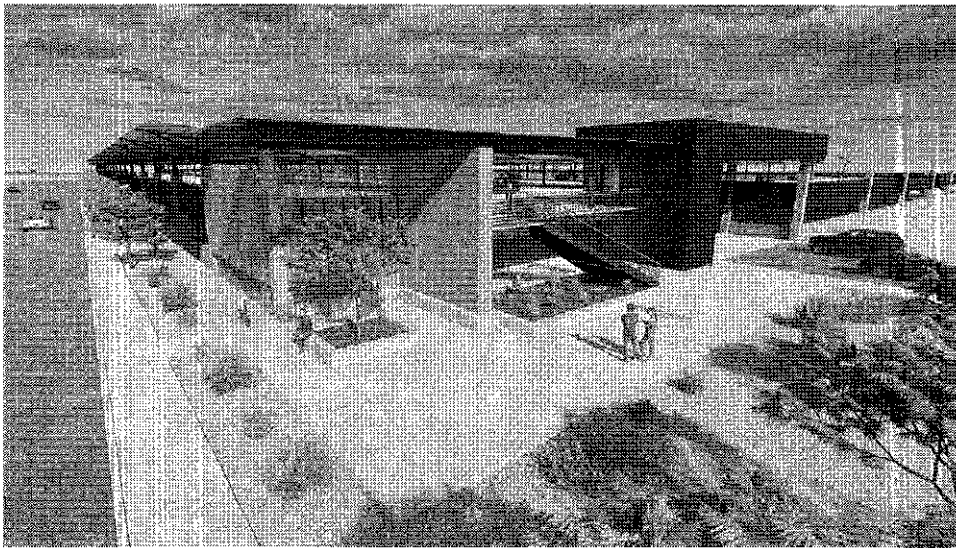


Providing an 8,000-seat layout and amenities composition that includes the Stadium Event Plaza, Kino District Stadium becomes Tucson's home to outdoor entertainment. With its capacity and capabilities, outdoor festivals, concerts, youth soccer and lacrosse tournaments and, potentially, the relocation of FC Tucson from the Kino North Complex create a diverse programming mix to which Southern Arizona residents and visitors will flock.



Due to the combination of increased facilities and programming capacity provided by Kino District and the programming volume of Kino South Complex, Kino District Parking Garage's 2,000 covered parking spaces are a much needed necessity. Situated centrally between Kino District and Kino South Complex, this facility along with abundant covered surface parking will fulfill the dual-site traffic demand.

With an e-sports and indoor action sports facility, direct access to the Loop as well as green and open spaces for local artists and performers rounding out the mix, all together with local and national restaurant concepts, retail and hospitality amenities, Kino District will serve as a unique community sports and entertainment asset.



PROVIDING CONSTRUCTION-BASED ECONOMIC STIMULUS

With its risk-mollifying development cycle, Kino District's development phasing schedule spreads construction-oriented job creation benefits across an extended development period. With anchor and supporting element completions scheduled from 2023-2027, the Southern Arizona region will economically benefit from a continuous sequence of construction activity. Beginning in the summer of 2022, Kino District will significantly impact the local economy as each element is constructed.

KINO DISTRICT ECONOMIC DEVELOPMENT AGGREGATE CONSTRUCTION JOBS CREATION IMPACT

CONSTRUCTION ELEMENT	SITE WORK	ICEPLEX	FIELD HOUSE	ARENA	STADIUM	GARAGE	SUPPORT ELEMENTS
Primary Jobs	370	275	290	325	360	85	745
Direct Jobs	45	49	52	58	64	15	133
Indirect Jobs	17	19	20	22	24	6	50
Induced Jobs	145	158	167	187	207	49	428
TOTAL JOBS CREATED	577	501	529	592	655	155	1,356
CHANGE IN EARNINGS							
Primary Jobs	\$17,995,404	\$19,609,707	\$20,679,328	\$23,175,108	\$25,670,889	\$6,061,182	\$53,124,479
Direct Jobs	\$2,267,793	\$2,463,156	\$2,597,509	\$2,911,002	\$3,224,495	\$761,339	\$6,672,912
Indirect Jobs	\$729,164	\$791,978	\$835,177	\$935,974	\$1,036,771	\$244,793	\$2,145,540
Induced Jobs	\$6,239,431	\$6,784,164	\$7,154,210	\$8,017,649	\$8,881,088	\$2,096,923	\$18,378,918
TOTAL CHANGE IN EARNINGS	\$27,231,792	\$29,649,005	\$31,266,224	\$35,039,733	\$38,813,243	\$9,164,237	\$80,321,849

INTEGRATING HEALTHY PRINCIPLES & SUPPORTING ACTIVE RECREATION

Throughout Kino District, and in combination with the existing Kino South Complex, residents and tourists, alike, will find an abundance of site design, facility and activity composition, as well as conscious development choices made to promote the healthy living ethos of the Southern Arizona region. Active lifestyles will find exciting options within Kino District: ice skating and hockey at the Kino District Iceplex; basketball, volleyball, indoor lacrosse and other indoor fitness programming options at Kino District Field House; cycling, walking and running on the Loop with Kino District becoming a hub of activity commencement or a destination; local cuisine offered by healthy living and local resource-focused restaurants, including the Food Truck Court at the Julian Wash Event Plaza; public gathering and recreational spaces, including splash pads, playgrounds and open green space; and site design promoting walkability and exploration. Each element reflects and serves a unique cross-section of Pima County residents and the year-round activity and lifestyles that drive recreation and tourism in Southern Arizona.

ATTRACTING NATIONAL & REGIONAL SPORTING EVENTS

From a facilities perspective, Kino District represents the best of breed "stay and play" sports-amenable development. With three hotels, eight restaurant nodes, sports and entertainment venues, recreational and entertainment concepts, close proximity to Tucson International Airport and attractions within the City, regional and national tournaments will find Kino District to be a convenient, enjoyable and efficient tournament venue.

Based on site plan and venue/amenity composition, Knott Development has already engaged with MyHockey Tournaments, the largest Tier II hockey tournament sponsor in the United States, to bring eight nationally marketed ice hockey tournaments to Kino District Iceplex annually. With its Tucson Junior Roadrunners partnership and tournament-experienced facility management firm, Edge Sports Group, Knott Development has already initiated planning for regional and invitational hockey tournaments that have garnered interest from West Coast, East Coast and Canadian programs seeking new tournaments outside of their customary schedule. Meanwhile, Kino District Field House, in partnership with Edge Sports Group and 3Step Sports, will host 18 basketball, 16 volleyball and 10 indoor lacrosse nationally marketed tournaments each year.

SPURRING REGIONAL SPENDING FROM ATHLETIC TOURNAMENTS

Representative of Knott Development's intent for, and execution of, community-wide benefits stemming from Kino District is the regional spending associated with Kino District Iceplex and Kino District Field House tournaments. Due to Knott Development's relationships with MyHockey Tournaments, Edge Sports Group and 3Step Sports, Kino District-based youth sports tournaments will foster a significant increase in region-wide spending as demonstrated by the summary below.

KINO DISTRICT ECONOMIC DEVELOPMENT

REGIONAL SPENDING IMPACT SUMMARY

	2023-2032	2033-2042	2043-2052	2053-2062
KINO DISTRICT TOURNAMENT SPENDING IMPACTS				
Hotel Spending	\$167,432,310	\$219,969,252	\$268,141,291	\$326,862,738
Restaurant/Dining Spending	\$195,409,458	\$256,217,195	\$312,327,331	\$380,725,274
Retail Spending	\$91,842,564	\$120,422,247	\$146,794,047	\$178,941,125
Attractions Spending	\$15,632,599	\$20,497,157	\$24,985,920	\$30,457,697
Transportation Spending	\$33,219,726	\$43,557,089	\$53,095,848	\$64,723,542
Miscellaneous Spending	\$52,760,672	\$69,178,808	\$84,328,581	\$102,796,070
TOTAL TOURNAMENT SPENDING	\$556,297,329	\$729,841,748	\$889,673,018	\$1,084,506,445

Annual Kino District tournament spending projections appear in the *Financial Appendix* accompanying this Business Plan

FORGING RELATIONSHIPS WITHIN THE REGIONAL HOSPITALITY INDUSTRY

Both the timing of Kino District tournaments and the composition of its hotel properties are intended to benefit the regional hospitality industry. First, during the 2-year period preceding Kino District Hotel operations, Kino District Iceplex and Kino District Field House tournaments will generate a significant number of annual room nights from which other hotel venues within the Southern Arizona region benefit. Even when fully developed, Kino District Hotels are comprised of an aggregate maximum of 540 rooms, far less than the minimum room counts required by even the smallest Kino District tournament.

While specifically designed to promote Kino District's internal economic viability, Knott Development likewise intended these self-imposed room count limitations in order to partner with, and benefit other, hotel properties within the region. Moreover, Kino District Iceplex and Kino District Field House were designed to accommodate tournament volumes that eclipse the on-site hospitality infrastructure. The combination of limited on-site hotel development and expansive tournament volumes ensures that Kino District's benefits are widely felt within the metropolitan Tucson area and, specifically, the City's revitalized downtown area.

KINO DISTRICT ECONOMIC DEVELOPMENT

OFF-SITE HOTEL DEMAND

	2023-2032	2033-2042	2043-2052	2053-2062
Iceplex Tournament Off-Site Room Nights	69,360	62,400	62,400	62,400
Field House Tournament Off-Site Room Nights	572,856	492,960	492,960	492,960
TOTAL OFF-SITE DEMAND	642,216	555,360	555,360	555,360

Annual off-site hotel demand projections appear in the *Financial Appendix* accompanying this Business Plan

STIMULATING JOBS GROWTH FROM TOURNAMENT SPENDING

In addition to regional hotel impacts associated with Kino District's dual-focused hospitality and tournament infrastructure, jobs and earnings growth within the Southern Arizona region will benefit from Kino District tournament spending. The effects will be felt far beyond Kino District's boundaries as demonstrated by the long-term data provided by Knott Development's economic development projection partner, Emsi. Even when isolated to the hospitality and restaurant industries, Kino District's impact on the regional economy is substantial.

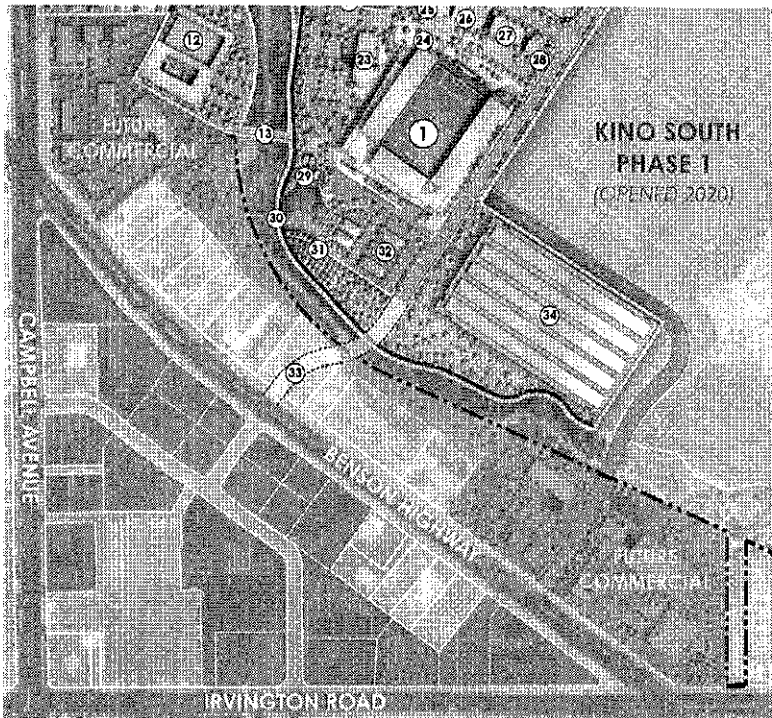
KINO DISTRICT ECONOMIC DEVELOPMENT

EMPLOYMENT-RELATED IMPACTS

	2023-2032	2033-2042	2043-2052	2053-2062
KINO DISTRICT TOURNAMENT EMPLOYMENT IMPACTS				
Regional Jobs Created from Hotel Spending	2,532	3,329	4,053	4,941
Regional Earnings Increase from Hotel Spending	\$95,536,282	\$125,513,672	\$153,000,458	\$186,506,717
Regional Jobs Created from Restaurant/Dining Spending	3,947	5,204	6,341	7,738
Regional Earnings Increase from Restaurant/Dining Spending	\$115,226,270	\$151,911,328	\$185,179,065	\$225,732,244

ASSISTING & INDUCING ADJACENT DEVELOPMENT

Through a development coordination agreement with 4D Properties, an adjacent commercial developer, Knott Development ensures that Kino District and the key, adjoining, privately-held properties are developed under a complimentary design aesthetic to neighboring Kino District assets. Moreover, Knott Development and 4D Properties have jointly committed to the complimentary development of the commercial, retail and restaurant components of Kino District and 4D Properties' Campbell Benson Development, promoting a unified development vision across multiple properties within the Benson Highway corridor.



The economic development impact of Knott Development's coordination agreement with 4D Properties, however, extends beyond the Campbell Benson Development to Benson Highway's south side. With 4D Properties' and its affiliates' ownership of the majority of the commercial properties within the Irvington Road, Benson Highway and Kino Parkway triangle corridor, the Campbell Benson Development initiates a domino-like effect of economic development south of Kino District. The widespread impact of Knott Development's relationship with 4D Properties is evident in the accompanying site plan inset, showing 4D Properties' and its affiliates' parcel control (marked in purple) within the Benson Highway corridor.

CREATING A SUSTAINABLE, MIXED-USE, COMMUNITY-FRIENDLY SITE

Kino District embraces the Urban Land Institute's promotion of factors that create bonds between people and their communities - physical beauty, opportunities for social engagement and openness to all people. The architectural aesthetic, desert landscape, connection to the Loop and campus layout designed by Knott Development provide a physically unique and appealing site. Kino District's facilities composition supports local youth and adult recreational sports, youth travel tournaments, local professional sports, nationally touring concerts and shows. The Kino District development plan offers a vast array of social engagement opportunities fostered by Kino District Iceplex (hockey and figure skating and non-skating ice sports), Kino District Field House (volleyball, basketball, indoor lacrosse and other indoor sports as well as local/regional functions within its large event space), Kino District Arena (concerts, touring shows and large-scale events) and Kino District Stadium (soccer, lacrosse, and rugby events in addition to concerts and other outdoor entertainment bookings). Combined with its event opportunities, Kino District's access to and from the Loop, retail and dining amenities, commercial spaces including esports and indoor action sports, as well as gathering and recreational open spaces, does not rely on a single activity or development aspect for year-round success.

Kino District's facilities will be constructed in accordance with standards designed to meet a minimum LEED-Silver (uncertified) classification. In addition to environmentally-friendly construction, Knott Development is respecting the desert landscape and climate to make Kino District a leading example of developmental conservation. All of Kino District's anchor elements will incorporate active and/or passive water harvesting to support Kino District's landscape plan. Knott Development will additionally employ solar arrays throughout Kino District to largely offset site power consumption and provide visitor-friendly aesthetics.

COORDINATING WITH COMMUNITY PARTNERS

Knott Development's community outreach initiatives are designed to immerse Kino District's facilities and programming opportunities across an extended spectrum of the Southern Arizona community. Through its relationship with Chicanos Por La Causa ("CPLC"), Knott Development's ties to local business and non-profit leaders and organizations and its partnerships with local youth and adult sports organizations, we have embarked on a community-wide effort to provide equal access to the resources, benefits and opportunities associated with Kino District to members of the community who might otherwise be excluded or marginalized. Whether an athlete, local restaurant or retailer, Kino District's site composition, facilities and operations have been designed to be community inclusive.

With CPLC as a community stakeholder partner, we will work to extend Kino District's benefits beyond the site's economic potential. Knott Development will coordinate with CPLC to provide extensive and impactful outreach to the Latino community, both surrounding Kino District and throughout the Southern Arizona region. Our goal is to create a trusting relationship with the communities served by CPLC and respond to their needs in the development and expansion of Kino District's programming.



ATHLETICS INCLUSION FOUNDATION
Enhancing Diversity Within Southern Arizona Youth Sports

As representative of this underlying concept, Knott Development has created the Athletics Inclusion Foundation from which it will support youth sport development, access and programming within neighboring communities as well as the entire Southern Arizona region. The Athletics Inclusion Foundation's mandate is to provide financial support for economically disadvantaged, visually-impaired, indigenous and minority youth as well as displaced teenagers and children within the foster care system to participate in Kino District programming. Support recipients will receive grants covering the costs associated with program fees, team fees, uniforms, practice sessions and equipment. The Athletics Inclusion Foundation's community engagement and support will also extend to children with disabilities and those with developmental disorders who could benefit from the creation of customized programming within Kino District Iceplex and Kino District Field House.

To enhance the Athletic Inclusion Foundation's connection to the local community, Knott Development has initially constituted the foundation's board of directors with several members of the Tucson community. The board will be supplemented by members of my philanthropic network, consisting of out-of-market charitable organizations and leaders. With additional local board members to be added, the Athletic Inclusion Foundation will not only become representative of the Southern Arizona community, but will demonstrate a deep understanding of non-profit organization operations.

Indicative of Knott Development's inclusionary and philanthropic goals for Kino District, the Athletics Inclusion Foundation has already commenced programming outreach through the Junior Roadrunners youth hockey organization. In cooperation and while providing guidance, the Athletics Inclusion Foundation has enabled the Junior Roadrunners to initiate program planning and enter various stages of discussions with area organizations. Included among these are Arizona School for the Deaf and Blind, Autism Society of Arizona, You Can Play Project, SAAVI, Youth on Their Own, Arizona Autism Academy and USA Hockey. Under these and other burgeoning partnerships, in conjunction with its organizational and individual commitments to diversity, the Athletics Inclusion Foundation aims to be a leading facilitator in Southern Arizona of access, representation and protections for marginalized and under-represented communities in sports.

EXPANDING OPPORTUNITIES REGIONALLY

Although developed in partnership with the County, Knott Development's goal from the outset of facilities design, local and travel sports programming, community engagement, entertainment venue modeling and site composition planning, was to create a mix of site uses that generated off-site opportunities and that would supplement existing economic development initiatives and successes. Rather than replacing existing efforts and assets, Kino District is designed to serve as a catalyst of further economic development for the benefit of the entire Southern Arizona region. Kino District fosters a myriad of economic development opportunities, both within and beyond its physical boundaries. Even with substantial physical assets and recreational and entertainment programming, the bulk of economic development activity attributable to Kino District will take place within restaurants, hotels, retail stores and businesses situated in not only the County, but the City and across the Southern Arizona region. In fact, over 90% of the economic impact generated by Kino District will be realized outside of Kino District's physical boundaries. The achievement of Knott Development's goal is demonstrated in the 40-year, multifaceted regional benefits derived from Kino District.

KINO DISTRICT ECONOMIC DEVELOPMENT

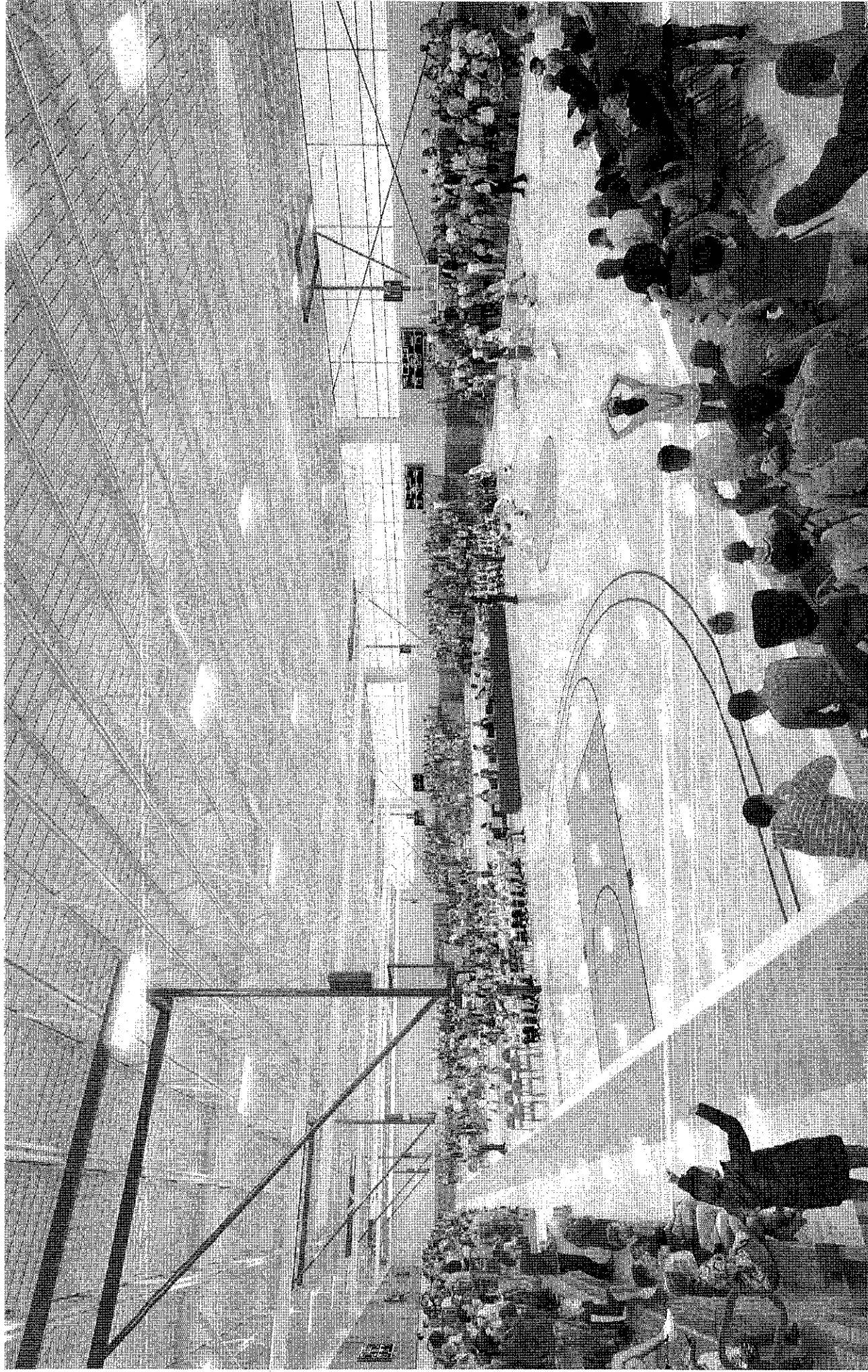
PUBLIC PRIVATE PARTNERSHIP REGIONAL IMPACT SUMMARY

PIMA COUNTY Kino District Cash Flow \$350,705,960	REGIONAL JOBS CREATION Kino District Elements-Generated 46,594	CITY OF TUCSON Kino District Property Taxes \$38,920,834
DOWNTOWN HOTELS Tournament-Generated Room Nights 2,308,296	VISIT TUCSON Tournament-Generated Hotel Taxes \$29,472,168	STADIUM DISTRICT Tournament-Generated Hotel Taxes \$20,041,074
TOTAL REGIONAL SPENDING Kino District Tournaments \$3,260,318,540	PIMA COUNTY Kino District Property Taxes \$166,767,555	REGIONAL TRANSPORTATION AUTH. Tournament-Generated Hotel Taxes \$5,403,231
PIMA COUNTY Tournament-Generated Sales Taxes \$8,723,028	TUCSON SCHOOL DISTRICT 1 Kino District Property Taxes \$176,244,096	REGIONAL EARNINGS GROWTH Off-Site Tournament-Generated \$1,238,606,036
COMMUNITY COLLEGE DISTRICT Kino District Property Taxes \$38,444,310	REGIONAL EARNINGS GROWTH Kino District Elements-Generated \$1,615,586,828	CITY OF TUCSON Tournament-Generated Hotel Surcharge \$25,853,600
ATTRACTIONS & TOURISM DEPT. Tournament-Generated Hotel Taxes \$9,431,094	CITY OF TUCSON Tournament-Generated Sales Taxes \$43,749,660	RIO NUEVO Tournament-Generated Sales Taxes \$34,800,299
	KINO DISTRICT TOURISM Total Tournament Guests 6,318,570	

We are grateful for the opportunity to partner with the County as well as other municipal and private stakeholders and organizations. Likewise, we are pleased to create a destination point for the residents of Southern Arizona and one that will likewise entice more travel to the Tucson area.

Welcome to our vision for Kino District!

Frank Knott
Knott Development



DEVELOPMENT AGREEMENT

MASTER DEVELOPER PARTNERSHIP AND DEVELOPMENT AGREEMENT

GENERAL OVERVIEW

GOVERNANCE OF THE PUBLIC PRIVATE PARTNERSHIP

The proposed Master Developer Partnership and Development Agreement (the “MDPA”) governs the public private partnership envisioned by the County and Knott Development. The MDPA incorporates a multi-step process designed to provide the County with multiple participation options and comfort that Kino District’s development plan is viable. To achieve its multi-layered analysis to County participation in the Kino District public private partnership, the MDPA includes 5 steps that must be taken to result in the County’s development plan participation. At each step, the County either does not have commitment or financial liability or, alternatively, the MDPA provides the County with options. The MDPA’s goal is to permit the County to make an informed, reasoned decision regarding its participation in the public private partnership structure.

PREDEVELOPMENT PHASE

STEP 1

With the MDPA’s execution, Knott Development will continue the predevelopment work that commenced under its existing Predevelopment Services Agreement. Within this 10-12 month period of additional predevelopment activity (as described more fully in the *Development Phasing* section of this Business Plan), Knott Development will finalize all development, construction and operational aspects of Kino District. At the conclusion of the Predevelopment Phase, Knott Development will provide the County with a report detailing the results of its predevelopment work to demonstrate the viability of Kino District and, most importantly, the Anchor Elements.

PREDEVELOPMENT PHASE COSTS

The costs of the Predevelopment Phase are funded entirely by Knott Development, without any County financial participation. In addition, pursuant to the terms of the existing Predevelopment Services Agreement, Knott Development will reimburse the County for its expenses incurred for Knott Development to conduct the preliminary predevelopment work required under the Predevelopment Services Agreement.

PREDEVELOPMENT PHASE DELIVERABLES

As a part of its Predevelopment Phase work, Knott Development will prepare a development financing, leasing and financial structure review package. The Rating Review Package (as further described in the *Development Phasing* section of this Business Plan) will be used by Knott Development and the County during the Determination Phase (Step 2 of the MDPA’s process and more fully described in the *Development Phasing* section of this Business Plan) to meet with all applicable credit rating agencies that then-currently issue credit ratings on the County’s debt, in particular its Certificates of Participation. Based on the Rating Review Package and meetings with applicable credit rating agencies, Knott Development and the County will seek confirmation from each rating agency that the County’s participation in Kino District will not affect its credit ratings.

PREDEVELOPMENT PHASE REPORTING

During the Predevelopment Phase, Knott Development will provide the County with updates on the progress of its predevelopment work. On September 6, 2021, November 6, 2021, January 6, 2022, March 6, 2022 and May 6, 2022, Knott Development will issue a report to the County summarizing the current state and results of its predevelopment work.

PURPOSE OF PREDEVELOPMENT PHASE DELIVERABLES

The Ratings Review Package will be combined with the Development Overview required in the MDPAs Determination Phase (Step 2 of the MDPAs process and more fully described below and in the *Development Phasing* section of this Business Plan). The goal of the Rating Review Package, in combination with each other Determination Phase deliverable is to provide a quantifiable source of documentation to the viability of Kino District. They, likewise, provide a measuring stick to determine whether or not the County needs to make a choice of participating in the Kino District public private partnership.

NO COUNTY RISK OR COMMITMENT

At the conclusion of the Predevelopment Phase, the MDPA does not require the County to make a determination of its participation in the Kino District public private partnership. As Knott Development moves to Step 2 of the MDPAs process, the County is without financial risk or prospective public private partnership commitments.

DETERMINATION PHASE

STEP 2

Following the conclusion of the Predevelopment Phase, the MDPA requires the County and Knott Development to proceed to a 2-4 month review and discussion-oriented Determination Phase (as described more fully in the *Development Phasing* section of this Business Plan). During the Determination Phase, the results of Knott Development's predevelopment work will be subject to benchmark reviews to determine not only Kino District's financial viability, but the economic benefits and risks posed by the County's prospective participation therein.

DETERMINATION PHASE DELIVERABLES

In addition to detailing the development, construction and operational aspects of Kino District, the MDPA requires Knott Development to compile a detailed economic and business Development Overview for the County's review (as more fully described within the *Development Phasing* section of this Business Plan). The Development Overview will include an update to this Business Plan noting any changes in the site plan and including all finalized development aspects of Kino District. The Development Review will also include all financial documentation for Kino District, including updated Anchor Element programming contracts and budgets, Anchor Element and support element financial projections, proposed documentation that would (subject to further Board of Supervisor approval) evidence the County's anticipated participation in Kino District and Knott Development's financing documentation. The Development Overview will be combined with the Rating Review Package and all other discrete aspect deliverables required of Knott Development in order to perform an analysis regarding the Lease Participation Contingency.

LEASE PARTICIPATION CONTINGENCY

In conjunction with the review of all Predevelopment Phase and Determination Phase materials provided by Knott Development, the County's decision to participate in the Kino District public private partnership is subject to certain financial contingencies. First, Knott Development must demonstrate that the amount of Anchor Element cash flow generated to meet Kino District Financing payments exceeds the amount of each debt service payment by a factor of 1.05. Second, the Development Overview must show that at any time a Kino District Financing payment is scheduled, the ratio of total reserves to the current Kino District Financing payment, whether from Facility Debt Service Reserves, the Primary Debt Service Reserve and/or parametric contracts obtained by Knott Development (as each is more fully described in the *Financial Risk Management* section of this Business Plan), must equal at least 3.0. Lastly, the County and Knott Development must have received a confirmation from each applicable credit rating agency that the County's prospective participation in the Kino District public private partnership will not impair the County's ability to issue bonds, Certificates of Participation or other forms of debt.

PURPOSE OF DETERMINATION PHASE AND LEASE PARTICIPATION CONTINGENCY

The Determination Phase and the Lease Participation Contingency serve to provide the County with a further delineated and demonstrable assessment of whether or not it will participate in the Kino District public private partnership. Within the Determination Phase, but serving as an extra step in the MDPA's process, the County and Knott Development proceed to the results of the Lease Participation Contingency in order to make final decisions on the County's continued participation.

NO COUNTY RISK OR COMMITMENT

Once the Lease Participation Contingency has been assessed, the County remains in the position of having taken no execution risk with respect to the Kino District public private partnership. Regardless of the Lease Participation Contingency outcome and the deliverables underlying that calculation, the County remains in the position of maintaining participation options.

FAILURE OF THE LEASE PARTICIPATION CONTINGENCY

STEP 3

Should Knott Development not pass the Lease Participation Contingency, it has 2 options available for Kino District's development. Knott Development may elect to extend the Determination Phase for an additional 6 months to reconfigure aspects of Kino District sufficient to satisfy the Lease Participation Contingency. Or, alternatively, Knott Development may choose to develop Kino District without the County's participation other than in the form of the Master Ground Lease. Should Knott Development extend the Determination Phase, the Lease Participation Contingency would have to be satisfied taking into consideration any amendments to the development plan and Knott Development is required to submit a revised Development Overview and Rating Review Package.

SATISFACTION OF THE LEASE PARTICIPATION CONTINGENCY

STEP 4

Should Knott Development pass the Lease Participation Contingency, the County has 2 options available to it for consideration.

The County may elect to participate in the Kino District public private partnership, upon which decision Knott Development and the County would submit all required documentation (i.e., Master Ground Lease, Operations Leases, Ownership Leases) for Board of Supervisor approval.

Notwithstanding Knott Development's satisfaction of the Lease Participation Contingency, the County may otherwise elect to not participate in the Kino District public private partnership. In doing so, the County will be obligated to reimburse Knott Development for its Predevelopment Phase and Determination Phase expenses plus a fee earned by Knott Development for the work it performed in satisfying the Lease Participation Contingency. The aggregate amount of expense reimbursement and Knott Development fee incurred by the County in this instance is capped at \$10,500,000.

Should the County decline to participate in the Kino District public private partnership, the County would be obligated to enter into the Master Ground Lease and Knott Development would be provided with a one year period within which to close on its financing to develop and construct Kino District.

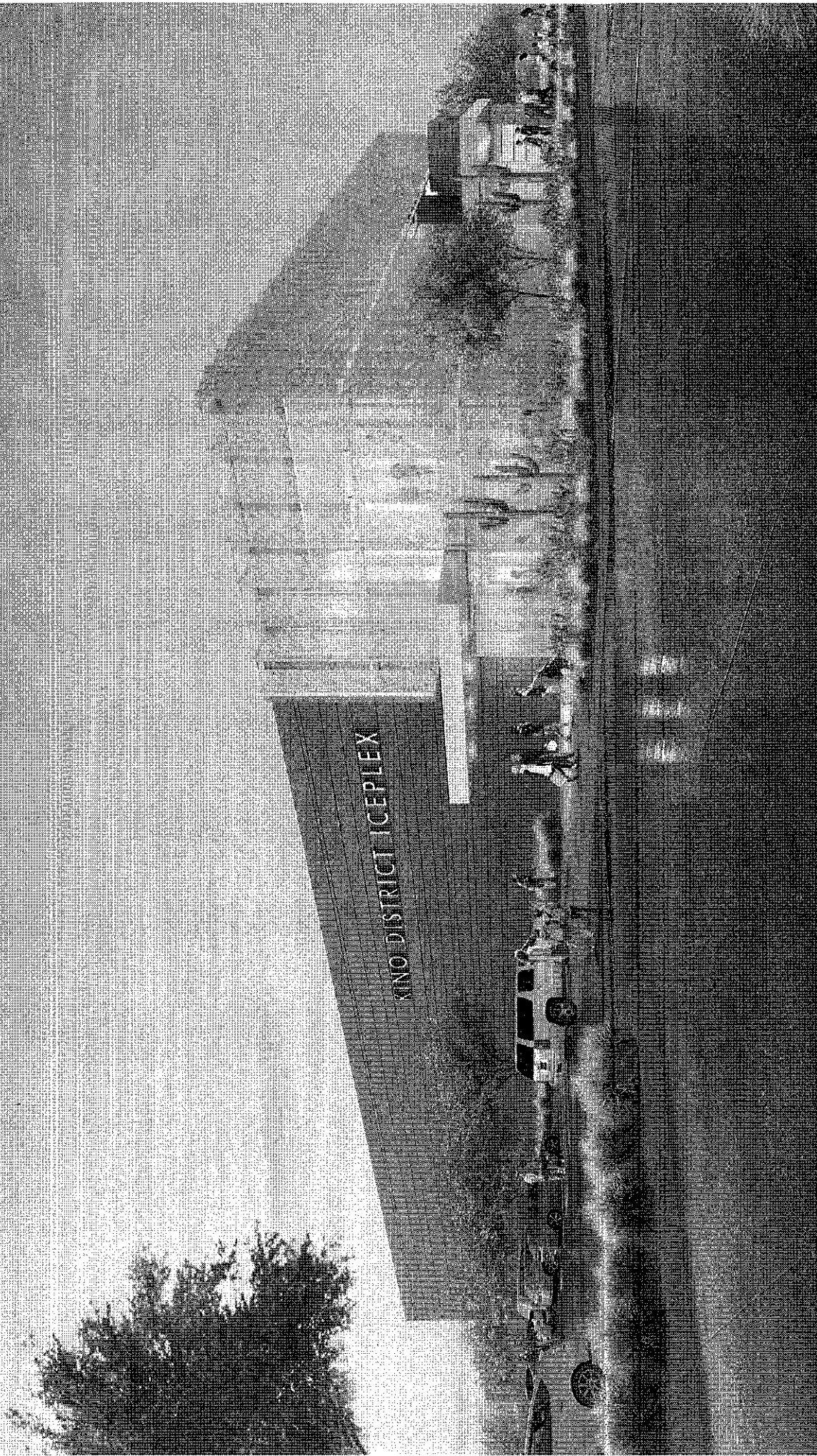
DEVELOPMENT PHASING DETERMINATION

STEP 5

Notwithstanding the County's decision to participate in the Kino District public private partnership (assuming satisfaction of the Lease Participation Contingency and the County's determination to proceed with participation), Knott Development and the County will then determine the development phasing of Kino District. The phasing determination will occur in conjunction with the submission of public private partnership documents to the Board of Supervisors. The MDPA contains an existing and staggered phasing plan from which Knott Development and the County will choose.

OVERALL COUNTY RISK AND COMMITMENT

Only after proceeding through the 5 steps of the MDPA's process does the County take on a commitment to participate in the Kino District public private partnership. Even with the satisfaction of the Lease Participation Contingency (which means the Kino District development plan is both viable and accretive to the County), the County still maintains an option to decline participation. In that case, the County's risk is limited to payment of Knott Development's expenses and fee.



KINO DISTRICT ICEPLEX

KINO DISTRICT ICEPLEX

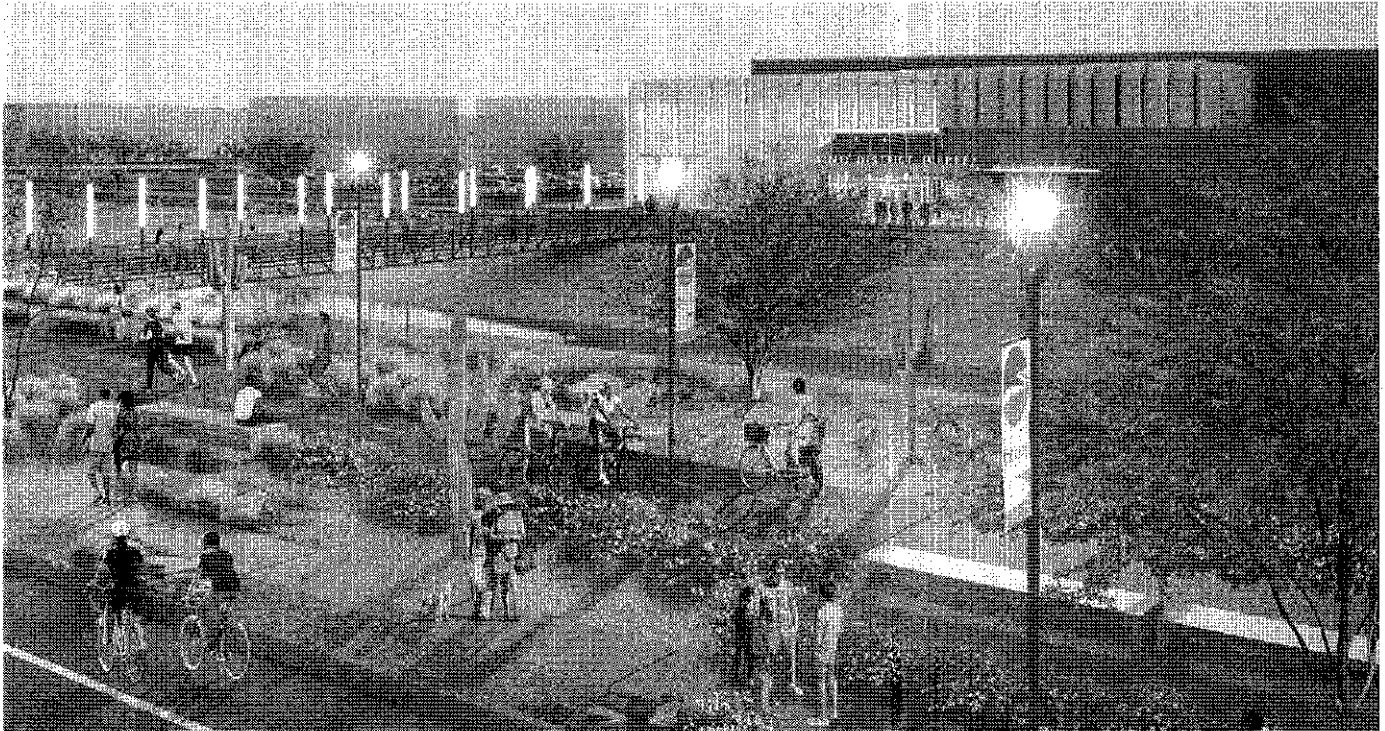


Kino District Iceplex (the “Iceplex”) will be the epicenter of ice-based sports in Southern Arizona. Consisting of 3 sheets of ice and a full slate of related amenities comprising approximately 86,000 square feet, the Iceplex is a comprehensive hockey, figure skating and ice sports recreational facility. The Iceplex will permit the further expansion of the local ice sports market, meet the need for additional community-wide access to recreational athletics programming and satisfy the County’s desire to attract youth travel sports tournaments for economic development purposes.

Serving as the home of the Tucson Junior Roadrunners youth hockey association (the “Junior Roadrunners”), the Kachinas girls’ hockey program (the “Kachinas”), the Little Howlers’ introductory hockey program (the “Little Howlers”) and the Tucson Adult Hockey League (the “Adult Hockey League”), the Iceplex frees these organizations from existing facility constraints, while enabling the efficient expansion of their respective programming to a rapidly-expanding hockey community. Supplementing local programming while simultaneously aiding its economic development function, the Iceplex will host nationally marketed youth hockey tournaments as well as self-sponsored regional multi-state invitational hockey tournaments, generating significant business for both Kino District’s and Tucson’s hotels, retailers, restaurants and entertainment venues. Finally, from a community-oriented programming perspective, the Iceplex will feature multiple affordable, open skating sessions each week as well as skills sessions for any adult or child to learn, enhance and enjoy the recreational benefits afforded by ice-based sports.

Complimenting its active spaces, the Iceplex contains a general concession stand as well as a gastro pub that is designed to partner on a rotating basis with Tucson-based food trucks and local restaurants. From a services standpoint, the Iceplex will also house Tucson’s most comprehensive, locally-based, full service pro shop, providing all hockey and figure skating equipment in addition to team uniform and individual ice sports-focused apparel.

As part of Kino District's mission to serve all existing and potential athletes, Knott Development's site-based charitable endeavor, the Athletics Inclusion Foundation, will be active within Iceplex programming to ensure that local, underserved children have the opportunity to enjoy Iceplex programming regardless of economic status, including, without limitation, minority and indigenous youth, homeless teenagers and children within the foster care system. Through the foundation, Knott Development will work with the Junior Roadrunners to provide specialized programming for visually-impaired children, children with disabilities and those with developmental disorders. Joining Knott Development and the Athletics Inclusion Foundation in developing ice-based opportunities for all members of the Southern Arizona community and assisting Knott Development with community outreach will be CPLC.



The Iceplex promotes a sense of place and is unified with the central portion of Kino District via its Julian Wash-traversing pedestrian/bicycle bridge and pathways along Tournament Way. Moreover, the Iceplex pedestrian/bicycle bridge connects directly with the Loop, providing both a unified functionality and aesthetic with preexisting County amenities. Because of Kino District's layout, Iceplex patrons will enjoy a "park and walk" experience to enjoy retail and dining opportunities, either directly across Tournament Way or those that are more centrally located adjacent to the Arena Event Plaza or the Stadium Event Plaza.

THE SUBSTANTIVE NEED

LACK OF FACILITY CAPACITY

During our extensive exploratory meetings with local user groups and their constituents, it was apparent that conflicting opinions regarding demand for ice-based facilities within Southern Arizona had produced circular reasoning that inhibited the creation of a well-designed solution. On one side, the perception existed that there must be insufficient demand for an additional facility because only one rink exists - that at the Tucson Convention Center (the "TCC"). On the other hand, focus laid heavy on prior, failed attempts to meet demand by developing an additional rink, somewhere in the region, but separate and distinct from the TCC ice sheet.

The result presents a “past is prologue” dilemma - existing facilities are inadequate to meet overwhelming demand, yet previous and presently-conceptualized development plans would produce a complex, inefficient facilities mix at disparate physical sites that would stymie full adoption due to frustrating programming logistics.

As a result, Southern Arizona’s sole source of recreational ice sports remains the TCC’s single ice sheet. The ice-time allocations available from the TCC pale in comparison to even minimal levels of required programming, much less the service levels required to match the local growth of hockey. For example, the Junior Roadrunners have seen their program grow more than 200% since the Tucson Roadrunners’ 2016 arrival. Moreover, according to USA Hockey’s 2019 growth metrics, Tucson ranks #1 among all NHL/AHL cities for both the growth in girls’ hockey and the all-important 8-and-under age bracket as well as #2 for overall growth.

Capacity constraints, however, are not solely limited to youth hockey. The Adult Hockey League has expanded the number of teams and games to provide players a twice-weekly playing opportunity. Recently, sufficient interest warranted the addition of a spring season. Even with this expansion, demand outstrips roster availability due to a single available rink and insufficient ice-time limiting the number of teams. As a result, in the absence of additional teams, prospective players from Tucson turn to the Phoenix market. Similarly, existing Adult Hockey League members seeking more than two games per week travel to Phoenix to supplement Southern Arizona’s finite capacity.

ABSENCE OF NECESSARY PROGRAMMING TIME

While the TCC’s physical limitations adversely impact the ability to meet the Junior Roadrunners’, Kachinas’, Little Howlers’ and the Adult Hockey League’s respective facility demands, its scheduling priorities and limitations have an equally disruptive effect - the lack of skills sessions where residents can learn and enhance necessary skills, whether in beginner or advanced programs. Between servicing higher priority TCC tenants/clients and an understandable lack of customary-programming, the prevailing dearth of ice time for youth and adult group and private lessons, learn to skate and learn to play clinics as well as specialty hockey clinics presents an additional circular problem. No skills programming means less growth in the Junior Roadrunners, Kachinas, Little Howlers and Adult Hockey League membership. However, even if skills sessions existed, the incumbent youth and adult programs are effectively capped by the physical constraints of a single rink. In fact, members universally cite multiple and continuing examples of youth and adult players traveling to Phoenix for hockey-related programming than cannot exist within Southern Arizona’s existing facilities. To boot, youth and adult hockey is forced to go on local hiatus with the arrival of the annual Tucson Gem Show - in the middle of the hockey season! Lastly, upon the conclusion of the Tucson Roadrunners’ season, the TCC ice sheet is drained, leaving Southern Arizona without a facility to provide offseason player development and tournaments, yet another limiting factor in hockey’s growth in the region.

MISSED ECONOMIC AND COMMUNITY DEVELOPMENT OPPORTUNITIES

The effects associated with the lack of adequate facilities and programming to meet even current demands are not solely felt by the Junior Roadrunners, Kachinas, Little Howlers and the Adult Hockey League. In fact, the facility and programming voids are equally and silently detrimental to the County’s and the City’s economic development, community development and constituent engagement initiatives. These result in a series of missed opportunities, the combination of which undermines the realization of otherwise well-planned development and engagement goals.

To the extent sufficient facilities existed, the robust continued interest and growth associated with hockey lends itself to the creation of part time, and even full time, jobs attributable to group lesson and private skills coaching opportunities. Likewise detrimental to economic development is the inability to host youth hockey tournaments, thus unintentionally forfeiting far reaching fiscal stimulus effects for local hotels, restaurants and retailers and the associated impact and use taxes paid to government instrumentalities.

In addition, the creation of a “house” league (non-travel, lower cost recreational hockey) would enable the casually interested youth player to enjoy an additional recreational amenity, promoting community engagement and healthy living. Moreover, the lack of facilities and programming eliminates the ability to create community-based initiatives for underserved constituencies to become involved with, and benefit from, an enhanced level of offering and service. For example, absent more space and time, hockey and its physical fitness and social benefits are available only to those that can afford primary and costly programming. In an identical manner, specialized programming for the visually impaired, children and adults with physical disabilities and those with developmental disorders is not possible at an appropriate scale.

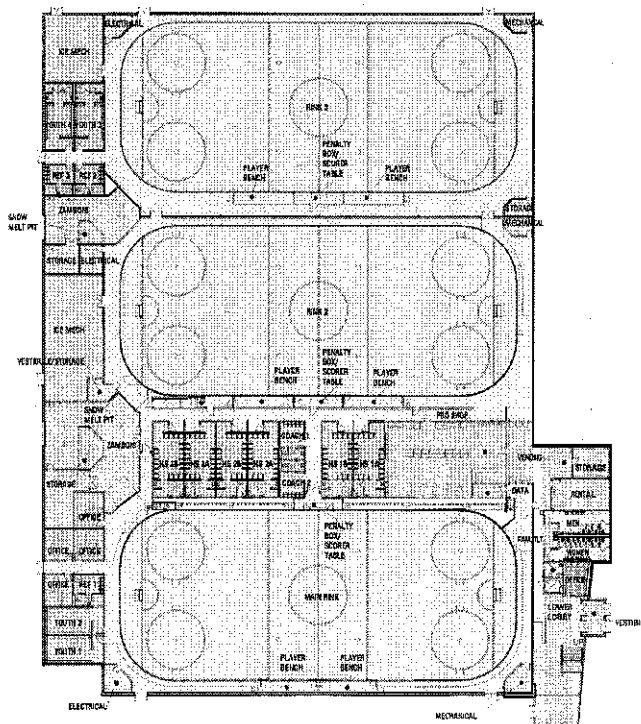
DESIGNING & PROGRAMMING A UNIQUE OPPORTUNITY

ICEPLEX FACILITY COMPOSITION

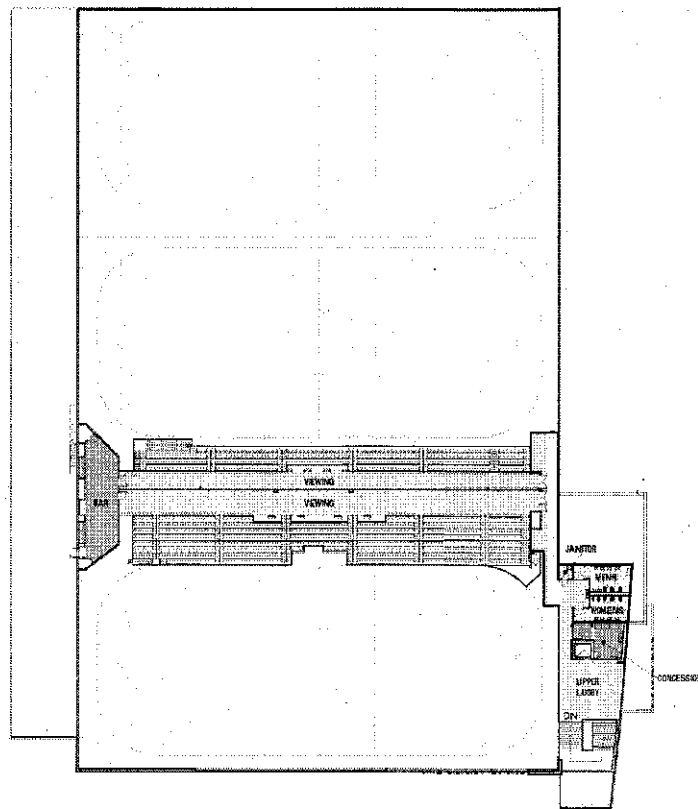
The combination of insufficient facilities and the rapid growth of hockey within the Southern Arizona market provides a unique opportunity to not only provide sufficient hockey-related facilities and programming, but to structure an additional portion of Kino District that will enhance the travel sports focus of the existing Kino South Complex and assist the County with meeting its economic development and community goals. To do so, the following considerations primarily drove the Iceplex design:

- Level and depth of existing and attainable programming within the Southern Arizona market
- Reasonable expansion capacity necessary for long term programming needs based on current market metrics
- Facility capacity required to attract national tournament organizers
- Requirements associated with physical and programming proficiency to expand ice sports to all members of the community
- Integration of Iceplex with other facets of Kino District
- Economic viability in both the short and long term

Based on our team’s multipoint analysis, a three-sheet layout was determined to be the solution to the Iceplex’s composition.



Iceplex first floor layout



Iceplex mezzanine level, seating and gastro pub

ANCHOR PROGRAMMING - JUNIOR ROADRUNNERS

Due to their existing growth and a shared vision for the long-term development of youth hockey in Southern Arizona, the Junior Roadrunners has entered into an exclusive relocation agreement with Knott Development. Under the agreement, the Junior Roadrunners will take residence at the Iceplex in August, 2023.

During the past 5 years, the Junior Roadrunners have experienced 350% growth in all aspects of their programming, exceeding 250 local participating families. The program's aggregate ice time demands quantify the underpinnings of a comprehensive facility with multiple sheets of ice. The Junior Roadrunners average approximately 50 players (in the 12U, 14U, 16U and 18U age brackets) to 100 players (in the 6U, 8U and 10U age brackets) on the ice simultaneously. These levels are far in excess of USA Hockey's recommended concentration level for proper skill development. This type of player congestion is equivalent to holding a basketball practice with 50 players on a single court or a baseball practice with 60 players on a single diamond. In this type of setting, player development, enjoyment and participation levels materially suffer.

Using merely 20% of the ice time capacity required by the program, the Junior Roadrunners, upon Iceplex occupancy, will utilize 5x the time slots currently afforded to them at the TCC. This programming volume does not include or project any increase in the Junior Roadrunners' membership as a result of expanded ice availability. It likewise does not reflect additional interest from families within the region based on skating and hockey clinics from which local and regional youth graduate to Junior Roadrunners' programming.

ANCHOR PROGRAMMING – TUCSON ADULT HOCKEY LEAGUE

Due to their existing growth and a shared vision for the long-term development of adult hockey in Southern Arizona, the Tucson Adult Hockey League (the “Adult League”) has entered into an exclusive relocation agreement with Knott Development. Under the agreement, the Adult League will take residence at the Iceplex in August, 2023.

During the past 5 years, the Adult League has expanded by approximately 100%, far exceeding available local ice time. With a significant backlog of players and the ability to significantly expand its programming, the Adult League is poised to greatly expand its footprint within the Tucson adult recreational sports market. Representing a multi-hour, multi-day per week anchor tenant, the Adult League will expand its game schedule by 2x and will participate in the sought-after mid-day pickup game sessions to be offered by the Iceplex.

GIRLS’ HOCKEY PROGRAMMING

In addition to the youth programming offered by the Junior Roadrunners, the Iceplex is anticipated to become the home of a Tucson-based branch of the Kachinas. A popular and respected girls’ hockey program, the Kachinas are managed by US Olympian Lindsey Fry and are supported by the Arizona Coyotes. Given the Tucson market’s recent position as USA Hockey’s #1 growth market for girls’ hockey, the expansion of the Kachinas will only serve to enhance the local market’s position within the girls’ hockey community.

LOCAL RECREATIONAL SPORTS ADVISORY BOARD

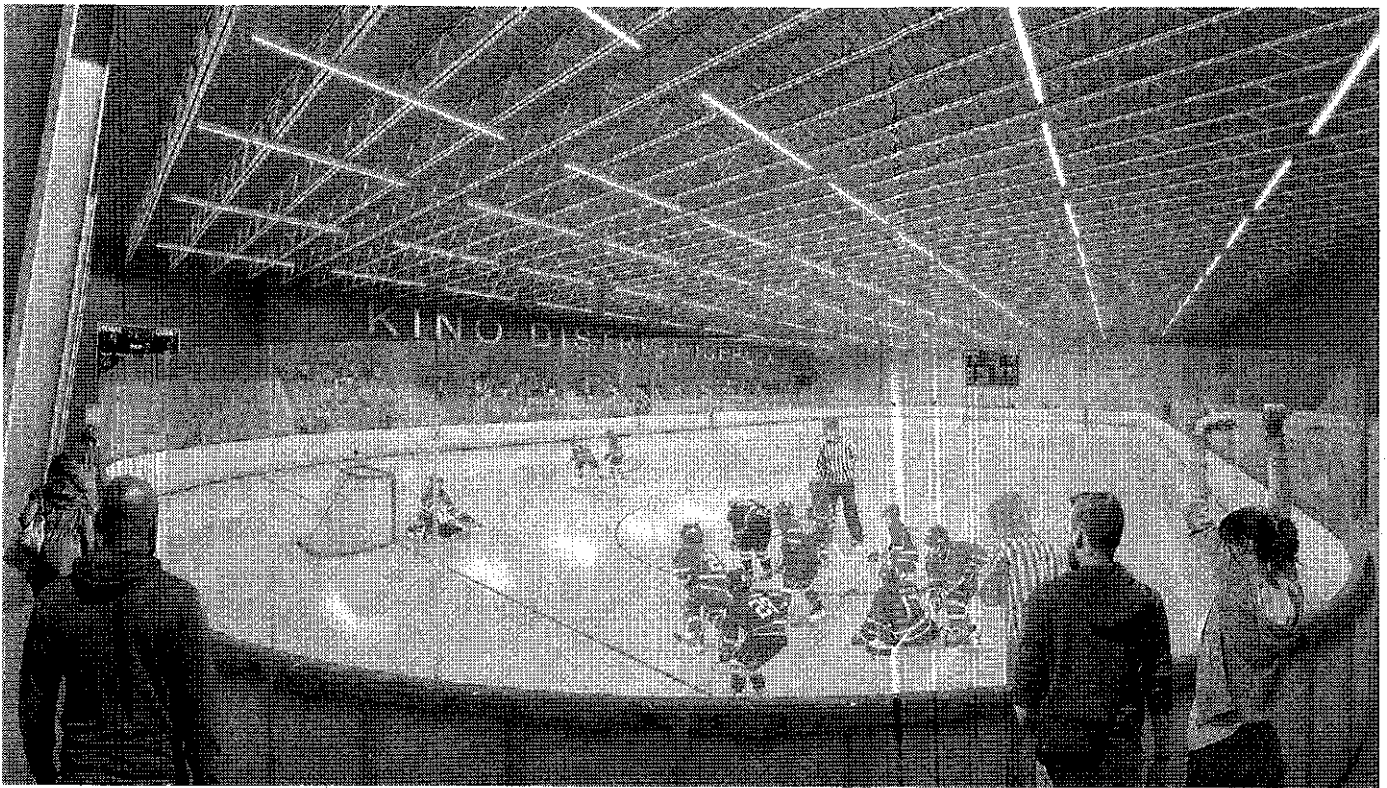
As a result of the varied programming options available to the Iceplex and in order to design a broad spectrum of youth and adult recreational sports programming, Knott Development has teamed with several local residents to form a local recreational sports advisory board (the “Sports Advisory Board”). At present, the Sports Advisory Board consists of Jeremy Bow, Michelle Malis and Ryan Johnson. Each member of the Sports Advisory Board is a member of the local youth and adult sports programming market and has valuable insight to multiple organizations that are interested in locating their programming at the Iceplex. During the MDPAs predevelopment phase, Knott Development will be adding members to the Sports Advisory Board in order to reach all variants of youth and adult recreational sport.

INTRODUCTORY HOCKEY PROGRAMMING

For the youngest members of the hockey community, the Iceplex is anticipated to become the home of an expanded Little Howlers youth hockey program. The Little Howlers program is designed specifically for the young skater seeking an introduction to hockey. Based on the support the program receives from the Arizona Coyotes, Little Howlers will continue to provide interested youth with the opportunity to experience hockey on a more introductory and economical basis.

“HOUSE LEAGUE” YOUTH PROGRAMMING

While the Junior Roadrunners and Kachinas maintain successful and growing youth travel hockey programs, not every family seeks the time and expense commitment associated with the travel hockey experience. In deference to family choice as well as more cost-friendly programming, the Iceplex will create and maintain a youth-oriented, non-traveling house league (the “Iceplex House League”). Consisting of Iceplex-only practices and games and organized by skill level and age, the Iceplex House League will offer a competitive, supportive environment for the casually-interested youth player with a more affordable recreation offering in a logistically accessible recreational sports setting.



PUBLIC SESSION PROGRAMMING - OPEN SKATES

Although hockey may be wildly popular in Tucson, Iceplex management recognizes that not everyone seeks a competitive on-ice experience. In an effort to provide an enjoyable recreation option, the Iceplex will offer open skating sessions. Scheduled multiple days per week at convenient hours, open skates offer a per-session affordable cost without league or recurring fee structures. Created as a more social, community-based programming option, offerings will include all-ages public skates, 12 and under only children's skates, 18 and under young adult skates, adults date night skates, high school date night skates and college open skates.

PUBLIC SESSION PROGRAMMING - BROOM BALL

As a part of a comprehensive community facility, Knott Development and Iceplex management recognize the need for non-skating variants of ice-based sports. In partial fulfillment of this need, Iceplex will offer per-session broom ball games. Public broom ball games require zero equipment or experience and offer an alternate ice sports experience that everyone in the community can enjoy. Structured as drop-in sessions, broom ball games will be offered in multiple age groups as well as a family package to provide the best experience for participants.

PUBLIC SESSION PROGRAMMING - BROOM BALL LEAGUES

In an extension of drop-in broom ball games, the Iceplex will create broom ball leagues. Organized into youth, teen, college and adult leagues, this publicly available programming represents a more organized version of broom ball. With no equipment or experience required, the accessibility and engagement offered in these public leagues provides families, church groups, businesses and friends to come together for an exciting and enjoyable recreational experience.

PUBLIC SESSION PROGRAMMING - FIGURE SKATING

For the figure skating enthusiast, the Iceplex will offer early morning as well as mid-day freestyle open figure skating sessions. Limited solely to figure skating, these public sessions are designed for all skaters, from beginner to the advanced. On a drop-in, per-session basis, freestyle skates will afford all levels of figure skaters the opportunity and space to practice and refine their skills.

PUBLIC SESSION PROGRAMMING - ICE BUMPER CARS

Extending the facility's recreational aspects to indoor amusement, the Iceplex will offer ice bumper car rides. Better described as a mechanized inner-tube, ice bumper cars offer a unique indoor experience for all ages above 8. Organized as both private rentals in addition to public sessions, ice bumper cars are well suited for corporate team meetings, youth birthday parties, organizational events or any other informal gathering.

PUBLIC SESSION PROGRAMMING - ADULT PICK UP HOCKEY

Due to the enthusiasm generated by the Adult League, the Iceplex will offer daily, drop-in, adult only pick up hockey game programming. Adult pick up hockey will be scheduled each weekday during and around the traditional lunch hour, providing 2 separate one-hour time slots from which to play. In addition to weekday times, the Iceplex will likewise offer adult pick up hockey on many weekends.

PUBLIC SESSION PROGRAMMING - YOUTH PICK UP HOCKEY

During the after-school, weekend hours and throughout the summer, the Iceplex will compliment adult pick up hockey by offering a youth version. Broken into age-restricted groupings, youth pick up hockey provides an opportunity to extend hockey activities, continue skill development or simply enjoy a game on an ad hoc basis.

PUBLIC SESSION PROGRAMMING - STICK AND SHOOT

For players, either in a formal program (i.e., Junior Roadrunners, Kachinas, Adult League, youth house league), or just practicing in between learn to play sessions, the Iceplex will provide open time specifically geared towards open-ice hockey. Styled as "stick and shoots," the sessions are completely informal, permit players to work at their own pace on skating, shooting, puck handling or any other aspect of their game. Each stick and shoot session will be offered in one of 4 groupings - 12 and under, 13 to 18, adult only, and open format.

PUBLIC SESSION PROGRAMMING - LEARN TO SKATE & LEARN TO PLAY

The Iceplex will offer the full range of learn to skate and learn to play clinics and lessons. Public in nature, these sessions are geared to the novice or first time youth/adult skater or player and are organized into multiple session packages based on programming guidelines recommended by US Figure Skating and USA Hockey.

PRIVATE LESSON AND SKILL SESSION PROGRAMMING

Within the Iceplex's figure skating and hockey programming, private lessons and group skills sessions will be offered. Although open to the public, these sessions may carry prerequisites related to skating ability or playing experience. All private lesson and skills sessions will be taught by coaches accredited by US Figure Skating or USA Hockey, as applicable.

COMMUNITY PROGRAMMING - SKATE TO SUCCESS

As an interactive method of community outreach, Knott Development and Iceplex management will offer a recreational program called "Skate to Success." Skate to Success will partner with the Athletics Inclusion Foundation, local businesses and school districts surrounding Kino District. This effort will provide children with a skating opportunity who might not otherwise experience the recreational and health benefits of ice skating. Each month from September through March, the Iceplex will arrange transportation and host up to 100 children from the Tucson Unified and Sunnyside School Districts (with more districts to be added over time). Each student will be outfitted with skates and a helmet before receiving instruction from Iceplex coaching staff as well as players and coaches from the University of Arizona Ice Cats. After each skate, students will receive lunch and a Skate to Success welcome packet which includes a Skate to Success long-sleeved jersey shirt and Ice Cats' branded school folders. The Skate to Success program will be free of charge to participating school districts.

ALTERNATE PROGRAMMING SUPPORT

Programming at the Iceplex will be further supported by the Athletics Inclusion Foundation's involvement with the Junior Roadrunners. The Athletics Inclusion Foundation will provide support to children from economically-challenged circumstances and assist the Junior Roadrunners in an expansion of their programming to other underserved portions of the Southern Arizona community. To date Knott Development and the Junior Roadrunners have worked to design alternate programming and the Athletic Inclusion Foundation's outreach capabilities to impact Iceplex programming and community interaction - serving a wide range of Southern Arizona youth and families, including blind and visually impaired athletes, autistic and disabled athletes, disadvantaged and displaced youth, minority and indigenous athletes. As a result of these efforts, the Junior Roadrunners are in various stages of discussions with multiple local and regional organizations to secure partnerships to be supported by the Junior Roadrunners and the Athletics Inclusion Foundation. The chart below summarizes the current progress made by the Junior Roadrunners through their partnership with Knott Development and the Athletics Inclusion Foundation.

KNOTT
DEVELOPMENT



ATHLETICS INCLUSION FOUNDATION
Enhancing Diversity Within Southern Arizona Youth Sports



AZ SCHOOL FOR THE
DEAF AND BLIND

AUTISM SOCIETY OF
SOUTHERN AZ

YOU CAN PLAY
PROJECT

AZ AUTISM ACADEMY

SAAVI

VETERANS
ADMINISTRATION

DIAMOND CHILDREN'S
CENTER

DAVIS MONTHAN AFB
FAMILY READINESS

BANNER MEDICAL
CENTER

YOUTH ON THEIR OWN

USA HOCKEY

NATIONAL HOCKEY TOURNAMENT PROGRAMMING

ICEPLEX NATIONAL HOCKEY TOURNAMENT ECONOMIC IMPACT						
TOURNAMENT ASSUMPTIONS						
TEAMS	ICEPLEX FEES	PLAYERS/TEAM	TOTAL PLAYERS	GUEST/PLAYER	TOTAL GUESTS	ATTENDANCE
42	\$43,200.00	18	756	1.5	1,134	1,890
HOTEL NIGHTS	ROOMS/TEAM	TOTAL ROOMS	ROOM NIGHTS	HOTEL RATE	HOTEL GUESTS	GEN. GUEST
3	16	672	2,016	\$125.00	1,680	210
HOTEL PLAYER/GUEST PER PERSON DAILY SPENDING ASSUMPTIONS						
HOTEL	DINING	RETAIL	ATTRACTIONS	TRANSPORT	MISC.	TOTAL DAYS
\$125.00	\$42.00	\$19.74	\$3.36	\$7.14	\$11.34	3.5
NON-HOTEL GENERAL PLAYER/GUEST PER PERSON DAILY SPENDING ASSUMPTIONS						
DINING	RETAIL	ATTRACTIONS	TRANSPORT	MISC.	TOTAL DAYS	
\$21.00	\$9.87	\$1.68	\$3.57	\$5.67	3	
DIRECT ECONOMIC IMPACT						
HOTEL PLAYER/GUEST DIRECT SPENDING			NON-HOTEL PLAYER/GUEST DIRECT SPENDING			
AGGREGATE HOTEL	\$252,000		AGGREGATE DINING	\$13,230		
AGGREGATE DINING	\$246,960		AGGREGATE RETAIL	\$6,218		
AGGREGATE RETAIL	\$116,071		AGGREGATE ATTRACTIONS	\$1,058		
AGGREGATE ATTRACTIONS	\$19,757		AGGREGATE TRANSPORTATION	\$2,249		
AGGREGATE TRANSPORTATION	\$41,983		AGGREGATE MISCELLANEOUS	\$3,572		
AGGREGATE MISCELLANEOUS	\$66,679					
ICEPLEX FEES	\$43,200					
TOTAL SPENDING	\$786,650		TOTAL SPENDING	\$26,328		
TOTAL LOCAL ECONOMY DIRECT SPENDING \$812,978						

While the Iceplex will have a significant impact on youth and adult hockey as well as recreational opportunities for the community at large, its three rink design provides sufficient capacity for national youth hockey tournaments. This capability will materially benefit Kino District's other elements (hotels, retail, restaurants, entertainment venues) in addition to benefitting the same group of businesses throughout Tucson's downtown area and the Southern Arizona region.

To realize the benefits of this design, Knott Development has partnered with MyHockey Tournaments from Chicago, the premier USA Hockey Tier II youth hockey tournament organizer. In addition to its 70 tournaments in 16 cities across 12 states, MyHockey Tournaments created and

maintains the preeminent youth hockey national ranking service. MyHockey Rankings is used by USA Hockey to determine at-large bids and seedings for national championship events, and ranks all North American hockey teams. Within their ranking system, MyHockey Tournaments is able to provide tournaments comprised of competitive brackets, avoiding teams from the same region from traveling far distances only to play against a home locale organization, and ensuring that traveling teams and their coaches/parents do not view any tournament as a wasted trip. This methodology provides national interest in each sponsored tournament and results in guaranteed, weekend long, ice time contracts for the sponsoring rink.

During the 2023-2024 season, the Iceplex will host three nationally marketed tournaments organized by MyHockey Tournaments. For each hockey season thereafter, the Iceplex will host eight such nationally marketed tournaments. Nationally marketed tournaments held at facilities composed in a similar manner to the Iceplex are attended by, on average, 42 teams, generating an impressive local economy direct spending profile.

Notes Regarding National Hockey Tournament Calculations:

- Assumptions of number of guests per player and daily spending metrics related to dining, retail, attractions, transportation and miscellaneous spending, to maintain conservative projections, have been taken directly from the 2016 Pima Multi-Purpose and Indoor Court Sports Tourism Facility study commissioned by the County and as prepared by Sport Facility Advisory.

Notes Regarding National Hockey Tournament Calculations (Continued):

- Hotel rate figures are based on an informal survey of local hotel rates and those rates likely to be charged by limited service hotels developed within Kino District and those within the City's downtown area. Knott Development has purposely designed Kino District's hotel facilities to meet only part of each tournament's demand, ensuring that Kino District is a catalyst, not a replacement, for existing hotels and that Iceplex tournaments drive tourist traffic to other areas, specifically Tucson's downtown area, to enhance preexisting and continuing development efforts.
- The table above represents the direct local spending projected to be generated by one national hockey tournament hosted at the Iceplex with pricing and spending assumed to increase 2% annually, provided, however, that in the chart below and, specifically, during 2023-2025, as tournament programming is implemented to its intended total number of events this results in a substantially higher growth rate solely due to the scheduled addition of tournaments.
- The following chart demonstrates, by decade of Knott Development's public private partnership with the County, the aggregate direct spending within the regional economy generated by each year's Iceplex-hosted national hockey tournaments as projected by the foregoing spending profile.

KINO DISTRICT ECONOMIC DEVELOPMENT

ICEPLEX NATIONAL HOCKEY TOURNAMENT REGIONAL SPENDING

	2023-2032	2033-2042	2043-2052	2053-2062
Hotel Spending	\$19,796,558	\$26,908,860	\$32,801,750	\$39,985,150
Restaurant/Dining Spending	\$20,439,946	\$27,783,398	\$33,867,807	\$41,284,668
Retail Spending	\$9,606,751	\$13,058,165	\$15,917,830	\$19,403,746
Attractions Spending	\$1,635,180	\$2,222,650	\$2,709,399	\$3,302,742
Transportation Spending	\$3,474,767	\$4,723,146	\$5,757,488	\$7,018,346
Miscellaneous Spending	\$5,518,762	\$7,501,485	\$9,144,269	\$11,146,813
TOTAL REGIONAL SPENDING	\$60,471,963	\$82,197,704	\$100,198,543	\$122,141,465

Annual national hockey tournament spending projections appear in the *Financial Appendix* that accompanies this Business Plan

REGIONAL/INVITATION TOURNAMENT PROGRAMMING

In addition to nationally marketed tournaments, the Iceplex will organize and promote regional/invitation tournaments consisting of teams from the Southwestern and Western regions with select invitations to teams from distant regions. For regional/invitation tournaments, the focus is on participation by limited age brackets where not all 8U to 16U brackets participate. Due to the age-specific nature of each tournament, the Iceplex will be able to host multiple events during the primary tournament season as well as preseason tune-up tournaments. While smaller than their nationally marketed brethren, each regional/invitation tournament of 28 teams will produce significant local economy spending. The Iceplex will host two regional/invitation tournaments in each of the 2023-2024 and 2024-2025 seasons, five tournaments in each of the 2025-2026 and 2026-2027 seasons, eight tournaments in each of the 2027-2028 and 2028-2029 seasons and 10 regional/invitation tournaments each year beginning with the 2029-2030 season. In fact, Knott Development and the Junior Roadrunners have already received letters expressing interest in attending the Iceplex's regional/invitation tournaments from hockey programs in Virginia, Maryland, Texas and Saskatchewan.

ICEPLEX REGIONAL HOCKEY TOURNAMENT ECONOMIC IMPACT						
TOURNAMENT ASSUMPTIONS						
TEAMS	FEE/TEAM	PLAYERS/TEAM	TOTAL PLAYERS	GUEST/PLAYER	TOTAL GUESTS	ATTENDANCE
28	\$1,000	18	504	1.5	756	1,260
HOTEL NIGHTS	ROOMS/TEAM	TOTAL ROOMS	ROOM NIGHTS	HOTEL RATE	HOTEL GUESTS	GEN. GUEST
2	16	448	896	\$125.00	1,120	140
HOTEL PLAYER/GUEST PER PERSON DAILY SPENDING ASSUMPTIONS						
HOTEL	DINING	RETAIL	ATTRACTIONS	TRANSPORT	MISC.	TOTAL DAYS
\$125.00	\$42.00	\$19.74	\$3.36	\$7.14	\$11.34	2.5
NON-HOTEL GENERAL PLAYER/GUEST PER PERSON DAILY SPENDING ASSUMPTIONS						
DINING	RETAIL	ATTRACTIONS	TRANSPORT	MISC.	TOTAL DAYS	
\$21.00	\$9.87	\$1.68	\$3.57	\$5.67	2	
DIRECT ECONOMIC IMPACT						
HOTEL PLAYER/GUEST DIRECT SPENDING			NON-HOTEL PLAYER/GUEST DIRECT SPENDING			
AGGREGATE HOTEL		\$112,000	AGGREGATE DINING		\$5,880	
AGGREGATE DINING		\$117,600	AGGREGATE RETAIL		\$2,764	
AGGREGATE RETAIL		\$55,272	AGGREGATE ATTRACTIONS		\$470	
AGGREGATE ATTRACTIONS		\$9,408	AGGREGATE TRANSPORTATION		\$1,000	
AGGREGATE TRANSPORTATION		\$19,992	AGGREGATE MISCELLANEOUS		\$1,588	
AGGREGATE MISCELLANEOUS		\$31,752	TOURNAMENT FEES		\$1,556	
TOURNAMENT FEES		\$26,444				
TOTAL SPENDING		\$372,468	TOTAL SPENDING		\$13,257	
TOTAL DIRECT ECONOMIC IMPACT \$385,725						

Notes Regarding Regional/Invitation Hockey Tournament Calculations:

- Assumptions of number of guests per player and daily spending metrics related to dining, retail, attractions, transportation and miscellaneous spending, to maintain conservative projections, have been taken directly from the 2016 Pima Multi-Purpose and Indoor Court Sports Tourism Facility study commissioned by the County and as prepared by Sport Facility Advisory.
- Hotel rate figures are based on an informal survey of local hotel rates and those rates likely to be charged by limited service hotels developed within Kino District and those within the City's downtown area. Knott Development has purposely designed Kino District's hotel facilities to meet only part of each tournament's demand, ensuring that Kino District is a catalyst, not a replacement, for existing hotels and that Iceplex tournaments drive tourist traffic to other areas, specifically Tucson's downtown area, to enhance preexisting and continuing development efforts.
- The table above represents the direct local spending projected to be generated by one regional/invitation hockey tournament hosted at the Iceplex with pricing and spending assumed to increase 2% annually, provided, however, that in the charts below and, specifically, during 2023-2030, as tournament programming is implemented to its intended total number of events this results in a substantially higher growth rate solely due to the scheduled addition of tournaments.
- The following chart demonstrates, by decade of Knott Development's public private partnership with the County, the aggregate direct spending within the regional economy generated by each year's Iceplex-hosted regional/invitation hockey tournaments as projected by the foregoing spending profile.

KINO DISTRICT ECONOMIC DEVELOPMENT

ICEPLEX REGIONAL/INVITATION HOCKEY TOURNAMENT REGIONAL SPENDING

	2023-2032	2033-2042	2043-2052	2053-2062
Hotel Spending	\$8,194,676	\$14,949,367	\$18,223,195	\$22,213,972
Restaurant/Dining Spending	\$9,034,630	\$16,481,677	\$20,091,072	\$24,490,905
Retail Spending	\$4,246,305	\$7,746,441	\$9,442,869	\$11,510,805
Attractions Spending	\$722,741	\$1,318,481	\$1,607,221	\$1,959,193
Transportation Spending	\$1,535,916	\$2,801,938	\$3,415,547	\$4,163,533
Miscellaneous Spending	\$2,150,365	\$4,450,106	\$5,424,655	\$6,612,624
TOTAL REGIONAL SPENDING	\$25,884,635	\$47,748,010	\$58,204,558	\$70,951,031

Annual regional/invitation hockey tournament projections appear in the *Financial Appendix* accompanying this Business Plan

FACILITY MANAGEMENT

Knott Development has retained Edge Sports Group to provide overall management of the Iceplex and its programming. Based in Wellesley, Massachusetts, Edge Sports Group is a developer and operator of community-focused athletic facilities that include various combinations of ice rinks, indoor and outdoor turf fields, competition and general swimming facilities, tennis courts, basketball courts, volleyball courts, personal training facilities, restaurants, retail, sports equipment and team stores, physical therapy and strength and conditioning services. With over 25 years of experience in sports and recreation design, development and operation, Edge Sports manages in excess of 630,000 square feet of playing surface and tenant space with over 4.3 million annual facility guests.

To provide local hockey market and community knowledge, the Iceplex will retain the services of Tucson resident Jeremy Bow, currently the President of the Junior Roadrunners. The combination of Edge Sports Group's experience, on-site staff to manage facility operations and Mr. Bow's unique knowledge of, experience with and relationships within the Southern Arizona youth sports community will provide the Iceplex with a desirable combination of program management capabilities, operational experience and relevant market knowledge.

The Iceplex will hire 55 people for both full and part time jobs. Given the staffing requirements particular to facilities such as the Iceplex, the majority of jobs are part time, provided, however, it is expected that one or more part time employees will occupy more than one time slot for Zamboni and Information Desk positions, resulting in the creation of a full time equivalent position for one or more information desk and Zamboni jobs. The title, employment level and wages associated with each job to be filled by the Iceplex are below:

ICEPLEX EMPLOYMENT

FULL AND PART TIME POSITIONS

	Quantity	Hourly Rate	Salary Rate	Position	Expense
General Manager	1		\$80,000	Full Time	\$80,000
Assistant General Manager	1		\$60,000	Full Time	\$60,000
Programming Manager	1		\$45,000	Full Time	\$45,000
Facilities Manager	1		\$80,000	Full Time	\$80,000
Assistant Facilities Manager	1		\$60,000	Full Time	\$60,000
Zamboni Staff	20	20.00		PT/FTE	\$150,000
Information Desk Staff	15	12.50		PT/FTE	\$35,000
Maintenance Staff	15	15.00		PT/FTE	\$75,000
TOTAL EMPLOYMENT FIGURES	55				\$585,000

CAPITAL PLANNING AND MAINTENANCE

To proactively address capital maintenance costs, Knott Development will retain Sightlines, a nationally recognized facilities condition assessment and indexing consultant. Sightlines will provide Knott Development, the County and Iceplex management with multiyear projections of the anticipated Iceplex capital expenditure schedule upon opening. Thereafter, on a periodic basis (usually every five years), Sightlines will produce an updated facilities condition assessment and index in order that Iceplex management, Knott Development and the County can appropriately plan for additional reserves from cash flow to address capital expenditures on both a proactive and measured basis.

Notwithstanding Iceplex management's responsibility for all aspects of Iceplex routine and capital maintenance expenditures, Knott Development realizes that circumstances arise where unexpected capital expenditures outstrip planning and reserves. These can manifest themselves in the form of catastrophic and immediate systems failure as well as due to premature system end of life events. Either circumstance has the propensity to eclipse ongoing and accumulated maintenance reserves. To proactively plan for these events, Knott Development incorporates additional funding capacity within its capitalization structure. Pursuant to its agreement with Iceplex management, Knott Development's contribution of emergency funds towards Iceplex capital expenditures results in an adjustment to the Iceplex debt service rate. Recovery of its emergency contributions is obtained over an extended period. In this manner, the unexpected and unavoidable systems failure has a remedial financial mechanism, but one that does not impair the operations or financial wherewithal of Iceplex operations and the resulting servicing of Kino District Financing. Moreover, it saves from material interruption the cash flow to the County and Knott Development.

CASH FLOW PROJECTIONS

It is the combination of skating, non-skating and tournament programming that provides an ice sports facility such as the Iceplex with an advantage. This is true from both an operational and a financial perspective. In short, well-designed and diversified facility programming leads to paid ice time hours which, correspondingly, drives cash flow which leads to long term operational and financial stability.

As opposed to past regional efforts, the Iceplex is programmed and operates differently. Instead of hoping a small number of users are capable of economically supporting the facility, Knott Development, Iceplex management and anchor programming partners engaged in a process that drove programming design in order to cater to local, regional and national markets. It is a model that ensures substantial facility use and financial stability upon opening. This is due to a focus on the most important barometer of any well-managed ice sports facility - paid ice time hours, whether by organizational contract or a *la carte* (i.e. session-based) program attendance. The Iceplex is long on both revenue sources given its diverse programming.

With the Junior Roadrunners and the Adult Hockey League already committed to the Iceplex, contractual programming is ahead of schedule. During the MDPAs predevelopment phase, Knott Development will be announcing additional contract users such as national summer camp sponsors and a national prospect youth hockey league.

While a majority of paid ice time hours are expected to be absorbed by contract users, equally important are public and session-based programming options. Given their non-contract status, it becomes vital to design, schedule and predict consistently achievable attendance. In order to accurately project public and session-based attendance, Knott Development and Iceplex management engaged in an analysis of non-traditional ice sports facility markets, including one that is specifically relevant - Flagstaff. Given its smaller population in comparison to greater Tucson, Flagstaff's public and session-based programming attendance served as one of the baseline proxies for the formulation of the Iceplex business model. For instance, in order to meet hourly revenue requirements, we assume no more than 20 participants at a public open skating session - substantially similar to attendance figures in Flagstaff, and which draws from a significantly smaller pool of actual and potential participants. Using a similar analysis and predictive framework for all permutations of session-based programming, Iceplex management and Knott Development constructed a business model that ensured financial stability assuming limited attendance volumes across non-contract programming.

Based on our existing user commitments and modest assumptions for non-contract, session-based usage, a focus on overall hourly use (as opposed to the number of ice sheets within the Iceplex) clearly demonstrates the Iceplex's viability. In any calendar year, there are approximately 17,500 hours of Iceplex programmable time. In order to achieve cash flow positive status, depending on the final development costs, only 8,500 to 10,000 paid hours are required (a 48-57% utilization/occupancy rate). Presently, the Iceplex has committed contract users and reasonably achievable levels of public and session-based hourly use approaching 13,000 hours.

When usage rates are combined with concession and gastro pub, pro shop, advertising and sponsorship revenues, the Iceplex will generate significant cash flow and financial benefits for the County under Knott Development's public private partnership structure.

Notes Regarding Cash Flow Projections:

- Programming consists of revenues from all ice programming and is assumed to grow 5% annually for the first three years to absorb pent-up market demand and three percent annually thereafter, provided, however, that 2023 is an operational half year leading to a substantially higher growth rate leading into 2024.
- Concessions, Gastro Pub and Pro Shop revenues are assumed to grow 3% annually, provided, however, that 2023 is an operational half year leading to a substantially higher growth rate leading into 2024.
- Unless tied to revenue, expenses are assumed to grow at 2% annually with the exception of insurance which is presumed to increase at 3%, provided, however, that 2023 is an operational half year leading to a substantially higher growth rate leading into 2024.

KDEV KINO DISTRICT ICEPLEX OPERATIONS LLC

CASH FLOW PROJECTIONS

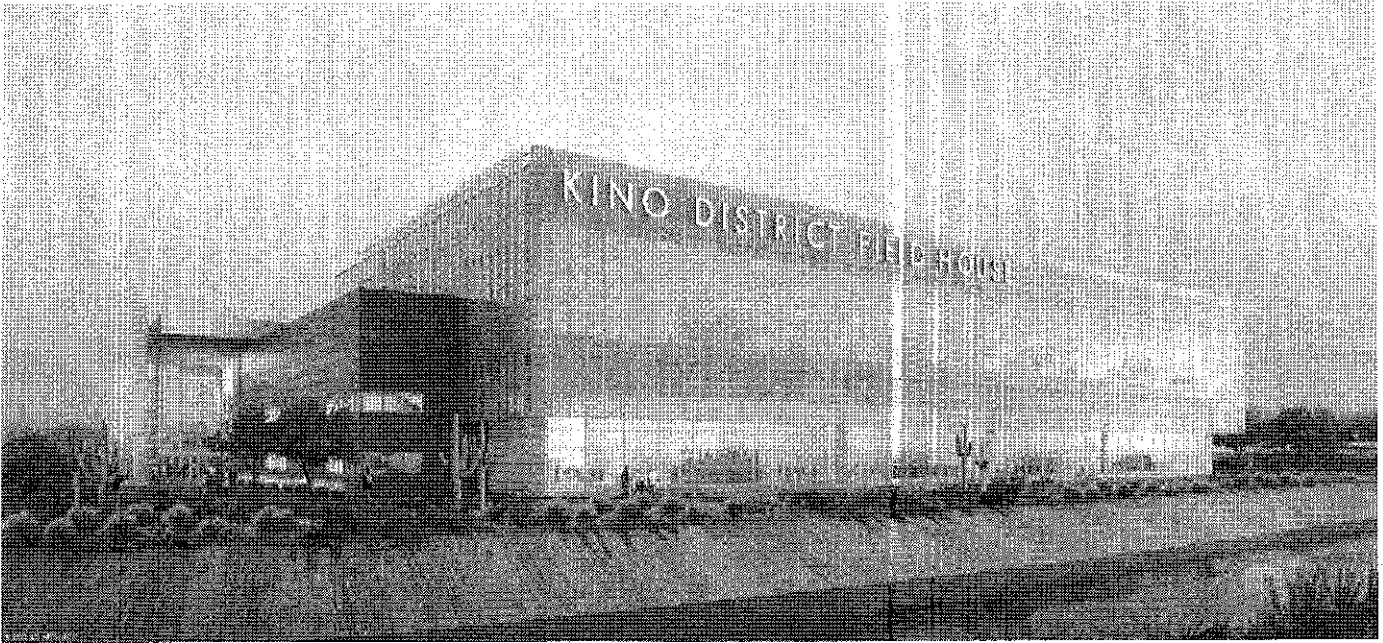
	2023-2032	2033-2042	2043-2052	2053-2062
REVENUE				
Programming	\$52,508,344	\$74,895,839	\$100,653,745	\$135,270,216
Tournament Fees	\$5,442,545	\$8,350,288	\$10,178,955	\$12,408,091
Skate Rental & Pro Shop	\$3,132,653	\$4,434,374	\$5,959,428	\$8,008,974
Naming Rights, Rink and General Advertising	\$3,475,000	\$4,000,000	\$4,000,000	\$4,000,000
Tournament "Stay to Play" Commissions	\$245,840	\$448,481	\$546,696	\$666,419
Concessions & Gastro Pub	\$9,795,491	\$13,865,846	\$18,634,537	\$25,043,260
TOTAL REVENUE	\$74,599,873	\$105,994,828	\$139,973,361	\$185,396,960
EXPENSES				
Edge Sports Group Management Fee	\$4,380,267	\$6,359,690	\$8,398,402	\$11,123,818
Property Taxes	\$9,471,350	\$12,191,288	\$14,861,112	\$18,115,612
Utilities	\$6,221,629	\$8,839,969	\$11,673,778	\$15,462,106
Employee Payroll, Taxes & Expenses	\$6,407,498	\$8,240,897	\$10,045,608	\$12,245,540
Insurance (Property, CGL, Umbrella)	\$653,033	\$924,390	\$1,242,302	\$1,669,551
Employee Health Insurance	\$745,999	\$1,059,948	\$1,399,734	\$1,853,970
Miscellaneous Expense	\$300,000	\$300,000	\$300,000	\$300,000
Repair & Maintenance Reserve	\$2,826,000	\$3,500,000	\$4,500,000	\$5,000,000
Operations Reserve	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
TOTAL EXPENSES	\$32,005,775	\$42,416,181	\$53,420,935	\$66,770,596
NET CASH FLOW	\$42,594,098	\$63,578,647	\$86,552,426	\$118,626,364

Annual Iceplex operational cash flow projections appear in the *Financial Appendix* accompanying this Business Plan



KINO DISTRICT FIELD HOUSE

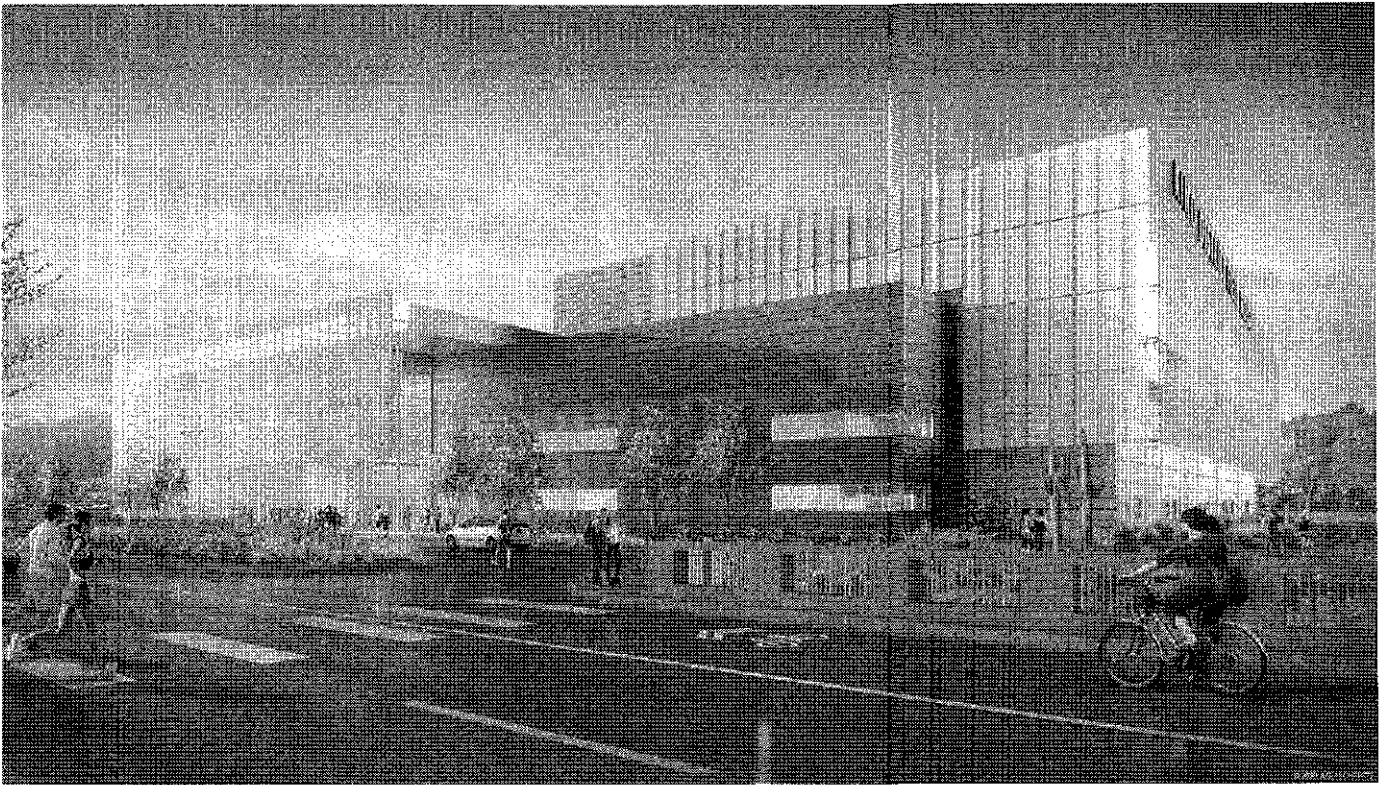
KINO DISTRICT FIELD HOUSE



Kino District Field House (the “Field House”), in a similar fashion to the Iceplex’s focus of centralizing ice-based sports, will serve as the epicenter of indoor sports in Southern Arizona. Consisting of 8 full-sized basketball gymnasiums comprising approximately 130,000 square feet, designed in a unique 4-over-4 stacked arrangement that permits conversion into up to 16 volleyball courts, eight indoor lacrosse surfaces and a myriad of other youth and adult sports programming layouts, the Field House represents a consolidation of indoor recreational sports and fitness activities within a convenient campus setting.

The Field House will be home to Zona Volleyball, a respected Tucson-based travel youth volleyball programs. With freedom from current facility capacity constraints, Zona Volleyball will add adult leagues, year-round clinics and summer camps. Knott Development and its athletic facility management partner, Edge Sports Group, are cultivating relationships with other local sports programs to consolidate their activities within the Field House. From a community-oriented programming perspective, the Field House will feature multiple low cost, open athletic programming in a variety of indoor sports each week, providing all adults, children and families to enjoy an indoor athletic experience without the financial and time burden associated with more formalized leagues and sports programming. Complimenting its active spaces, the Field House contains a 20,000 square foot event space suitable for a variety of functions as well as use during tournaments.

As part of Kino District’s mission to serve all existing and potential athletes, Knott Development’s Kino District-based charitable endeavor, the Athletics Inclusion Foundation, will be active within Field House programming to ensure that local, underserved children have the opportunity to enjoy Field House programming regardless of economic status, including, without limitation, minority and indigenous youth, homeless teenagers and children within the foster care system. Through the foundation, Knott Development will work with other local community organizations to establish specialized programming that can take advantage of the Field House’s flexible athletic spaces for the benefit of visually-impaired children, children with disabilities and those with developmental disorders. As a part of this community outreach, Knott Development and the Athletics Inclusion Foundation are working with CPLC and, separately, are working to establish a relationship with the Coronado Division of Special Olympic Arizona. In both cases, our goal is to develop programming unique to both constituencies and that is materially supportive to their respective missions.



Within Kino District's overall site plan, the Field House maintains a physical and emotional connection with other portions of Kino District through its intermodal, pedestrian and bicycle-friendly bridge leading to Kino District Arena and the Arena Event Plaza as well as pedestrian and bicycle access to the Iceplex. The Field House's sense of place is enhanced through the unified Kino District hardscape and softscape designed by Knott Development's local partner, The Planning Center, that promotes walkability for Field House patrons and, likewise, easy access to and from the Loop.

THE SUBSTANTIVE NEED

FRAGMENTED FACILITY MARKET

During our exploration of the local market to expand the Field House beyond merely a tournament venue, it was apparent that the Southern Arizona region suffered from a similar facilities dysfunction found in many metropolitan areas - insufficient and fragmented space for indoor sports organizations. Typically, basketball and volleyball (as major indoor sports) as well as other organized indoor sports leagues and indoor training for outdoor sports, utilize multiple facilities for practices, games and events, often in disparate locations. While the use of multiple facilities satisfies the need for space, ultimately the logistics for both the organization and its members proves cumbersome from a logistics and convenience perspective. Zona Volleyball was a perfect example of this unfortunate phenomenon, spanning multiple sites to accommodate a growing program with insufficient court space within which to execute on membership opportunities. Based on Knott Development's and Edge Sports Group's experience, as well as communications with other prospective local user groups, there exists a wide variety of basketball and other indoor sports organizations clamoring for a facility offering expanded, consolidated space to manage weekly schedules and provide families with a one-site experience.

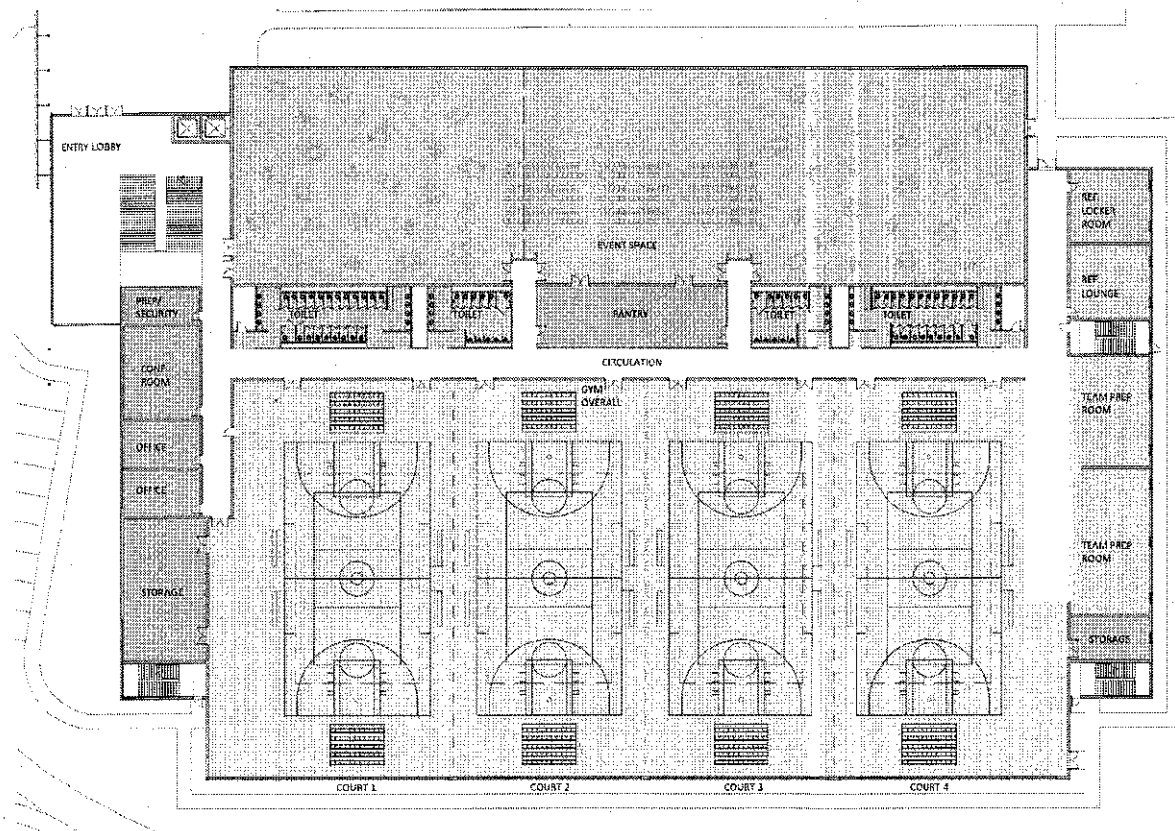
CREATING AN INDOOR SPORTS SOLUTION

FIELD HOUSE DESIGN AND COMPOSITION

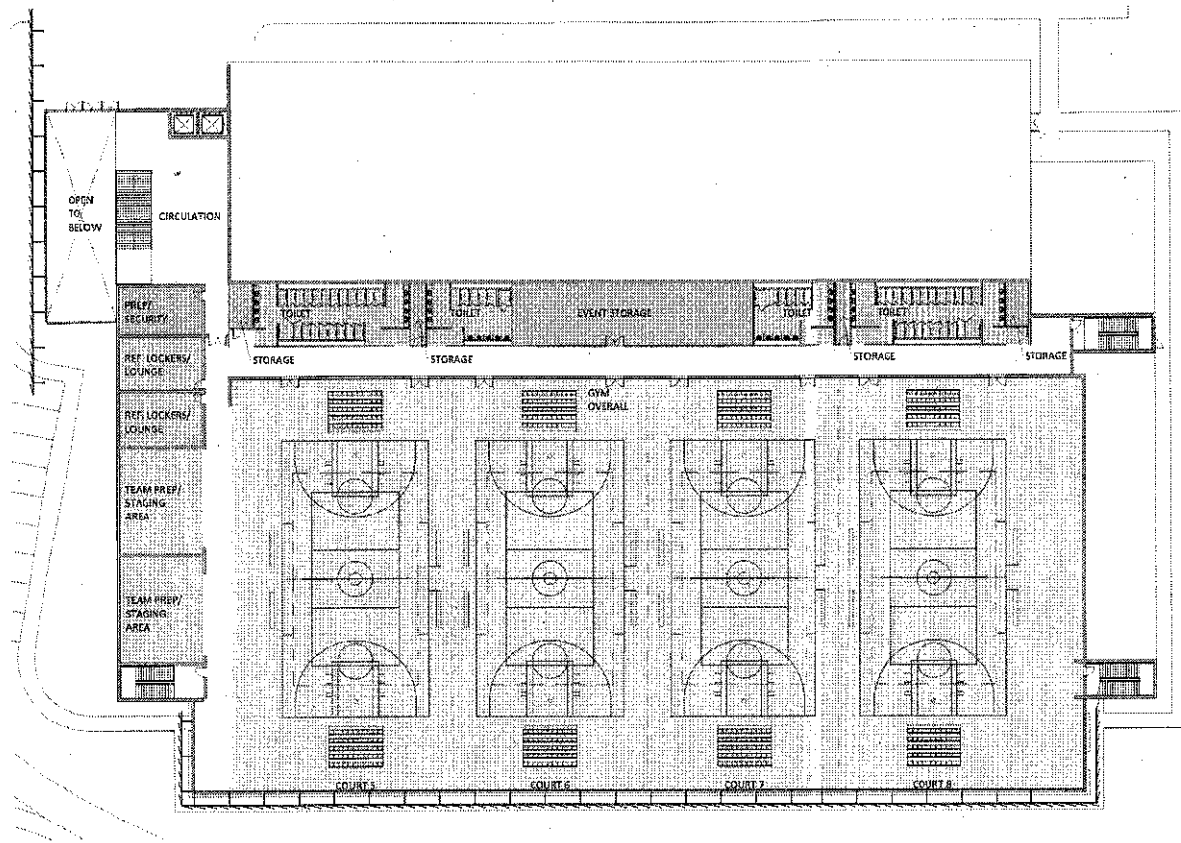
The combination of insufficient and fragmented facilities within the Southern Arizona indoor sports market provides a unique opportunity to not only provide a facility capable of high volume, multiple sport programming, but to structure an additional component of Kino District to likewise compliment and enhance the travel sports capabilities of the existing Kino South Complex while satisfying the County's economic development and community goals. To do so, the following considerations primarily drove the Field House design:

- Variation and depth of programming existing within the Southern Arizona market
- Reasonable expansion capacity necessary for long term anchor programming needs
- Facility capacity required to attract national basketball, volleyball and indoor lacrosse tournament organizers
- Physical and programming proficiency requirements to expand indoor athletic opportunities to all members of the community
- Integration of Field House with other facets of Kino District
- Economic viability in both the short and long term

Based on our team's multipoint analysis, the stacked-court facility was determined to be the solution.



Field House first floor layout with integrated event space adjacent to court facilities



Field House second floor layout

ANCHOR PROGRAMING

Because of its capacity to grow existing programs and expand its offerings to include adult leagues, summer camps and year-round clinics, Knott Development has partnered with Zona Volleyball, a local club-level volleyball program in existence for over two decades. Zona Volleyball will relocate its programming from smaller, insufficient venues to the Field House upon opening, bringing substantial, pent-up user demand to fill significant time slots within the Field House's weekly schedule.

In addition to Zona Volleyball, Knott Development and Edge Sports Group, facility manager of the Field House, are working to finalize agreements with multiple basketball programs that will complete the anchor programming aspects of the Field House weekly schedule.

COMMUNITY PROGRAMMING

Due to the Field House's composition and its capacity to host a wide variety of indoor sports, community access programming will be, and remain, a priority aspect of operations. Because the it maintains the ability to split a single gymnasium into two and to isolate gymnasiums from each other, the Field House will be able to offer large and small sized programming options.

LOCAL RECREATIONAL SPORTS ADVISORY BOARD

As a result of the varied programming options available to the Field House and in order to reach a broad spectrum of youth and adult recreational sports programming, Knott Development has teamed with several local residents to form the Sports Advisory Board. At present, the Sports Advisory Board consists of Jeremy Bow, Michelle Malis and Ryan Johnson. Each member of the Sports Advisory Board is a member of the local youth and adult sports programming market and has valuable insight to, and relationships with, multiple organizations that are interested in locating their programming at the Field House. During the MDPAs predevelopment phase, Knott Development will be adding members to the Sports Advisory Board in order to reach all variants of youth and adult recreational sport.

YOUTH BASKETBALL ORGANIZATION PROGRAMMING

With the assistance of members of the Sports Advisory Board, Knott Development is engaging with several local youth basketball programs regarding relocation to the Field House. In each case, the programs require more consistent and centralized facilities within which to operate. Knott Development anticipates releasing more information regarding these additional anchor programs during the MDPAs predevelopment phase.

"HOUSE LEAGUE" YOUTH BASKETBALL PROGRAMMING

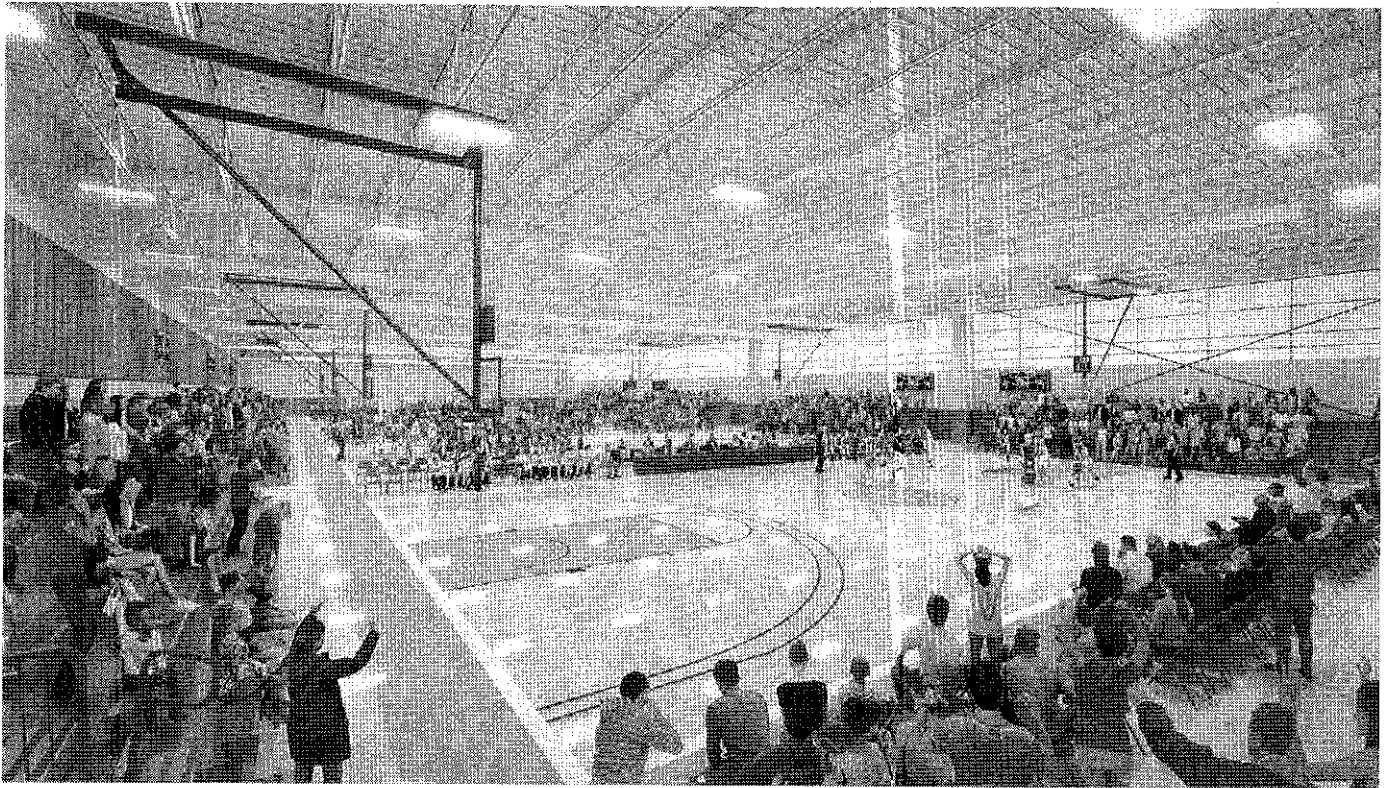
While local organizations maintain successful and growing youth basketball programs, not every family seeks the time and expense commitment associated with the formalized youth basketball experience. In deference to family choice as well as more cost-friendly programming, the Field House will create and maintain a youth-oriented, non-traveling house league (the "House Youth Basketball League"). Consisting of Field House-only practices and games and organized by age, the House Youth Basketball League will offer a competitive, supportive environment for the casually-interest youth player with a more affordable recreation offering in a logistically accessible recreational sports setting.

"HOUSE LEAGUE" ADULT BASKETBALL PROGRAMMING

In addition to the House Youth Basketball League, the Field House will offer men's and women's adult-oriented house basketball league (the "House Adult Basketball League"). The House Adult Basketball League will be organized based on skill level and will afford participants a multiple game per week experience. As Knott Development begins the MDPAs predevelopment phase, we will be engaging with the local community to assess the programming needs and building the House Adult Basketball League schedule.

PUBLIC SESSION PROGRAMMING - YOUTH "PICK-UP BASKETBALL

The Field House will offer multiple weekly sessions of drop-in, youth only pick-up basketball programming ("Youth Pick-Up Basketball"). Scheduled during the after school hours and on multiple days throughout the week during the summer, Youth Pick-Up Basketball provides an athletic and social event for youth and parents in a convenient location. As we enter the MDPAs predevelopment phase, Knott Development will be engaging with the local community to assess the programming needs and building the Youth Pick-Up Basketball schedule.



Field House interior rendering in its basketball configuration

PUBLIC SESSION PROGRAMMING - ADULT "PICK-UP" BASKETBALL

The Field House will offer multiple weekly sessions of drop-in, adult only pick-up basketball programming ("Adult Pick-Up Basketball"). Adult Pick-Up Basketball will be scheduled each weekday during and around the traditional lunch hour, providing 2 separate one-hour time slots from within which to play. In addition to weekday times, Adult Pick-Up Basketball will be offered on weekday evenings and on many weekends.

PUBLIC SESSION PROGRAMMING - ADULT "PICK-UP" BASKETBALL

The Field House will offer multiple weekly sessions of drop-in, adult only pick-up basketball programming ("Adult Pick-Up Basketball"). Adult Pick-Up Basketball will be scheduled each weekday during and around the traditional lunch hour, providing 2 separate one-hour time slots from within which to play. In addition to weekday times, Adult Pick-Up Basketball will be offered on weekday evenings and on many weekends.

PRIVATE PROGRAMMING - SOCCER TRAINING

Because the Field House will be equipped with indoor turf to convert any of its 8 courts into an outdoor sport training surface, Knott Development is in discussions with several soccer organizations to use the Field House as an off-season training facility. Field House access provides these organizations with a means to expand their relationship with players, offer additional skills training and conditioning and otherwise provide an alternate programming venue to recruit new players and families.

PRIVATE PROGRAMMING - LACROSSE TRAINING

In much the same manner as with soccer organizations, the Field House offers a resource for local youth lacrosse programs to expand their training offerings. Due to the indoor lacrosse tournaments hosted at the Field House, complete indoor surfaces (including turf and side boards) are available for a myriad of indoor programming options. As Knott Development moves into the MDPA's predevelopment phase, we will be engaging with local youth lacrosse programs to formalize session arrangements. In addition to skills and conditioning sessions, Knott Development will be engaging through local programs to create a summer-based indoor lacrosse league consisting of both local, regional and Phoenix-area teams. The optionality afforded youth lacrosse organizations to extend their "season" with players will prove valuable in expanding the sport locally and in offering families an additional recreational opportunity.

PUBLIC PROGRAMMING - PICKLE BALL

Pursuant to discussions with the County, the Field House will coordinate with the Stadium District to expand the number of publicly available pickle ball courts. As an indoor option, the Field House's ability to split basketball surfaces into multiple pickle ball courts will be an exciting addition to the growth of the sport locally. In conjunction with its County-linked programming, Field House management will also offer pickle ball tournaments and is in the process of creating pickle ball "leagues" to expand the offerings available to the Southern Arizona market.

PUBLIC/PRIVATE PROGRAMMING - YOUTH TEQ BALL

As a part of a formalized relationship with one or more youth soccer organizations, the Field House will be equipped with Teq Ball equipment in order to create youth skills sessions and leagues. While one or more leagues will be created with partnering soccer organizations, the Field House will likewise create its own "house league" for informal Teq Ball matches and will offer drop-in Teq Ball sessions. Because of its ability to segment each court surface into 2-4 smaller areas via curtain systems, the Field House is able to provide a unique recreational experience that demonstrates the flexible nature of the facility's design.

PRIVATE PROGRAMMING - ADULT VOLLEYBALL LEAGUES

In conjunction with Zona Volleyball, the Field House will offer "house leagues" for adult recreational volleyball ("Adult House League Volleyball"). Offered during the evening each week, Adult House League Volleyball will provide an opportunity for members of the community seeking an additional recreation outlet, looking to try volleyball for the first time or looking to get back into a the game they love. As an adjunct programming option, the Field House and Zona Volleyball will offer skills and training sessions for newcomers to the game and for those formerly experienced players seeking to tune up their current game.

PRIVATE PROGRAMMING - PERSONAL TRAINING

Since announcing the Iceplex and Field House as a part of our development plan, Knott Development has been approached by personal trainers in the Tucson area seeking segmented court space to conduct private personal training classes and sessions. Due to the Field House's flexible nature, both conventional and turf surfaces are available for a mix of personal training options. As Knott Development commences the MDPA's predevelopment phase, we will formalize arrangements with existing contacts and, through the Sports Advisory Board, initiate discussions with additional training programs.

PRIVATE PROGRAMMING - YOGA AND PILATES

Similar to discussions with personal trainers, Knott Development has been approached by Yoga and Pilates instructors in the region seeking space within the Field House. As an additional offering, these programming variants help to diversify the Field House's revenue base and facility utility to a wide range of prospective customers.

NATIONAL TOURNAMENT PROGRAMMING

While the Field House will have a significant impact on local volleyball and basketball programming as well as indoor sports recreational programming for the community at large, its design and capacity provides a robust environment for nationally marketed tournaments, including basketball, volleyball and indoor lacrosse. This capability and the size of tournaments brought to bear by Knott Development and its partners will not only materially benefit Kino District's other elements (hotels, retailers, restaurants, and entertainment venues), but will benefit the Tucson area in general, specifically the City's downtown area.

To realize the benefits of the Field House design, Knott Development and Edge Sports Group have partnered with 3Step Sports, the largest youth sports event operator in the United States. 3Step Sports manages over 800 events across 35 states in seven sports. Based on the tournaments to be organized by 3Step Sports at the Field House, a minimum of approximately 640 and a maximum of approximately 960 hotel rooms are required. Kino District's development plan with limited on-site hotel rooms was purposely conceived to provide off-site economic development opportunities to the advantage of Tucson's existing hotels, particularly those within the City's downtown area. With only a maximum of 540 rooms planned across three hotel assets within Kino District, the Tucson area and downtown hoteliers will materially benefit from each Field House tournament.

In addition to downtown Tucson hotel benefits, guests of non-Kino District hotels will seek dining and entertainment options not available within Kino District. With approximately 2,400 to 3,600 guests per tournament, the entire Tucson and Southern Arizona region will benefit from Field House tournament programming.

The benefits afforded market participants external to Kino District will have a significant impact on all areas of the County's and the City's economic development goals. From hotel room bed surcharges to sales tax, there is no area of the local economy that is not materially touched by large-scale tournament traffic.

NATIONAL BASKETBALL TOURNAMENT PROGRAMMING

FIELD HOUSE BASKETBALL TOURNAMENT DIRECT SPENDING IMPACT						
SINGLE TOURNAMENT ASSUMPTIONS						
TEAMS	FACILITY FEES	PLAYERS/TEAM	TOTAL PLAYERS	GUEST/PLAYER	TOTAL GUESTS	ATTENDANCE
96	\$20,000.00	12	1,152	1.5	1,728	2,880
HOTEL NIGHTS	ROOMS/TEAM	TOTAL ROOMS	ROOM NIGHTS	HOTEL RATE	HOTEL GUESTS	GEN. GUEST
3	8	768	2,304	\$125.00	1,920	960
HOTEL PLAYER/GUEST PER PERSON DAILY SPENDING ASSUMPTIONS						
HOTEL	DINING	RETAIL	ATTRACTIONS	TRANSPORT	MISC.	TOTAL DAYS
\$125.00	\$42.00	\$19.74	\$3.36	\$7.14	\$11.34	3.5
NON-HOTEL PLAYER/GUEST PER PERSON DAILY SPENDING ASSUMPTIONS						
DINING	RETAIL	ATTRACTIONS	TRANSPORT	MISC.	TOTAL DAYS	
\$21.00	\$9.87	\$1.88	\$3.57	\$5.67	3	
DIRECT SPENDING ECONOMIC IMPACT						
HOTEL PLAYER/GUEST DIRECT SPENDING			NON-HOTEL PLAYER/GUEST DIRECT SPENDING			
AGGREGATE HOTEL		\$288,000	AGGREGATE DINING		\$60,480	
AGGREGATE DINING		\$282,240	AGGREGATE RETAIL		\$28,426	
AGGREGATE RETAIL		\$132,653	AGGREGATE ATTRACTIONS		\$4,838	
AGGREGATE ATTRACTIONS		\$22,579	AGGREGATE TRANSPORTATION		\$10,282	
AGGREGATE TRANSPORTATION		\$47,981	AGGREGATE MISCELLANEOUS		\$16,330	
AGGREGATE MISCELLANEOUS		\$76,205				
FIELD HOUSE FEES		\$20,000				
TOTAL SPENDING		\$869,658	TOTAL SPENDING		\$120,355	
TOTAL DIRECT SPENDING ECONOMIC IMPACT \$990,013						

During the last half of 2023 following its opening, 3Step Sports will host nine nationally marketed basketball tournaments at the Field House. Beginning in 2024, 18 such tournaments will be resident annually at the Field House. Nationally marketed tournaments held at facilities composed in a similar manner to the Field House are attended by, on average, 96 teams, generating an impressive local economy direct spending profile.

Notes Regarding National Basketball Tournament Calculations:

- Assumptions of number of guests per player and daily spending metrics related to dining, retail, attractions, transportation and miscellaneous spending, to maintain conservative projections, have been taken directly from the 2016 Pima Multi-Purpose and Indoor Court Sports Tourism Facility study commissioned by the County and as prepared by Sport Facility Advisory.
- Hotel rate figures are based on an informal survey of local hotel rates and those rates likely to be charged by limited service hotels developed within Kino District and those within the City's downtown area. Knott Development has purposely designed Kino District's hotel facilities to meet only part of each tournament's demand, ensuring that Kino District is a catalyst, not a replacement, for existing hotels and that Field House tournaments drive tourist traffic to other areas, specifically Tucson's downtown area, to enhance preexisting and continuing development efforts.
- The table above represents the direct local spending projected to be generated by one Field House national basketball tournament with pricing and spending assumed to increase 2% annually, provided, however, that 2023 is an operational half year leading to a substantially higher growth rate leading into 2024.
- The following chart demonstrates, by decade of Knott Development's public private partnership with the County, the aggregate direct spending within the regional economy generated by each year's Field House-hosted national basketball tournaments as projected by the foregoing spending profile.

KINO DISTRICT ECONOMIC DEVELOPMENT

FIELD HOUSE NATIONAL BASKETBALL TOURNAMENT REGIONAL SPENDING

	2023-2032	2033-2042	2043-2052	2053-2062
Hotel Spending	\$54,171,354	\$69,194,211	\$84,347,358	\$102,818,958
Restaurant/Dining Spending	\$64,463,911	\$82,341,112	\$100,373,355	\$122,354,560
Retail Spending	\$30,298,151	\$38,700,467	\$47,175,653	\$57,506,858
Attractions Spending	\$5,157,000	\$6,587,145	\$8,029,693	\$9,788,151
Transportation Spending	\$10,958,978	\$13,998,133	\$17,063,646	\$20,800,489
Miscellaneous Spending	\$17,405,369	\$22,232,244	\$27,100,982	\$33,035,945
TOTAL REGIONAL SPENDING	\$182,454,762	\$233,053,312	\$284,090,686	\$346,304,962

Annual national basketball tournament spending projections appear in the *Financial Appendix* accompanying this Business Plan

NATIONAL VOLLEYBALL TOURNAMENT PROGRAMMING

During the last half of 2023 following its opening, 3Step Sports will host eight nationally marketed volleyball tournaments at the Field House. Beginning in 2024, 16 such tournaments will be resident annually at the Field House. Nationally marketed tournaments held at facilities composed in a similar manner to the Field House are attended by, on average, 120 teams, generating an impressive local economy direct spending profile.

The volleyball tournaments organized by 3Step Sports and hosted at the Field House are not Arizona Region-affiliated tournaments such as those hosted by Sporting Chance Center and the TCC Arena. Knott Development has purposely designed the tournament offerings to be resident within the Field House so that they do not compete with existing tournament programming within the region.

FIELD HOUSE VOLLEYBALL TOURNAMENT DIRECT SPENDING IMPACT						
SINGLE TOURNAMENT ASSUMPTIONS						
TEAMS	FACILITY FEES	PLAYERS/TEAM	TOTAL PLAYERS	GUEST/PLAYER	TOTAL GUESTS	ATTENDANCE
120	\$20,000.00	12	1,440	1.5	2,160	3,600
HOTEL NIGHTS	ROOMS/TEAM	TOTAL ROOMS	ROOM NIGHTS	HOTEL RATE	HOTEL GUESTS	GEN. GUEST
3	8	960	2,880	\$125.00	2,400	1,200
HOTEL PLAYER/GUEST PER PERSON DAILY SPENDING ASSUMPTIONS						
HOTEL	DINING	RETAIL	ATTRACTIONS	TRANSPORT	MISC.	TOTAL DAYS
\$125.00	\$42.00	\$19.74	\$3.36	\$7.14	\$11.34	3.5
NON-HOTEL PLAYER/GUEST PER PERSON DAILY SPENDING ASSUMPTIONS						
DINING	RETAIL	ATTRACTIONS	TRANSPORT	MISC.	TOTAL DAYS	
\$21.00	\$9.87	\$1.68	\$3.57	\$5.67	3	
DIRECT SPENDING ECONOMIC IMPACT						
HOTEL PLAYER/GUEST DIRECT SPENDING			NON-HOTEL PLAYER/GUEST DIRECT SPENDING			
AGGREGATE HOTEL		\$360,000	AGGREGATE DINING		\$75,600	
AGGREGATE DINING		\$352,800	AGGREGATE RETAIL		\$35,532	
AGGREGATE RETAIL		\$165,816	AGGREGATE ATTRACTIONS		\$6,048	
AGGREGATE ATTRACTIONS		\$28,224	AGGREGATE TRANSPORTATION		\$12,852	
AGGREGATE TRANSPORTATION		\$59,976	AGGREGATE MISCELLANEOUS		\$20,412	
AGGREGATE MISCELLANEOUS		\$95,256				
FIELD HOUSE FEES		\$20,000				
TOTAL SPENDING		\$1,082,072	TOTAL SPENDING		\$150,444	
TOTAL DIRECT SPENDING ECONOMIC IMPACT \$1,232,516						

Notes Regarding National Volleyball Tournament Calculations:

- Assumptions of number of guests per player and daily spending metrics related to dining, retail, attractions, transportation and miscellaneous spending, to maintain conservative projections, have been taken directly from the 2016 Pima Multi-Purpose and Indoor Court Sports Tourism Facility study commissioned by the County and as prepared by Sport Facility Advisory.
- Hotel rate figures are based on an informal survey of local hotel rates and those rates likely to be charged by limited service hotels developed within Kino District and those within the City's downtown area. Knott Development has purposely designed Kino District's hotel facilities to meet only part of each tournament's demand, ensuring that Kino District is a catalyst, not a replacement, for existing hotels and that Field House tournaments drive tourist traffic to other areas, specifically Tucson's downtown area, to enhance preexisting and continuing development efforts.
- The table above represents the direct local spending projected to be generated by one Field House national volleyball tournament with pricing and spending assumed to increase 2% annually, provided, however, that 2023 is an operational half year leading to a substantially higher growth rate leading into 2024.
- The following chart demonstrates, by decade of Knott Development's public private partnership with the County, the aggregate direct spending within the regional economy generated by each year's Field House-hosted national volleyball tournaments as projected by the foregoing spending profile.

KINO DISTRICT ECONOMIC DEVELOPMENT

FIELD HOUSE NATIONAL VOLLEYBALL TOURNAMENT REGIONAL SPENDING

	2023-2032	2033-2042	2043-2052	2053-2062
Hotel Spending	\$60,190,393	\$76,882,457	\$93,719,286	\$114,243,287
Restaurant/Dining Spending	\$71,626,568	\$91,490,124	\$111,525,951	\$135,949,511
Retail Spending	\$33,664,487	\$43,000,358	\$52,417,197	\$63,896,270
Attractions Spending	\$5,730,125	\$7,319,210	\$8,922,076	\$10,875,961
Transportation Spending	\$12,176,516	\$15,553,321	\$18,959,412	\$23,111,417
Miscellaneous Spending	\$19,339,173	\$24,702,333	\$30,112,007	\$36,706,368
TOTAL REGIONAL SPENDING	\$202,727,263	\$258,947,804	\$315,655,928	\$384,782,815

Annual national volleyball tournament spending projections appear in the *Financial Appendix* accompanying this Business Plan

NATIONAL INDOOR LACROSSE TOURNAMENT PROGRAMMING

During the last half of 2023 following its opening, 3Step Sports will host five nationally marketed indoor lacrosse tournaments at the Field House. Beginning in 2024, 10 such tournaments will be resident annually at the Field House. Nationally marketed tournaments held at facilities composed in a similar manner to the Field House are attended by, on average, 80 teams, generating an impressive local economy direct spending profile.

FIELD HOUSE INDOOR LACROSSE TOURNAMENT DIRECT SPENDING IMPACT						
SINGLE TOURNAMENT ASSUMPTIONS						
TEAMS	FACILITY FEES	PLAYERS/TEAM	TOTAL PLAYERS	GUEST/PLAYER	TOTAL GUESTS	ATTENDANCE
80	\$20,000.00	12	960	1.5	1,440	2,400
HOTEL NIGHTS	ROOMS/TEAM	TOTAL ROOMS	ROOM NIGHTS	HOTEL RATE	HOTEL GUESTS	GEN. GUEST
3	8	640	1,920	\$125.00	1,600	800
HOTEL PLAYER/GUEST PER PERSON DAILY SPENDING ASSUMPTIONS						
HOTEL	DINING	RETAIL	ATTRACTIONS	TRANSPORT	MISC.	TOTAL DAYS
\$125.00	\$42.00	\$19.74	\$3.36	\$7.14	\$11.34	3.5
NON-HOTEL PLAYER/GUEST PER PERSON DAILY SPENDING ASSUMPTIONS						
DINING	RETAIL	ATTRACTIONS	TRANSPORT	MISC.	TOTAL DAYS	
\$21.00	\$9.87	\$1.68	\$3.57	\$5.67	3	
DIRECT SPENDING ECONOMIC IMPACT						
HOTEL PLAYER/GUEST DIRECT SPENDING			NON-HOTEL PLAYER/GUEST DIRECT SPENDING			
AGGREGATE HOTEL		\$240,000	AGGREGATE DINING		\$50,400	
AGGREGATE DINING		\$235,200	AGGREGATE RETAIL		\$23,688	
AGGREGATE RETAIL		\$110,544	AGGREGATE ATTRACTIONS		\$4,032	
AGGREGATE ATTRACTIONS		\$18,816	AGGREGATE TRANSPORTATION		\$8,568	
AGGREGATE TRANSPORTATION		\$39,984	AGGREGATE MISCELLANEOUS		\$13,608	
AGGREGATE MISCELLANEOUS		\$63,504				
FIELD HOUSE FEES		\$20,000				
TOTAL SPENDING		\$728,048	TOTAL SPENDING		\$100,296	
TOTAL DIRECT SPENDING ECONOMIC IMPACT \$828,344						

Notes Regarding National Indoor Lacrosse Tournament Calculations:

- Assumptions of number of guests per player and daily spending metrics related to dining, retail, attractions, transportation and miscellaneous spending, to maintain conservative projections, have been taken directly from the 2016 Pima Multi-Purpose and Indoor Court Sports Tourism Facility study commissioned by the County and as prepared by Sport Facility Advisory.
- Hotel rate figures are based on an informal survey of local hotel rates and those rates likely to be charged by limited service hotels developed within Kino District and those within the City's downtown area. Knott Development has purposely designed Kino District's hotel facilities to meet only part of each tournament's demand, ensuring that Kino District is a catalyst, not a replacement, for existing hotels and that Field House tournaments drive tourist traffic to other areas, specifically Tucson's downtown area, to enhance preexisting and continuing development efforts.
- The table above represents the direct local spending projected to be generated by one Field House national indoor lacrosse tournament with pricing and spending assumed to increase 2% annually, provided, however, that 2023 is an operational half year leading to a substantially higher growth rate leading into 2024.
- The following chart demonstrates, by decade of Knott Development's public private partnership with the County, the aggregate direct spending within the regional economy generated by each year's Field House-hosted national indoor lacrosse tournaments as projected by the foregoing spending profile.

KINO DISTRICT ECONOMIC DEVELOPMENT

FIELD HOUSE NATIONAL INDOOR LACROSSE TOURNAMENT REGIONAL SPENDING

	2023-2032	2033-2042	2043-2052	2053-2062
Hotel Spending	\$25,079,330	\$32,034,357	\$39,049,703	\$47,601,370
Restaurant/Dining Spending	\$29,844,403	\$38,120,885	\$46,469,146	\$56,645,630
Retail Spending	\$14,026,869	\$17,916,816	\$21,840,499	\$26,623,446
Attractions Spending	\$2,387,552	\$3,049,671	\$3,717,532	\$4,531,650
Transportation Spending	\$5,073,549	\$6,480,550	\$7,899,755	\$9,629,757
Miscellaneous Spending	\$8,057,989	\$10,292,639	\$12,546,669	\$15,294,320
TOTAL REGIONAL SPENDING	\$84,469,693	\$107,894,918	\$131,523,303	\$160,326,173

Annual national indoor lacrosse tournament spending projections appear in the *Financial Appendix* accompanying this Business Plan

FACILITY MANAGEMENT

Knott Development has retained Edge Sports Group to provide overall management of the Field House and its programming. Based in Wellesley, Massachusetts, Edge Sports Group is a developer and operator of community-focused athletic facilities that include various combinations of ice rinks, indoor and outdoor turf fields, competition and general swimming facilities, tennis courts, basketball courts, volleyball courts, personal training facilities, restaurants, retail, sports equipment and team stores, physical therapy and strength and conditioning services. With over 25 years of experience in sports and recreation design, development and operation, Edge Sports manages in excess of 630,000 square feet of playing surface and tenant space with over 4.3 million annual facility guests.

The Field House will hire 33 people for both full and part time jobs. Given the staffing requirements particular to facilities such as the Field House, the majority of jobs are part time, provided, however, it is expected that one or more part time employees will occupy more than one time slot for certain positions, resulting in the creation of a full time equivalent position for one or more Information Desk jobs. The title, employment level and wages associated with each job to be filled by the Field House are set forth on the following page.

FIELD HOUSE EMPLOYMENT

FULL AND PART TIME POSITIONS

	Quantity	Hourly Rate	Salary Rate	Position	Expense
General Manager	1		80,000	Full Time	80,000
Facilities Manager	1		80,000		80,000
Programming Manager	1		45,000	Full Time	45,000
Information Desk Staff	15	14.00		PT/FTE	75,000
Maintenance Staff	15	12.50		PT/FTE	50,000
TOTAL EMPLOYMENT FIGURES	33				330,000

CAPITAL PLANNING AND MAINTENANCE

To proactively address capital maintenance costs, Knott Development will retain Sightlines, a nationally recognized facilities condition assessment and indexing consultant. Sightlines will provide Knott Development, the County and Field House management with multiyear projections of the anticipated Field House capital expenditure schedule upon opening. Thereafter, on a periodic basis (usually every five years), Sightlines will produce an updated facilities condition assessment and index in order that Field House management, Knott Development and the County can appropriately plan for additional reserves from cash flow to address capital expenditures on both a proactive and measured basis.

Notwithstanding Field House management's responsibility for all aspects of Field House routine and capital maintenance expenditures, Knott Development realizes that circumstances arise where unexpected capital expenditures outstrip planning and reserves. These can manifest themselves in the form of catastrophic and immediate systems failure as well as due to premature system end of life events. Either circumstance has the propensity to eclipse ongoing and accumulated maintenance reserves. To proactively plan for these events, Knott Development incorporates additional funding capacity within its capitalization structure. Pursuant to its agreement with Field House management, Knott Development's contribution of emergency funds towards Field House capital expenditures results in an adjustment to the Field House debt service rate. Recovery of its emergency contributions is obtained over an extended period. In this manner, the unexpected and unavoidable systems failure has a remedial financial mechanism, but one that does not impair the operations or financial wherewithal of Field House operations and the resulting servicing of Kino District Financing. Moreover, it saves from material interruption the cash flow to the County and Knott Development.

CASH FLOW PROJECTIONS

Pursuant to the existing programming needs of Zona Volleyball, the pent-up demand for indoor sports facilities within Southern Arizona, the inclusion of nationally marketed basketball, volleyball and indoor lacrosse tournaments, the current development of alternate programming, frequent community-based programming and the pending addition of other local and regionally-based user groups, Knott Development and Edge Sports Group have already allocated in excess of 60% of annual court time. When combined with concession, facility naming rights, commissions from "stay to play" tournament hotel arrangements, court sponsorship and advertisement revenues, the Field House will generate significant cash flow and financial benefits for the County under Knott Development's cash flow sharing agreement - distributing 55% of Field House net cash flow to the County in addition to its payment of all jurisdictional property taxes, without discount or abatement.

Notes Regarding Cash Flow Projections:

- Programming consists of revenues from all Field House programming and is assumed to grow 3% annually, provided, however, that 2023 is an operational half year leading to a substantially higher growth rate leading into 2024.
- Advertising revenues consist of facility naming rights, per-gym naming rights and common area advertisements.
- Concession revenues are assumed to grow 3% annually.
- Unless tied to revenue, expenses are assumed to grow at 2% annually with the exception of insurance which is presumed to increase at 3%, provided, however, that 2023 is an operational half year leading to a substantially higher growth rate leading into 2024.

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CASH FLOW PROJECTIONS

	2023-2032	2033-2042	2043-2052	2053-2062
REVENUE				
Programming	\$42,586,443	\$60,282,534	\$81,014,685	\$108,876,963
Tournament Fees	\$9,195,754	\$11,745,931	\$14,318,224	\$17,453,835
Naming Rights, Court and General Advertising	\$3,475,000	\$4,000,000	\$4,000,000	\$4,000,000
Tournament "Stay to Play Commissions"	\$541,714	\$691,942	\$843,474	\$1,028,190
Concessions	\$5,441,940	\$7,703,248	\$10,352,521	\$13,912,922
TOTAL REVENUE	\$61,240,851	\$84,423,655	\$110,528,904	\$145,271,910
EXPENSES				
Edge Sports Group Management Fee	\$3,585,040	\$5,065,419	\$6,631,734	\$8,716,315
Property Taxes	\$10,599,303	\$13,643,161	\$16,630,937	\$20,273,019
Utilities	\$2,657,853	\$3,663,987	\$4,796,954	\$6,304,801
Employee Payroll, Taxes & Expenses	\$3,614,486	\$4,648,711	\$5,666,753	\$6,907,740
Insurance (Property, CGL, Umbrella)	\$968,665	\$1,371,178	\$1,842,749	\$2,476,500
Employee Health Insurance	\$612,409	\$844,237	\$1,105,289	\$1,452,719
Miscellaneous Expense	\$300,000	\$300,000	\$300,000	\$300,000
Repair & Maintenance Reserve	\$1,884,000	\$2,000,000	\$2,000,000	\$2,000,000
Operations Reserve	\$942,000	\$1,000,000	\$1,000,000	\$1,000,000
TOTAL EXPENSES	\$25,163,755	\$32,536,692	\$39,974,416	\$49,431,094
NET CASH FLOW	\$36,077,096	\$51,886,963	\$70,554,488	\$95,840,816

Annual Field House operational cash flow projections appear in the *Financial Appendix* accompanying this Business Plan