

CITYSPORTSEXPAND

Scope: These rules shall apply to this contract.

Underlying: The Underlying for this Contract is the official announcement by <league> of <city> being awarded an expansion team franchise after Issuance and before <date>. Revisions to the Underlying made after Expiration will not be accounted for in determining the Expiration Value.

Source Agency: The Source Agencies are, in hierarchical order, <league> official website, <league> Commissioner's office, <league> Board of Governors, ESPN, The Athletic, Sports Business Journal, Associated Press, Reuters, Bloomberg News, The New York Times, The Washington Post, The Wall Street Journal, USA Today, CBS Sports, NBC Sports, Fox Sports, and Yahoo Sports.

Type: The type of Contract is an Event Contract.

Issuance: After the initial Contract, Contract iterations will be listed on an as-needed basis at the discretion of the Exchange and corresponding to the risk management needs of Members.

<league>: <league> refers to the specific professional sports league designated by the Exchange (e.g., "National Football League," "Major League Soccer," "National Hockey League").

<city>: <city> refers to a specific city or metropolitan area designated by the Exchange. This includes the named city and its immediate metropolitan statistical area as defined by the U.S. Census Bureau, or equivalent international statistical boundaries for non-U.S. cities. For cities with multiple potential venue locations within the metropolitan area, any location within the designated metropolitan boundaries qualifies.

<date>: <date> refers to a calendar date specified by the Exchange. The Exchange may list iterations of the Contract corresponding to variations of <date>.

Payout Criterion: The Payout Criterion for the Contract encompasses the Expiration Values that <league> has officially announced the award of an expansion team franchise to <city> after Issuance and before <date>. Formal approval by the league's Board of Governors or equivalent governing body specifically naming <city> is required for the contract to resolve to Yes.

An expansion team award is defined as an official announcement by <league> that <city> has been granted a new franchise to begin play in a future season. This includes:

- Official announcement by the Commissioner or designated league spokesperson identifying <city>
- Issuance of an official press release by the league designating <city> as an expansion market (not just as a target for expansion)
- Public confirmation through league-sanctioned media channels specifying <city>
- New franchise grants specifically awarded to <city> or its metropolitan area
- Franchise relocations to <city> that are specifically designated as "expansion" by the league
- Official announcements of expansion team awards to <city> even if play begins after <date>

The following do NOT constitute qualifying expansion team awards for <city>:

- Preliminary discussions, negotiations, or expressions of interest involving <city>
- Stadium or facility approvals in <city> without franchise awards
- League studies or feasibility assessments that include <city> among potential markets
- Unofficial reports or speculation by media about <city> without league confirmation
- Announcements of expansion processes that include <city> in a list of potential markets without selection
- Franchise relocations to <city> not designated as expansion teams
- Awards to <city> announced before Issuance
- Conditional approvals to <city> that remain contingent on unresolved conditions at <date>
- Awards to other cities in the same region unless specifically including <city>

Examples that would resolve the market to Yes:

- <league> Commissioner announces "We are pleased to award an expansion franchise to <city>, with play beginning in 2027"
- <league> Board of Governors votes to approve an expansion team for <city>, confirmed via official league press release
- <league> officially announces a conditional expansion award to <city> that becomes final after all conditions are met before <date>
- <league> awards expansion franchise to ownership group that officially announces <city> as the team location

Examples that would NOT resolve the market to Yes:

- <league> announces they are "considering expansion to several markets including <city>" without making final selections
- Media reports suggest <league> is "close to approving" an expansion team for <city> without official league confirmation
- <league> approves stadium funding or facility plans in <city> without awarding a franchise
- <city> submits expansion application or pays application fees without receiving league award
- <league> awards expansion team to different city in the same regional market
- <league> announces expansion team for metropolitan area that excludes <city> specifically

Minimum Tick: The Minimum Tick size for the Contract shall be \$0.01.

Position Accountability Level: The Position Accountability Level for the Contract shall be \$25,000 per strike, per Member.

Last Trading Date: The Last Trading Date of the Contract will be the day prior to <date>. The Last Trading Time will be 11:59 PM ET.

Settlement Date: The Settlement Date of the Contract shall be no later than the day after the Expiration Date, unless the Market Outcome is under review pursuant to Rule 7.1.

Expiration Date: The latest Expiration Date of the Contract shall be one week after <date>. If an event described in the Payout Criterion occurs, expiration will be moved to an earlier date and time in accordance with Rule 7.2.

Expiration Time: The Expiration time of the Contract shall be 10:00 AM ET.

Settlement Value: The Settlement Value for this Contract is \$1.00.

Expiration Value: The Expiration Value is the value of the Underlying as documented by the Source Agency on the Expiration Date at the Expiration time.

Contingencies: Before Settlement, Kalshi may, at its sole discretion, initiate the Market Outcome Review Process pursuant to Rule 7.1 of the Rulebook. If an Expiration Value cannot be determined on the Expiration Date, Kalshi has the right to determine payouts pursuant to Rule 7.1 in the Rulebook.