

## **PRINCIPAL PREPAYMENT AND INTEREST FORGIVENESS AGREEMENT**

**THIS PRINCIPAL PREPAYMENT AND INTEREST FORGIVENESS AGREEMENT** (the “**Agreement**”) is made as of this \_\_\_ day of December, 2020, by and between The National Association of Basketball Coaches Foundation, Inc., a Delaware nonprofit corporation (the “**Borrower**”), National Association of Basketball Coaches (“**NABC**”) and the City of Kansas City, Missouri, a duly organized and existing Missouri constitutional charter city (the “**Lender**”).

### **Recitals**

**WHEREAS**, the NABC is located at 1111 Main Street in Kansas City (“**NABC Headquarters**”);

**WHEREAS**, the NABC has a long partnership with the City in support and furtherance of the City’s unique history as the center of college basketball;

**WHEREAS**, the partnership with the City led to the location of the NABC Headquarters in downtown Kansas City, the founding of the annual Hall of Fame Classic Basketball Tournament and other major basketball events in Kansas City, and the development and operation of the College Basketball Experience and the Hall of Fame in what is now T-Mobile Center (formerly Sprint Center) in Kansas City;

**WHEREAS**, the NABC created the College Basketball Experience and the Borrower to own and operate the College Basketball Experience located at 1401 Grand Boulevard, Kansas City, MO 64106 in T-Mobile Center (the “**CBE**”);

**WHEREAS**, the T-Mobile Center was constructed by and owned by the City and CBE displays and tenant improvements in the T-Mobile Center are owned by the Borrower;

**WHEREAS**, on May 7, 2007, Borrower, Lender and Anschutz Kansas City Arena, LLC, entered into that certain License and Operating Agreement (the “**License Agreement**”), pursuant to which Borrower was authorized to use and occupy that portion of the T-Mobile Center commonly known as the CBE;

**WHEREAS**, during construction of the T-Mobile Center, the City incurred cost overruns a portion of which was allocated to the Borrower by the City in order to complete the Arena. Borrower, which had exceeded its CBE budget to construct the CBE, made two loans to cover its allocated costs. The City loaned the Borrower \$1,170,000 (the “**Loan**”) of the allocated amount pursuant to the License Agreement and that certain Development and Participation Agreement dated May 7, 2007, by and between Borrower and Lender (the “**Participation Agreement**”);

**WHEREAS**, on May 7, 2007, as authorized by Ordinance 070466, Borrower executed a Promissory Note in favor of Lender, in the original principal amount of \$1,170,000 (the “**Note**”);

**WHEREAS**, Pursuant to the Collateral Assignment of Operating Agreement and Development Agreement and Security Agreement dated May 7, 2007 (the “**Assignment and**

**Security Agreement**”), Borrower assigned its rights under the License Agreement and Participation Agreement to City and granted City a security interest in all personal property of Borrower located at the CBE, including accounts, inventory, equipment, general intangibles, chattel paper, instruments and other personal property owned by Borrower;

**WHEREAS**, on November 8, 2012, as authorized by Committee Substitute for Ordinance No. 120961, Borrower and Lender executed a Allonge to Promissory Note, providing for deferment of all interest due until the end of the Loan, and extending the term of the Note for seven (7) years until December 31, 2024;

**WHEREAS**, on May 5, 2016, as authorized by Committee Substitute for Ordinance No. 151006, Borrower and Lender executed an Amended and Restated Allonge to Promissory Note to defer all interest until the principal has been fully paid in December, 2031 and further extend the term until December 31, 2038;

**WHEREAS**, Borrower and Lender desire to agree upon the prepayment of the remaining principal balance of the Note and the forgiveness of all interest payable under the Note, as provided below; and

**WHEREAS**, Lender desires to accept such prepayment as stated herein on the condition that the NABC, as an organization related to Borrower, continue its partnership with the City as the center of college basketball and continue to maintain the headquarters of the NABC in downtown Kansas City.

**NOW, THEREFORE**, in consideration of the foregoing recitals, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledge, the parties agree as follows:

### **Agreement**

1. **Incorporation of Recitals.** The recitals set forth above are true and correct and are incorporated herein by reference, and made a part of this Agreement.
2. **Cash Prepayment.** In full accord and satisfaction of all amounts owed to Lender by Borrower under the Note, Borrower agrees to pay Lender Three Hundred Thousand and no/100 Dollars (\$300,000.00) (the “**Prepayment**”) within ten (10) business days following the full execution of this Agreement.
3. **Termination of Loan.**
  - (a) Upon receipt of the Prepayment, Lender hereby agrees to terminate the Loan in accordance with the provisions set forth in this Agreement. The original Note, as amended by the Amended and Restated Allonge, shall be marked “canceled” and returned to Borrower.

- (b) Upon receipt of the Prepayment, Lender hereby releases any and all rights it may have against Borrower under or in connection with Loan and discharges Borrower from any obligations or other liability under or in connection with Loan. Borrower hereby releases any and all rights it may have against Lender under or in connection with Loan and discharges Lender from any obligations or other liability under or in connection with the Loan.
- (c) To the extent that any of the terms and provisions of this Agreement are inconsistent with the terms and provisions of the Note, the terms and provisions of this Agreement shall control and govern.

**4. Termination of Assignment and Security Agreement.**

- (a) Within 30 business days of receipt of the Prepayment, Lender hereby agrees to execute a Release of Assignment and Security Agreement, releasing its interest in the Operating Agreement and Development Agreement.
- (b) Lender shall execute all necessary documentation as may reasonably be requested by Borrower, including Uniform Commercial Code filings, if necessary, to release the security interest in Borrower's personal property granted to Lender pursuant to the Assignment and Security Agreement.

**5. Principal and Interest Forgiveness.** In exchange for the Prepayment, and in consideration of the terms and conditions set forth in this Agreement, Lender hereby (i) forgives all remaining principal due and payable under the Note; and (ii) subject to the contingency below forgives all interest due, payable or deferred under the Note, the Allonge or the Amended and Restated Allonge ("**Interest Forgiveness**"). The Parties hereby acknowledge and agree that the Note shall be marked cancelled, and that, subject to the contingency, the parties shall have no further obligations under the Note.

**6. Interest Forgiveness Contingency.** The Interest Forgiveness provided for in Section 5 is subject to and contingent upon the NABC maintaining its headquarters in downtown Kansas City for the Capital Investment Term of five years from the Effective Date. In the event the NABC violates this covenant the City shall be entitled to all interest due, payable or deferred under the Note, the Allonge or the Amended and Restated Allonge.

**7. Covenants of Borrower and NABC.**

- (a) In exchange for the loan forgiveness to Borrower by Lender and Lender's Capital Investment defined below, the NABC agrees during the Capital Investment Term of five years as defined below to maintain NABC Headquarters in downtown Kansas City. Borrower and the NABC are aware that Lender has been materially induced to enter into this Agreement by the commitment to keep the NABC Headquarters in downtown Kansas City, and to cease efforts to relocate the NABC Headquarters.

(b) Borrower further agrees to make all reasonable efforts to continue implementation and conducting of youth-oriented events and recreational programs at the College Basketball Experience. The Borrower and NABC covenant to prohibit discriminatory practices and agree to adhere to the requirements in Chapter 38 of the City's Code of Ordinances concerning discrimination based on race, religion, color, ancestry, national origin, sex, marital status, familial status, disability, sexual orientation or gender identity. The Lender agrees to take reasonable actions to cooperate with Borrower's programs for youth at the College Basketball Experience.

8. **Covenants of Lender.** In exchange for the agreement of NABC to keep NABC Headquarters in Kansas City, Lender also commits beginning in fiscal year 2022, to reinvest no less than Fifty Thousand dollars (\$50,000.00) ("**Capital Investment**") per year for a period of five (5) years ("**Capital Investment Term**") on capital improvements and capital investment in T-Mobile Arena, subject to the advisory input of the Borrower and of mutual benefit to the City as owner of T-Mobile Center. Lender is aware that Borrower and the NABC have been materially induced to enter into this Agreement by Lender's commitment to make such capital expenditures. The Capital Investment defined herein shall be subject to an annual appropriation of funds for such purposes.
9. **Binding Effect.** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, administrators, executors, personal representatives, successors and assigns.
10. **Governing Law.** This Agreement and all rights and obligations of the parties shall be construed and interpreted under and pursuant to the laws of the State of Missouri.
11. **Miscellaneous.** This Agreement contains the entire agreement between the parties with respect to the transactions contemplated hereby. This Agreement shall not be terminated, altered or amended except pursuant to an instrument in writing signed by the parties hereto.
12. **Counterparts.** This Agreement may be executed in three or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed.

**National Association of Basketball  
Coaches Foundation, Inc.**

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

Print Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

**City of Kansas City, Missouri**

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

Print Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

Approved as to form and legality:

\_\_\_\_\_  
Assistant City Attorney

**National Association of Basketball  
Coaches**

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

Print Name: \_\_\_\_\_

Title: Executive Director

Date: \_\_\_\_\_