlington 76012
Precinct 2026

Atherton Elementary, 2101 Overbrook Drive, Arlington 76014
Precincts 2027, 2461

Truett Boles Jr. High, 3900 Southwest Green Oaks Boulevard, Arlington 76017
Precincts 2028, 2506

Kenedale Community Center, 100 East Broadway Street, Kenedale 76060
Precinct 2029.

Glenn Harmon Elementary, 5700 Petra Drive, Arlington 76017
Precinct 2030

Webb Community Center, 2011 Rutland Drive, Arlington 76018
Precinct 2031, 2613

Ruby Ray Swift Elementary, 1101 South Fielder Road, Arlington 76013
Precinct 2052

Sherrod Elementary, 2626 Lincoln Drive, Arlington 76006
Precincts 2055, 1380

Corrinne Crowe Elementary, 1201 Coke Drive, Arlington 76010
Precinct 2100

Meadow Lane Baptist, 1901 Meadow Lane, Arlington, 76010
Precincts 2143, 2403

Veda Knox Elementary School, 2315 Stonegate Street, Arlington 76010
Precinct 2145

Fielder Road Baptist, 2011 Fielder Road South, Arlington 76013
Precincts 2147, 2401
John Webb Elementary, 1200 N. Cooper Street, Arlington 76011
Precincts 2148, 2190

Kookken Educational Center, 423 North Center Street, Arlington 76011
Precinct 2161

South Davis Elementary, 2001 S. Davis Drive, Arlington 76013
Precincts 2168, 2513

Hutcheson Jr. High, 2101 Browning Drive, Arlington 76010
Precincts 2169, 2263, 2569

C. C. Duff Elementary, 3100 Lynnwood Drive, Arlington 76013
Precincts 2171, 2310

St. John Cumberland Presbyterian, 6007 West Pleasant Ridge Road, Arlington
76016
Precincts 2173, 2556, 2609, 2610

Key Elementary, 3621 Roosevelt Drive, Arlington 76016
Precinct 2174

Westminster Presbyterian, 1330 South Fielder Road, Arlington 76013
Precinct 2181

Bailey Jr. High School, 2411 Winewood Lane, Arlington 76013
Precincts 2205, 2451

Myrtle Thornton Elementary, 2301 E. Park Row Drive, Arlington 76010
Precinct 2210

St. Stephen United Methodist Church, 1800 West Randol Mill Road, Arlington
76012 Precinct 2217

Miller Elementary, 6401 W. Pleasant Ridge Rd., Arlington 76016
Precincts 2219, 2520

Dunn Elementary, 2201 Woodside Drive, Arlington 76013
Precinct 2220

Elzie Odom Recreation Center, 1601 NE Green Oaks Blvd, Arlington 76006
Precincts 2224, 2467

North Texas Carpenter's Training Center, 1901 Susan Drive, Arlington 76010
Precincts 2225, 2413, 2427
Burgin Elementary, 401 East Mayfield Road, Arlington 76014
Precinct 2226

Shackelford Jr. High, 2000 North Fielder Road, Arlington 76012
Precinct 2228, 1607

Beatrice Short Elementary, 2000 California Lane, Arlington 76015
Precinct 2229

Ethel Goodman Elementary, 1400 Rebecca Lane, Arlington 76014
Precincts 2235, 2269

Butler Elementary, 2121 Margaret Drive, Arlington 76012
Precinct 2246

New Hope Baptist Church, 6765 Dick Price Road, Mansfield 76063
Precinct 2262

Lake Arlington Baptist Church, 2912 Little Road, Arlington 76016
Precincts 2266, 2464

Foster Elementary, 1025 High Point Road, Arlington 76015
Precinct 2267

Workman Jr. High School, 701 East Arbrook Boulevard, Arlington 76014
Precinct 2268

National Guard Armory, 1929 West Randol Mill Road, Arlington 76012
Precinct 2280, 1605, 1606

Roquemore Elementary, 2001 Van Buren Drive, Arlington 76011
Precinct 2281

Arlington Christian Church, 5200 South Bowen Road, Arlington 76017
Precinct 2304

Keneddale High School, 901 Treepoint Drive, Kennedale 76060
Precincts 2305, 2425

Cliff Nelson Recreation Center, 4600 West Bardin Road, Arlington 76017
Precinct 2306

T. A. Howard Middle School, 7501 Calendar Road, Arlington 76017
Precincts 2307, 2535
C. B. Berry Elementary, 1800 Joyce Street, Arlington 76010
Precinct 2309

Jason B. Little Elementary, 3721 Little Road, Arlington 76016
Precinct 2313

Charles W. Young Junior High, 3200 Woodside Drive, Arlington 76016
Precincts 2314, 2468

Christ Fellowship Baptist Church, 2001 Brown Boulevard, Arlington 76006
Precincts 2315, 2537, 2571

Ellis Elementary, 2601 Shadow Ridge Drive, Arlington 76006
Precincts 2316, 3441, 3442, 2536, 3550, 3551, 3552, 3564

Lamar High, 1400 West Lamar Boulevard, Arlington 76012
Precinct 2317

Floyd Gunn Jr. High, 3000 South Fielder Road, Arlington 76015
Precinct 2318

Ruth Ditto Elementary, 3001 Quail Lane, Arlington 76016
Precinct 2319

Mayfield Road Baptist Church, 1701 East Mayfield Road, Arlington 76014
Precinct 2320

Corey Elementary, 5200 Kelly Elliott Road, Arlington 76017
Precincts 2352, 2521

Williams Elementary, 4915 Red Birch Drive, Arlington 76018
Precincts 2353, 2448, 2553

Fitzgerald Elementary, 5201 Creek Valley Drive, Arlington 76018
Precincts 2354, 2523

The Church of Rush Creek, 2300 SW Green Oaks Boulevard, Arlington 76017
Precincts 2356, 2519

Moore Elementary, 5500 Park Springs Boulevard, Arlington 76017
Precinct 2358

Farrell Elementary, 3410 Paladium Drive, Grand Prairie 75052
Precinct 2381
Bebensee Elementary, 5900 Inks Lake Drive, Arlington 76018
Precincts 2383, 2450

Elizabeth Amos Elementary, 3100 Daniel Drive, Arlington 76014
Precinct 2393

UAW Local 276, 2505 W E Roberts Street, Grand Prairie 75051
Precincts 2402, 2544, 2617

Pearcy Elementary, 601 East Harris Road, Arlington 76002
Precincts 2405, 2541

St. Andrews United Methodist, 2045 SE Green Oaks Blvd, Arlington 76018
Precinct 2449

Kenneth Davis Elementary, 900 Eden Road, Arlington 76001
Precincts 2462, 2581

Shepard of Life Lutheran Church 715 East Lamar Boulevard, Arlington 76011
Precinct 1463

R. F. Patterson Elementary, 6621 Kelly Elliott Road, Arlington 76001
Precinct 2522

D. P. Morris Elementary, 7900 Tin Cup Drive, Arlington 76001
Precinct 2525

J. L. Boren Elementary, 1400 Country Club Drive, Mansfield 76063
Precinct 2557
EXHIBIT C

PRELIMINARY COWBOYS COMPLEX PROJECT BUDGET
CITY OF ARLINGTON, TEXAS
# EXHIBIT C

## PRELIMINARY COWBOYS COMPLEX PROJECT BUDGET

**CITY OF ARLINGTON, TEXAS**

<table>
<thead>
<tr>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SF Total Structure</strong></td>
</tr>
<tr>
<td><strong>SF Footprint</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excavation / Dewatering</td>
<td>$14,528,269</td>
</tr>
<tr>
<td>Plaza Landscape/Hardscape</td>
<td>$4,188,950</td>
</tr>
<tr>
<td>Foundations</td>
<td>$12,196,862</td>
</tr>
<tr>
<td>Basement Walls</td>
<td>$11,849,880</td>
</tr>
<tr>
<td>Access Tunnel to Event Level</td>
<td>$4,460,304</td>
</tr>
<tr>
<td>Playing Field</td>
<td>$2,860,167</td>
</tr>
<tr>
<td>Stadium Structure</td>
<td>$63,684,636</td>
</tr>
<tr>
<td>Seating Bowl Structure</td>
<td>$15,669,569</td>
</tr>
<tr>
<td>Roof Structure (Operable &amp; Fixed)</td>
<td>$107,086,927</td>
</tr>
<tr>
<td><strong>Total Structure Cost</strong></td>
<td>$236,525,564</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exterior Skin</td>
<td>$27,822,797</td>
</tr>
<tr>
<td>End Zone Build Out - Operable End Zone</td>
<td>$4,364,260</td>
</tr>
<tr>
<td><strong>Total Skin Cost</strong></td>
<td>$32,187,057</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Finish Out</td>
<td>$25,767,722</td>
</tr>
<tr>
<td>Suite Finish Out</td>
<td>$9,614,068</td>
</tr>
<tr>
<td>Misc Specialties</td>
<td>$1,760,040</td>
</tr>
<tr>
<td>Food Service</td>
<td>$9,509,277</td>
</tr>
<tr>
<td>Stadium Seating</td>
<td>$6,385,760</td>
</tr>
<tr>
<td>Scoreboards / Video Boards</td>
<td>$12,611,716</td>
</tr>
<tr>
<td>Audio / Visual Systems</td>
<td>$7,349,144</td>
</tr>
<tr>
<td>Elevators / Escalators</td>
<td>$7,500,000</td>
</tr>
<tr>
<td><strong>Total Finish Out Cost</strong></td>
<td>$80,497,727</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mechanical Systems</td>
<td>$68,209,733</td>
</tr>
<tr>
<td>Electrical Systems</td>
<td>$27,222,033</td>
</tr>
<tr>
<td><strong>Total Systems Cost</strong></td>
<td>$95,431,766</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Conditions (3.5%)</td>
<td>$16,002,000</td>
</tr>
<tr>
<td>Fee / Bonds (Fee - 3% / Bonds - 1%)</td>
<td>$17,305,991</td>
</tr>
<tr>
<td>Contingency (3.5% Construction / 3.5% Design)</td>
<td>$33,456,507</td>
</tr>
<tr>
<td>Escalation</td>
<td>Not Included</td>
</tr>
</tbody>
</table>

ARL400/20000
Dallas Stadium - Master Agreement (with updated Exhibit A) Re Dallas Cowboys Complex Development Project (2),DOC

C-1
### Total Stadium Contractor Fees / Contingencies

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Architectural Design 3.5%</td>
<td>$17,919,933</td>
</tr>
<tr>
<td>Structural Design 1.75%</td>
<td>$8,959,966</td>
</tr>
<tr>
<td>MEP Design .8%</td>
<td>$4,095,995</td>
</tr>
<tr>
<td>Other Design 3.2%</td>
<td>$16,329,517</td>
</tr>
<tr>
<td><strong>Total Design Cost 9.25%</strong></td>
<td><strong>$47,305,411</strong></td>
</tr>
</tbody>
</table>

### Total Stadium Facility

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface Parking (10,000spc)</td>
<td>$10,698,000</td>
</tr>
<tr>
<td>Cowboys Hall of Fame</td>
<td>$6,874,400</td>
</tr>
<tr>
<td>Fixtures Furnishings and Equipment (Stadium)</td>
<td>$4,000,000</td>
</tr>
<tr>
<td>Land Acquisition</td>
<td>$42,000,000</td>
</tr>
<tr>
<td>Utility Improvements</td>
<td>$8,853,000</td>
</tr>
<tr>
<td>On Site Road Improvements</td>
<td>$5,560,990</td>
</tr>
<tr>
<td>Grading &amp; Hardscape</td>
<td>$6,513,000</td>
</tr>
<tr>
<td>Demolition &amp; Remediation</td>
<td>$6,900,000</td>
</tr>
<tr>
<td><strong>Total Site Development</strong></td>
<td><strong>$91,399,390</strong></td>
</tr>
</tbody>
</table>

### Total Facility, Site & Land Cost

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Facility, Site &amp; Land Cost</td>
<td>$650,111,413</td>
</tr>
</tbody>
</table>

**Disclaimer**

The amounts contained in this Budget are preliminary. They may not be relied upon. They may be adjusted in the future. The final Budget will be based upon final plans for the Project prepared for and acceptable to the Dallas Cowboys Football Club.
COWBOYS COMPLEX FAIR SHARE AGREEMENT

THIS COWBOYS COMPLEX FAIR SHARE AGREEMENT (this "Agreement") is entered into as of September 30, 2004 by and between the CITY OF ARLINGTON, TEXAS, a duly incorporated home rule city of the State of Texas (the "City"), and THE DALLAS COWBOYS FOOTBALL CLUB, L.L.C., a Texas Limited Liability Company (the "Cowboys").

WHEREAS, the City and the Cowboys entered into a Master Agreement Regarding Cowboys Complex Development Project (the “Master Agreement”) on the 17th day of August, 2004, for the construction and operation of an NFL stadium (the “Cowboys Complex”) in the City;

WHEREAS, as part of the Master Agreement, the City and the Cowboys have agreed to support the creation of a M/WBE Policy and Program for the hiring of minority and women-owned business enterprises, which are (1) to provide minorities and women equal opportunity for participating in the construction, procurement and professional services opportunities and (2) to provide procedures for monitoring compliance with minority and women-owned business enterprises participation goals in construction, procurement and professional services opportunities;

WHEREAS, the Cowboys, as the party designated in the Master Agreement to develop the Cowboys Complex, have agreed to and in connection with the design, development and construction of the Cowboys Complex to (a) comply with the terms of the proposed M/WBE Policy and Program, including the reporting requirements thereunder; (b) contractually obligate the general contractor, consultants and third-party contractors to use good faith efforts as defined by the City and interpreted in Section 49 of The Code of Federal Regulations (which is attached as Exhibit A) to comply with the terms of the M/WBE Policy and Program, including reporting requirements hereunder; and (c) to the degree reasonably possible, utilize minority and women contractors and consultants with offices located first in the city of Arlington, then Tarrant and Dallas Counties, and then the state of Texas;

WHEREAS, the Cowboys will encourage utilization of joint ventures and other strategic alliances to achieve minority participation in all prime roles including, but not limited to the following areas, architectural services, general contracting, purchases and other services provided to this project;

WHEREAS, this Agreement represents the strict commitment of the parties to include minority and women business enterprises in all aspects of the design, procurement, development and construction of the Cowboys Complex such as the above-mentioned areas and the following:

Preliminary tasks: conceptual engineering, insurance, land acquisition, environmental abatement and assessment;

Construction: includes new construction, demolition, paving, fencing, excavation, grading, plumbing, painting, electrical work, plastering, carpentry, roofing and sheet metal work, structural and rebar steel erection, and glazing, and all other phases of construction;
Professional Services: architectural, engineering, financing, land surveying, accounting, auditing, medical, legal, janitorial, marketing, title work, insurance, purchasing, temporary staffing, telecommunications, technical and installation support, real estate, landscaping, and landscape management;

Materials, Supplies and Equipment: fuel, office supplies, and furniture;

Other Items: security guards, parking lot attendants, independent porters, and all other miscellaneous procurement opportunities; and

WHEREAS, all M/WBE firms must have a M/WBE Certificate that has been issued by the North Central Texas Regional Certification Agency (NCTRCA), the North Texas Women's Business Council (NTWBC), the Texas Department of Transportation (TXDOT), highway division or a similar certifying agency acceptable to the City;

WHEREAS, the Cowboys will perform reasonable due diligence to ensure that all M/WBE firms are owned and operated by minorities or women. Particular attention will be paid if company ownership has been changed within the past two years, if an M/WBE firm appears to perform as a conduit without performing any work, and if a joint venture with a non-M/WBE firm has been entered into;

WHEREAS, the Cowboys will use reasonable due diligence to coordinate the creation of subcontracting opportunities in sizes suitable for M/WBEs in order to develop the capacity of local minority firms; and

WHEREAS, the parties agree that the Cowboys shall use all reasonable due diligence to implement the M/WBE Policy and Program. The Cowboys will provide the City with $100,000 per year to retain a person or firm to serve as an independent contractor (“M/WBE Coordinator”), reasonably acceptable to the Cowboys to assist the Cowboys in the implementation, monitoring and due diligence efforts required to achieve the desired results of this Agreement. The selected person or firm shall serve in this capacity beginning January 1, 2005 and ending upon the grand opening of the stadium to the public. The person or firm shall be provided comparable office space along with other construction personnel at the Cowboys Complex so long as such is maintained by the Cowboys at the job site. The general responsibilities for M/WBE Coordinator are generally described on attached Exhibit “B”; and

NOW, THEREFORE, BE IT RESOLVED, that the Cowboys, and any other entity appointed, selected, designated or involved by the Cowboys in the design, development, procurement and construction of the Cowboys Complex, do hereby agree to create a program of involvement for minority and women enterprises; it is further

RESOLVED, that the Cowboys shall enhance opportunities for minorities and women through implementing such measures that enhance the participation of minority and women-owned businesses for the entirety and duration of the Master Agreement and the Project Development Agreement (as defined in the Master Agreement); it is further

RESOLVED, that the Cowboys agree that their executive officer charged with the responsibility of directing the M/WBE Policy and Program shall have equal status as other members of the Cowboys executive staff. The executive officer shall have sufficient authority, staff and resources to carry out the proper development and implementation of the M/WBE Policy and Program. As part of its mission, the Cowboys shall issue a public
report to the governing body of the City on a quarterly basis documenting the involvement of minorities and women in the design, development, procurement and construction of the Cowboys Complex; it is further

RESOLVED, that notwithstanding any provisions herein to the contrary, the Cowboys, as a show of their commitment to inclusion, commit to keep in place throughout the entirety and duration of the Master Agreement and the Project Development Agreement (but in no event does this commitment bind any successor owners, assigns, or tenants) a program which will provide for ethnic minority participation goals in the following categories. These goals, intended as minimums and not maximums, are as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>25.00%</td>
</tr>
<tr>
<td>Architectural &amp;Engineering</td>
<td>25.00%</td>
</tr>
<tr>
<td>Other Professional</td>
<td>37.00%</td>
</tr>
<tr>
<td>Other Services</td>
<td>24.00%</td>
</tr>
<tr>
<td>Goods</td>
<td>18.00%</td>
</tr>
</tbody>
</table>

In an effort to maximize the goals of this agreement, a weighted scale of achieving that goal will be determined as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arlington Based M/WBE Firms</td>
<td>100%</td>
</tr>
<tr>
<td>Tarrant &amp; Dallas County M/WBE Firms</td>
<td>90%</td>
</tr>
<tr>
<td>Texas M/WBE Firms</td>
<td>80%</td>
</tr>
<tr>
<td>Non-Texas Based M/WBE Firms</td>
<td>60%</td>
</tr>
</tbody>
</table>

An entity shall be considered under the control of the Cowboys if any principal owner or employee of the Cowboys holds a minimum 51% ownership interest in such entity, or otherwise have the right to direct operations or set policy of such entity; it is further

RESOLVED, that upon passage of the November 2, 2004 referendum, the Cowboys shall put in place a process to effectuate the intent embodied herein. As part of this process, the Cowboys shall work with interested community groups in developing and implementing a plan of inclusion; and it is further

RESOLVED, that the undertaking and commitments set forth in these resolutions do not constitute as a part, and shall not be deemed to modify, amend or abrogate, any provision of the Master Agreement or any related agreement between the City and the Cowboys.

Signed this _____ day of__________________, 2004
CITY OF ARLINGTON

By: Robert N. Cluck, M.D.
Mayor, City of Arlington

ATTEST:

Barbara G. Heptig
City Secretary, City of Arlington

DALLAS COWBOYS FOOTBALL CLUB, L.L.C.

By: J. Stephen Jones, Executive Vice President/Chief Operating Officer
Appendix to Section 23.45 – Guidance Concerning Good Faith Efforts

To determine whether a competitor that has failed to meet MBE contract goals may receive the contract, the recipient must decide whether the efforts the competitor made to obtain MBE participation were “good faith efforts” to meet the goals. Efforts that are merely *pro forma* are not good faith efforts to meet the goals. Efforts to obtain MBE participation are not good faith efforts to meet the goals, even if they are sincerely motivated. If, given all relevant circumstances, they could not reasonably be expected to produce a level of MBE participation sufficient to meet the goals. In order to award a contract to a competitor that has failed to meet MBE contract goals, the recipient must determine that the competitor’s efforts were those that, given all relevant circumstances, a competitor actively and aggressively seeking to meet the goals would make.

To assist recipients in making the required judgment, the Department has prepared a list of the kinds of efforts that contractors may make in obtaining MBE participation. It is not intended to be a mandatory checklist; the Department does not require recipients to insist that a contractor do any one, or any particular combination, of the things on the list. Nor is the list intended to be exclusive or exhaustive. Other factors or types of efforts may be relevant in appropriate cases. In determining whether a contractor has made good faith efforts, it will usually be important for a recipient to look not only at the different kinds of efforts that the contractor has made, but also the quality and intensity of these efforts.

The Department offers the following list of kinds of efforts that recipients may consider:

1. Whether the contractor appended in pre-solicitation or pre-bid meetings that were scheduled by the recipient to inform MBEs of contracting and subcontracting opportunities.
2. Whether the contractor advertised in general circulation, trade association, and minority-focus media concerning the subcontracting opportunities.
3. Whether the contractor provided written notice to a reasonable number of specific MBEs that their interest in the contract was being solicited, in sufficient time to allow the MBEs to participate effectively.
4. Whether the contractor followed up initial solicitations of interest by contacting MBEs to determine whether the MBEs were interested.
5. Whether the contractor selected portions of the work to be performed by MBEs in order to increase the likelihood of meeting the MBE goals (including where appropriate, breaking down contracts into economically feasible units to facilitate MBE participation).
6. Whether the contractor provided interested MBEs with adequate information about the plans, specifications and requirements of the contract.
7. Whether the contractor negotiated in good faith with interested MBEs, not rejecting MBEs as unqualified without sound reason based on a thorough investigation of their capabilities;
8. Whether the contractor made efforts to assist interested MBEs in obtaining bonding, lines of credit, or insurance required by the recipients or contractors; and
9. Whether the contractor effectively used the services of available minority community organizations, minority contractors’ groups, local, state and Federal minority business assistance offices, and other organizations that provide assistance in the recruitment and placement of MBEs.
EXHIBIT “B”

General Responsibilities for M/WBE Coordinator

The coordinator will assist the Cowboys and the City with the following:

1. Develop advertising for interested businesses in this project.

2. Assist in the certification of interested firms.

3. Identify the qualified firms and verify billings.

4. Provide technical assistance that will help firms with the necessary bonding and insurance capabilities.

5. Prepare quarterly reports due under this Agreement.

6. Provide minority source prospect lists from Tarrant and Dallas Counties.

7. Provide minority source prospect lists of Arlington based companies.

8. Assist in the development of web page links to the NCTRCA to facilitate M/WBE contractor applications.

9. Facilitate the use of city owned meeting space for all networking sessions, pre-bid meetings and minority workshops.

10. Such other responsibilities as are reasonably requested by the Cowboys in furtherance of a M/WBE program to facilitate the effective development of the Cowboys Complex.
ATTACHMENT C
CITY OF ARLINGTON FINANCIAL POLICY
CITY OF ARLINGTON
Financial Policies

Accounting, Budgeting, and Financial Planning

1. The City will establish accounting practices that conform to generally accepted accounting principles as set forth by the Governmental Accounting Standards Board.

2. An independent certified public accounting firm will perform an annual audit and an official comprehensive annual financial report (CAFR) shall be issued no later than 6 months following year-end.

3. The independent certified public accounting firm shall provide a management letter, if one is issued, no later than March 31 following the end of each fiscal year.

4. The City shall submit the CAFR to the Government Finance Officer's Association (GFOA) for the purpose of earning the Certificate of Achievement for Excellence in Financial Reporting.

5. The City shall prepare an Annual Operating budget and submit it for City Council approval prior to September 30.

6. The Annual Operating Budget shall be prepared such that current revenues plus net operating transfers will be sufficient to support current expenditures.

7. Expenditures from all operating funds shall not exceed the budgeted appropriations (as amended) for these funds.

8. An adequate level of maintenance and replacement will be funded each year to ensure that all capital facilities and equipment are properly maintained.

9. Charges for services and other revenues will be annually examined and adjusted as deemed necessary to respond to cost increases or any other changing circumstances.

10. A 3-year financial forecast shall be prepared annually projecting revenues and expenditures for all operating funds. This forecast shall be used as a planning tool in developing the following year's operating budget.

11. The City shall submit the Annual Operating Budget to the GFOA for the purpose of earning the Distinguished Budget Presentation Award.
Investments

1. Investments shall be made in conformance with the City’s Investment Policy, with the primary objectives of:
   - Safety – preservation of capital in the investment portfolio;
   - Liquidity – portfolio remain sufficiently liquid to meet operating requirements;
   - Yield – goal of rate of return of 102% of U.S. treasury curve at average maturity.

Grants

1. All grants and other federal and state funds shall be managed to comply with the laws, regulations, and guidance of the grantor, and all gifts and donations shall be managed and expended according to the wishes and instructions of the donor.

Tax Collection

1. The City shall encourage the Tax Assessor-Collector to follow an aggressive policy of collecting property tax revenues. An average collection rate of at least 98% of current levy shall be maintained.

Self-Insurance & Retirement Funds

1. All retirement and self-insurance funds will be examined annually to ensure that adequate balances are maintained. Unfunded actuarial liabilities in a retirement program are to be amortized over a 25-year period or less. The self-insurance program for workers’ compensation shall be funded at a 75% confidence level, and the APFA self-insurance program shall be funded at a 50% confidence level.

Reserves

1. The City’s working capital reserve in the general fund shall be maintained at a minimum level of 8.33% (1/12th) of annual general fund expenditures.

2. The City’s general fund unreserved ending balance may only be used for one time purchases like capital equipment.

3. The total general fund balance shall be maintained at a minimum of 15% of annual general fund expenditures.

4. The fund balance in the debt service fund shall be maintained at a minimum level of 4.0% of annual debt service expenditures.
**Debt Management**

1. Debt financing which includes permanent improvement bonds, revenue bonds, certificates of obligation, lease/purchase agreements and other obligations allowed under Texas law shall be used to acquire or construct land and improvements that cannot be funded by current revenues. The term of debt shall not exceed the expected useful life of the capital asset being financed and in no case shall it exceed 25 years.

2. Debt will not be used to fund current expenditures.

3. Permanent Improvement Bonds shall normally be issued with a level principal structure. This structure equates to an average life of 11 years or less for a 20-year issue. Interest shall be paid in the first fiscal year after a bond sale and principal must be paid no later that the second fiscal year after the bond sale.

4. Each year the City will adopt a capital improvement plan. The plan will recommend specific funding of projects for the following two fiscal years and will identify projects for further consideration in years three through five.

5. The City is committed to providing continuing disclosure of certain financial and operating data and material event notices as required by Securities and Exchange Commission (SEC) Rule 15c2-12. The Finance Department shall be responsible for the preparation of all disclosure documents and releases required under Rule 15c2-12.

6. The City will obtain a rating from at least one nationally recognized bond-rating agency on all issues being sold on the public market. Required information will be presented to the rating agency(s) at least annually in order to maintain ratings on outstanding debt.

7. The City shall comply with the Internal Revenue Code Section 148 – Arbitrage Regulations for all tax-exempt debt issued. An annual estimate of arbitrage liabilities shall be obtained by the City and recorded on the financial statements.

8. A good faith deposit of 2.0% of the par amount of the bond sale shall be presented by the underwriter in the form of a check or surety acceptable to the City and Bond Counsel prior to the approval of the bonds by the Mayor and City Council.

9. The City shall use a competitive bidding process in the sale of debt unless the use of a negotiated process is warranted due to market timing requirements (refunding), or a unique pledge or debt structure. The City will award competitively issued debt on a true interest cost (TIC) basis.
10. The City welcomes ideas and proposals from investment bankers and will seek to give first consideration to those firms that submit unique and innovative ideas that benefit the City. Unsolicited proposals should be submitted to the City’s Finance Department.

11. The selection of an underwriter or group of underwriters for a negotiated sale shall be based on the following factors:

- Participation in the City’s competitive sales;
- Submission of unique or creative proposals;
- Qualifications of firm;
- Size and geographic distribution of their sales staff.

12. All professional service providers selected in connection with the City’s debt issuance and management program shall be chosen through a competitive process such as request for proposals (RFP’s) on an as needed basis.

13. An advance or current refunding of outstanding debt shall only be considered when present value savings of at least 4.25% of the principal amount of the refunded bonds are produced, unless a debt restructuring or bond covenant revisions are necessary. Savings from refundings will be distributed evenly over the life of the refunded bonds.

14. An analysis of the risks and potential rewards of a derivative product for debt management must be prepared before the structure is selected. The City’s Bond Counsel must opine that the City is authorized to enter into the necessary agreements under all existing statutes.

15. The use of reimbursement resolutions shall be encouraged as a cash management tool for debt funded projects. Reimbursement resolutions may be used for any project that has been approved in the City’s Capital Budget. Reimbursement resolutions may be used for other projects if the projects are revenue supported or funded within departments’ operating budget.

16. The City shall obtain a clear opinion from qualified legal counsel that the City is not liable for the payment of principal and/or interest in the event of default by a conduit borrower. If no such opinion can be obtained, the conduit borrower will be required to purchase insurance or a letter of credit in the City’s name in the event of default. Examples of a conduit issuer are special authorities, tax-increment financing districts, public improvement districts, or industrial development issuers.
**Debt Management – Ratio Targets**

1. The ratio of net debt (total outstanding tax supported general obligation debt less debt service fund balance) to total taxable assessed valuation shall not exceed 2.0%. This excludes debt of overlapping jurisdictions. The City shall structure its bond issuance to achieve and maintain a debt-to-assessed-value of 2.0% or less.

2. The ratio of debt service expenditures to total expenditures (general fund operating expenditures and debt service combined) shall not exceed 20%.

3. The ratio of outstanding net tax-supported debt to population shall not exceed $850.

4. The Finance Department shall prepare an analysis of the impact of proposed tax-supported debt prior to the issuance of the additional debt. The analysis shall project the debt ratios described in numbers 1, 2 & 3 above as well as any other applicable debt ratios.

**Debt Management – Certificates of Obligation**

1. It is the City's priority to fund capital expenditures with cash or voter approved debt. However, non-voter approved debt may be used for capital expenditures as an alternative to lease/purchase or other financing options if the capital expenditure is:
   - Urgent;
   - Necessary to prevent an economic loss to the City;
   - Revenue generating and expected to cover debt service out of the revenue source;
   - Non-voter approved debt is the most cost effective financing option available.

2. The average maturity of non-voter approved debt shall not exceed the average life of the capital items financed.

3. Capital items financed with non-voter approved debt shall have an expected economic life of at least 3 years.

*Adopted by resolution No. 00-526 on August 22, 2000.*
Payment of the Expense Component of Underwriters’ Discount (1996)

**Background.** When using the negotiated method of sale for tax-exempt bonds, the compensation to underwriters consists of four components: takedown, management fee, underwriting risk, and expenses. The expense component is made up of costs incurred by the underwriter on behalf of the issuer for such expenses as travel, underwriters’ counsel, printing and mailing, and closing costs. Unless issuers take specific actions, they may pay for unreasonable expenses by the senior managing underwriter, and other members of the underwriting syndicate may be inappropriately charged for such expenses.

**Recommendation.** The Government Finance Officers Association (GFOA) recommends that state and local government issuers clearly communicate to the senior managing underwriter the expenses they view as legitimate and their expectations regarding payment of expenses by members of the underwriting syndicate. Issuers need to be sure that the expense component represents charges for items that are necessary to complete the financing, since paying for nonessential expenses reduces the amount of proceeds for capital projects or other governmental activities. Moreover, permitting the underwriter to charge members of the underwriting syndicate for expenses, without the knowledge of the issuer, by reducing the takedown or management fee, may compromise issuer goals, such as rewarding sales or other efforts by members of the syndicate.

To ensure that expenses are reasonable and explicitly identified, governmental issuers should consider the following actions:

1. Require firms proposing to serve as senior managing underwriter to present in their proposal an itemized list of expenses that they expect to incur and how they will be paid, either by the issuer or by members of the underwriting syndicate. Underwriters should be required to explain and justify any expense component that is not clearly understood by the issuer.
2. Convey clearly to the firm selected as senior managing underwriter the expenses that the issuer regards as legitimate and those that the issuer does not view as reasonable. Among the expenses that may be regarded as legitimate are
   - compensation for underwriters’ counsel;
   - travel to and from the issuer’s offices;
   - Dalcomp/Dalnet fees for transmitting information on interest rates, takedowns, and priority of orders;
   - interest/day loan costs;
   - charges for communication, including the rating agency presentation, mailing, printing, and telephone expenses;
   - documented clearing charges; and
   - closing costs.
Expenses that the issuer may want to deny are the cost of taxi rides to and from work by the underwriters’ staff, the Public Securities Association’s underwriting assessments, entertainment expenses, computer-run charges, and undocumented clearing charges.

3. Pay particular attention to fees for underwriters’ counsel, as this generally is one of the most significant expense components paid by the issuer. Issuers should consider setting a cap on fees paid to underwriters’ counsel.

4. Require the senior managing underwriter to explicitly document all expenses incurred on behalf of the issuer in a negotiated sale, as well as any expenses charged to members of the underwriting syndicate. The senior managing underwriter should explain any expenses not included in the original proposal.

References