

January 31, 2005

**EXECUTIVE SUMMARY**  
**PROJECT DOCUMENTS REGARDING THE DALLAS COWBOYS COMPLEX  
DEVELOPMENT PROJECT IN THE CITY OF ARLINGTON, TEXAS**

This summary sets out some of the key terms of the documents relating to the financing and development of the proposed Cowboys Complex project – a sports and community venue project centered around a new multi-functional stadium that will be the home of the Dallas Cowboys – in the City of Arlington, Texas.\*

A) **COWBOYS COMPLEX FUNDING AND CLOSING AGREEMENT**

- The Closing Agreement is an agreement between the City, as landlord, and Cowboys Stadium, L.P., as tenant, which outlines the closing procedures for the project.
- The Closing Agreement obligates the City to use its best efforts to obtain funds from the issuance of special tax revenue bonds in the amount of the lesser of: (i) \$325,000,000 or (ii) 50% of the project costs involved in the development of the Cowboys Complex. If the sale of those bonds yields at least \$290,000,000, but not the full \$325,000,000, the City will issue an additional series of special tax revenue bonds (up to \$35,000,000), which the tenant will be required to purchase.
- The Closing Agreement obligates the tenant, after closing, to pay for the difference between the total project costs (including cost overruns), and the amount contributed by the City (as noted above) and the amount raised from the issuance of certain user tax revenue bonds (to be supported by parking or admissions tax).
- The closing is subject to the following conditions: (i) both parties receive assurances that each is capable of meeting their financial obligation; (ii) satisfaction with the project budget and other development-related conditions; and (iii) approval from the National Football League.
- At closing, the following will occur: (i) the City will issue the applicable special tax revenue bonds; (ii) the City will issue any user tax revenue bonds; (iii) the tenant will close any prearranged financial arrangements necessary to obtain its portion of the required funds; (iv) the Lease Agreement, the Franchise Agreement, the Purchase Option Agreement, and the Lease Guaranty will be executed; and (v) the City will reimburse (from bond proceeds and/or available designated tax revenues) the tenant for certain costs advanced by the tenant to the

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\* This document contains a brief summary of selected terms of the legal documents governing the financing, development, and use of the Cowboys Complex. Reference is made to the project documents themselves for a full statement of the rights and responsibilities of the respective parties thereto.

City prior to closing (discussed in further detail under the Reimbursement Agreement heading).

- The Closing Agreement calls for the establishment of various project accounts for the payment of construction costs using the City's and tenant's contributions.
- The documents to be executed at closing include the following terms:

(1) **Cowboys Complex Lease Agreement** (between the City and Cowboys Stadium, L.P.)

- The Lease provides for the lease of the land and stadium to the tenant for an initial term of thirty years after the new stadium opens at a rental rate of \$2,000,000 a year. The tenant will also make separate annual payments to the City, beginning during the construction period, equal to 5% of the net naming rights revenue, if any, received by the tenant, capped at \$500,000 per year.
- The Lease contains several renewal/extension options at guaranteed annual rental payments of \$1,000,000 per year for the first 10-year option and \$1,250,000 per year for all remaining options. If all options are exercised by the tenant, the tenant could stay for a total of 70 years.
- The Lease obligates the tenant to design and build the stadium and the surrounding complex. The City agrees to assist the tenant in working with Tarrant County to finance needed roadway improvements.
- Under the Lease, the tenant pays for all costs of operation and maintenance (i.e., a "triple-net lease").
- The Lease provides the tenant with all of the typical revenue opportunities from operations (e.g., signage, suites, concessions, etc.).

(2) **Lease Guaranty** (between the City and the Cowboys)

- The Lease Guaranty obligates the Cowboys to guaranty the payment of all base rent and naming rights rent.
- Additionally, the Lease Guaranty obligates the Cowboys to guarantee that casualty insurance premiums are paid.

(3) **Franchise Agreement** (between the City and the Cowboys)

- The Franchise Agreement requires the Dallas Cowboys NFL football franchise to remain in Arlington and to play all of the

team's home games in the Cowboys Complex for a minimum of 30 years after the new stadium opens. If the Lease is extended then the Cowboys' obligation to stay in Arlington is extended.

- If the Cowboys Stadium is damaged as a result of a casualty event, the team is still required to play in the North Texas area until the Cowboys Complex is again suitable for use.

(4) **Purchase Option Agreement** (between the City and the Cowboys)

- This provides the Cowboys with an option to purchase the Cowboys Complex from the City at the end of the initial lease term and each extension option thereafter.
- The option price is \$100,000,000. The Cowboys get a credit for paid rent, operating costs, and cost overruns.
- Any purchase will be on an "as-is" basis. The City has no obligation other than to give the Cowboys a deed.
- If the Cowboys exercise their option at the end of the initial 30-year term of the Lease, they will be obligated to stay at the Cowboys Complex in Arlington for an additional 10-year period.

B) **REIMBURSEMENT AGREEMENT**

- The Reimbursement Agreement obligates the Cowboys to reimburse the City for certain agreed-upon funds expended by the City in connection with the development of the Cowboys Complex until such time as the City receives the proceeds of the bonds and/or designated tax revenues.
- Additionally, the Reimbursement Agreement obligates the City to reimburse the Cowboys, once the City receives the proceeds of the bonds and/or designated tax revenues, for certain specified amounts previously expended in connection with the development of the Cowboys Complex that were previously paid by the Cowboys.

C) **CHARITABLE CONTRIBUTION AND PLEDGE AGREEMENT**

- The Gene and Jerry Jones Family Charities have agreed to donate \$16,500,000 (\$500,000/year for 33 years) for sports, recreational and educational youth programs in Arlington, beginning in 2006.
- Contributions will be made to the Arlington Youth Foundation, a Texas non-profit corporation, which will be formed to oversee and distribute the donated funds. The board members of the Foundation will consist of representatives of the Jones family, the Mayor of Arlington, and a member of the City Council.