

September 23, 2021

Mr. Peter Trevisani
New Mexico United
3500 Central Ave SE Suite 3
Albuquerque, New Mexico 87106

Re: Binding Letter of Intent to Lease a Multi-purpose Stadium (“Facility”)

Dear Mr. Trevisani :

This letter serves as a binding Letter of Intent (“LOI”) between the City of Albuquerque (“City”) and the New Mexico United (“Team”). This LOI will be presented to the Albuquerque City Council. This LOI is contingent upon the voters of the City approving a bond issuance.

- Subject to approval of the bond issue by the electors of the City, the City and Team agree to develop a new first class, multi-purpose Facility, which shall be primarily configured as a soccer stadium. The Facility is intended to be the home venue for the Team. A final agreement is subject to approval of the Albuquerque City Council.
- The City shall own the Facility and the Team shall be the primary tenant and operator for the new soccer stadium and multipurpose Facility.
- The Team shall make a ten million-dollar (\$10,000,000) capital contribution to the construction of the new Facility. The contribution shall be made prior to awarding the construction contract by the City of Albuquerque.
- The term of the lease between the City and the Team shall be twenty-five (25) years or the length of the bond, whichever is longer.
- A portion of the financing, expansion, or construction of the Facility at a location to be mutually determined (“Site”) will be paid from various revenues of a lease between the City and the tenant soccer team structured such that lease payments produce Eight Hundred Thousand Dollars (\$800,000) per year, including any applicable taxes (“Base Rent”).
- The Team agrees to provide funds and services as required by a community benefits agreement between the City, the Team, and the locally impacted neighborhood(s).

PO Box 1293

Albuquerque

NM 87103

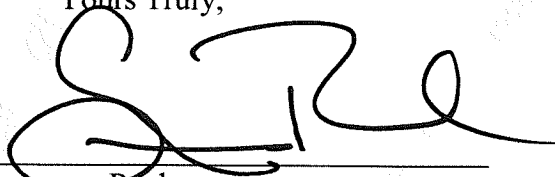
www.cabq.gov

- The Team shall, subject to the terms and conditions of the to-be negotiated Lease and Development Agreement (the “Lease and Development Agreement”), market, control, and be entitled to receive and retain all revenues, net of taxes, relating to the operations of the Team, the Facility and the Site, including, but not limited to, revenues generated from naming rights, sponsorship, advertising (including both in-stadium and exterior signage), premium seating, merchandise, team events, other events, and ancillary revenues (including parking) (except for certain City events as described below). The Lease and Development Agreement shall guarantee a minimum annual payment to the City of One Hundred Thousand Dollars (\$100,000).
- The Team agrees to provide funds and services through a community benefits agreement between the City, the Team, and the locally impacted neighborhood(s).
- The Team shall endeavor to utilize local and/or New Mexico food and beverage vendors for stadium concessions.
- The Team shall provide all necessary liability insurance for the Facility upon the Team’s occupancy. The Team shall also obtain business interruption insurance to support the Team's annual obligation to make Base Rent payments to the City. The Team shall indemnify the City with regard to the day-to-day operations of the Facility in the eventual Lease and Development Agreement.
- The Team’s first rent payment of Eight Hundred Thousand Dollars (\$800,000) (pro-rated) shall become due upon occupying of the completed Facility. Every rent payment thereafter shall be due annually on January 1.
- The City shall be allowed 15 days annually of exclusive use of the Facility for appropriate City and/or Community events.
- The parties shall agree to a stand-alone non-relocation agreement that shall guarantee that the Team shall play its home games at the Facility and prohibit the Team from initiating a permanent relocation of the Team during the term of the Lease and Development Agreement. The agreement shall include specific performance, injunctive relief, and liquidated damages.
- The parties shall endeavor to minimize the impact on neighboring communities during construction of the Project.
- The Team shall use its best efforts to bring a women’s soccer team to Albuquerque within three (3) years of completion of the Project to play in the Facility.
- Standards, requirements, and timing related to financing, design, development, and construction of the Facility shall be established in the Lease and Development Agreement.

- Each party shall be responsible for payment of the fees and expenses of their own counsel and other consultants.
- All terms and conditions of the agreements, inclusive of guaranty and non-relocation terms, shall be binding on any successor to the Team.
- The parties may terminate this Letter of Intent (and the Lease and Development Agreement, if applicable) by notice to the other party after any of the following: (i) failure of the voters to approve the City's bond issue; (ii) failure to reach agreement on the design and funding of the costs of the Project; (iii) failure to reach agreement on the Lease and Development Agreement.
- Team shall be responsible for any and all costs incurred by the City for municipal services (police, fire, etc.) provided for all Facility events.

This Letter of Intent represents the binding intention of the parties to participate in the development, construction and management of a multi-purpose Facility to be located in Albuquerque, New Mexico, subject to the delivery of the Lease and Development Agreement evidencing these terms to be delivered to the City Council for its approval. Please acknowledge your agreement of the above points in the space designated below.

Yours Truly,



Lawrence Rael
Chief Operating Officer
City of Albuquerque

September 23 2021

Acknowledged & Agreed:



Peter Trevisani
Owner & CEO
New Mexico United

September 23 2021

Cc:

Albuquerque City Council

New Mexico United