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LEASE AND MANAGEMENT
AGREEMENT BY AND BETWEEN
METROPOLITAN FOOTBALL STADIUM DISTRICT ("DISTRICT")
AND
PDB SPORTS, LTD. ("PDB")
AND
STADIUM MANAGEMENT COMPANY, LLC ("SMC")

THIS AGREEMENT dated September 1, 1998 by and between the Metropolitan Football Stadium District (the "District"), a body corporate and politic and a political subdivision of the State of Colorado and PDB Sports, Ltd. ("PDB"), a Colorado limited partnership, the holder of the Denver Broncos National Football League franchise ("Broncos"). The District and PDB agree that Stadium Management Company, LLC ("SMC") a Colorado limited liability company, an affiliate of PDB may perform the operation and management of the Stadium as provided herein.

Article I. Leased Premises. In consideration of the mutual agreements contained in this Agreement, the District hereby leases to PDB, and PDB hereby leases from the District, the real property described in Exhibit A attached hereto and made a part hereof (the "Stadium Land"), together with all the improvements to be constructed thereon, including but not limited to the stadium constructed thereon, and all improvements, additions, alterations, fixtures, equipment, and installations owned or leased by the District and constructed, provided or added to the stadium at any time, and all other improvements, additions, alterations, fixtures, equipment and installations owned or leased by the District and constructed, provided or added to the Stadium Land at any time (collectively, the "Leased Premises"). The District will acquire the Stadium

Land. A substantial portion of the Stadium Land will be acquired pursuant to the terms of the Purchase and Sale Agreement entered into with the City and County of Denver ("City"). If the City terminates the Purchase and Sale Agreement for any reason, the parties hereto may terminate this Agreement.

Article 2. Construction of the Stadium. The District agrees to construct a new open-air, natural grass, first-class National Football League ("NFL") football facility with a minimum seating capacity that is at least equal to that of Mile High Stadium (the "Stadium") to be generally located at the site of the current Denver Sports Complex. The Stadium Project shall mean a turn-key Stadium, including the stadium bowl (5 foot perimeter surrounding exterior of stadium walls and foundations), land costs, scoreboard, all signage on and within the Stadium bowl, upon any concourses and on the Stadium Land ("Stadium Signage") including parking lots, lighting, landscaping, on-site and off-site infrastructure, including access to and from parking areas, and easements for all utilities. The Stadium Project will be constructed pursuant to a contract (or contracts) that is acceptable to both the District and PDB. Upon completion of the Stadium, the District shall assign the right to enforce all manufacturers warranties and guaranties to PDB.

Article 3. Construction Project Funding. The District and PDB agree that the total budget for the Stadium Project will not exceed \$360 million ("Total Project Budget"). The District shall contribute seventy-five percent (75%) of the Total Project Budget up to \$270 million, subject to the availability of adequate revenues (excluding payments to the District pursuant to this Agreement) as determined by the District. PDB shall contribute a minimum

twenty-five percent (25%) of the Total Project Budget, up to \$90 million. Within 30 days of passage of the initiative by the voters, PDB will finance \$25 million, out of which it will pay its costs of financing and charges for capitalized interest, and contribute the remaining amount (approximately \$20 million) toward its funding obligation as needed. In the event the initiative is not passed by the voters, this Agreement shall terminate. Prior to the funding of any District obligations, PDB will provide a firm loan commitment from its lender satisfactory to the District.

If the District is not satisfied with the lender's commitment, the District may call for another form of commitment or assurance acceptable to the District ("Method of Assurance"). In the event the District and PDB cannot agree upon the Method of Assurance, either party may terminate this Agreement. Any costs which exceed the Total Project Budget will be paid 75% by the District and 25% by PDB to the extent that the District has funds available (excluding payments to the District pursuant to this Agreement). If PDB advances funds for the District's share of cost overruns, the District shall reimburse PDB for the cost overruns, plus interest at a rate equal to PDB's cost-of-borrowing, to the extent the District has revenues available (excluding payments to the District pursuant to this Agreement). The District shall not be obligated to fund any cost overruns beyond the District's funding capacity.

Article 4. Tenn and Options to Extend.

Article 4.1. PDB shall lease the Stadium on the terms set forth herein for a period beginning upon its occupancy of the Stadium and continuing until 30 years after such date, or the end of 30 complete NFL seasons at the Stadium, whichever is later (the "Term").

Article 4.2.

(a) Provided PDB is not then in default under the provisions of this Agreement, then PDB has the option to extend *this* Agreement for an additional five (5) year term (the "First Extension Term"). The First Extension Term shall commence the day after the last day of the thirty (30) year occupancy period as determined pursuant to Section 4.1, subject to the provisions of Sections 4.2(b) and (c) below. Provided PDB is not then in default under the provisions of this Agreement, PDB has the option to extend this Agreement for a second additional five (5) year term (the "Second Extension Term"). The Second Extension Term shall commence the day after the expiration of the First Extension Term.

The initial thirty (30) year occupancy, the First Extension Term and the Second Extension term shall, collectively, constitute the "Term" of this Agreement.

(b) To exercise its options to extend, PDB must provide the District with written notice of its intent to renew no later than one hundred eighty (180) days prior to the last day of the thirty (30) year occupancy period, for the First Extension Term, and no later than one hundred eighty (180) days prior to the expiration of the First Extension Term, for the Second Extension Term.

(c) Time is of the essence with regard to the notices required pursuant to Section 4.2(b).

Article 5. Time of Occupancy. PDB shall occupy the Stadium upon its Substantial Completion, which shall mean that the Stadium is operational for NFL Games and

occupancy is permitted under applicable laws, except that, if Substantial Completion occurs after the start of an NFL regular season, PDB may defer occupancy after the end of or later in the NFL regular season, but in no event later than the beginning of the next NFL regular season (the "Commencement Date"). During the Term, the Denver Broncos Football Club or its successors or assigns shall play all of its home games during the NFL regular season, and any post-season games permitted pursuant to the rules of the NFL, at the Stadium. During the Term, PDB or its successors or assigns shall remain in good standing as a member of the NFL or any successor thereto.

Article 6. PDB Use of Leased Premises.

Article 6.1. Commencing with the Commencement Date and continuing for the balance of the Term, PDB shall, subject to all limits and conditions imposed upon PDB in this Agreement, be entitled to use the Leased Premises on a year-round basis for the following purposes:

(a) Playing of National Football League Games and activities related to the playing of National Football League Games and the maintenance of a National Football League team, including, but not limited to: training, practices, maintenance and preparation of the Leased Premises to suit such purposes, advertising and marketing of games and ticket sales ("NFL Games");

(b) Playing of college or high school football games and activities related to the playing of college or high school football games, including, but not limited to: training, practices, advertising and marketing of such games and ticket sales;

- (c) sporting events and related functions (including but not limited to, practices, workouts, exhibitions and ticket sales);
- (d) music concerts and shows;
- (e) conventions, fairs and carnivals and similar events and activities;
- (f) community and charitable events;
- (g) the operation of club/restaurant facilities commonly known as a "Stadium Club," a "Club Seating Lounge", and other restaurant and bar facilities within the Stadium;
- (h) the operation of PDB's and SMC's and District's offices, and other administrative **activities;**
- (i) the sale of food and alcoholic and non-alcoholic beverages, souvenirs and other items normally considered "concessions";
- G) the sale of space on or for advertising signs, billboards and Stadium Signage other than that signage used to identify the name of the Stadium.

(k) parking for any purpose allowed pursuant to zoning or other regulations;

(l) any and all other activities which, from time to time during the Term are associated with, or are conducted in connection, or are related to, the conduct of the business of a National Football League team or the operation of a football stadium.

Article 6.2. Subject to the provisions of this Agreement, PDB shall have the right to all proceeds from the conduct of any of the events to be hosted by PDB including but not limited to admissions, parking, radio and television fees and revenues, cable television, internet broadcast and pay per view fees, fees from the transmission or broadcast of events by future technology, signage and advertising sales, concession and vending machine rents or payments, sales of souvenirs, sales of food and beverage (including alcoholic beverages), and club membership fees related to any or all of the foregoing upon terms and conditions deemed acceptable by PDB provided that no contract entered into by or on behalf of PDB shall impair any right of the District hereunder or impose any contractual liability on the District.

Article 7. Restrictions on Use of Premises. PDB's possession and use of the Leased Premises shall be subject to the following limitations:

Article 7.1. PDB shall not occupy or use the Leased Premises (or permit the use or occupancy of the Leased Premises) for any purpose or in any manner which is unlawful or which violates this Agreement or any other agreement binding upon the District, a copy of which has been provided to PDB or law under which the District or its property is bound.

Article 7.2. The District shall have the right to prohibit any Non-Football Event held by PDB, if the District shall, in good faith, determine such use:

- (i) is likely to cause material damage to the Leased Premises;
- (ii) is incompatible with the character of the neighborhood in which the Leased Premises is located;
- (iii) is likely to tarnish the image or reputation of either the Leased Premises or the District; or
- (iv) is in violation of any applicable law, ordinance, rule or regulation, of any governmental agency with jurisdiction over the Stadium or its use.

This District shall develop a policy and procedure regarding its internal approval process which shall not be inconsistent with the provisions of this Agreement. The District hereby agrees that those activities in paragraph (a), (b) and (c) of Article 6.1 are acceptable uses of the Stadium. The District shall advise PDB in writing of the provisions of such policy and procedure, and any amendments thereto. The District shall give immediate notice to PDB of its disapproval of any proposed or scheduled event.

Article 8. University of Colorado - Colorado State University Football Games.

Article 8.1. The District and PDB agree to use their reasonable best efforts to secure the commitment of the University of Colorado and Colorado State University to play any football games between the two universities at the Stadium ("CU-CSU Game").

Article 8.2. If PDB elects to hold the CU-CSU Game at the Stadium, PDB shall pay to the District an amount equal to fifty percent (50%) of the revenues received by PDB from rent (including revenues received based on a percentage of admissions revenues) and fifty percent (50%) of the gross parking revenues received by PDB from each CU-CSU Game during the term. PDB shall be entitled to deduct 15% of the gross admissions and gross parking revenues received by PDB for overhead and costs before paying the District's Share. PDB shall be responsible for all Stadium operation and maintenance expenses.

Article 8.3. If PDB declines to hold the CU-CSU Game, the District, at its option, may hold the CU-CSU Game. If the District holds the CU-CSU Game, the District shall be entitled to retain all revenues from the CU-CSU Game. The District shall pay or cause to be paid, the costs of operation and maintenance for the CU-CSU Game, in accordance with Section I0.4.

Article 8.4. In order to ensure the integrity of the playing field for NFL Games, the CU-CSU Game shall not be scheduled within 3 days of a Broncos home game without the prior approval of PDB, which approval may be withheld in the sole and absolute discretion of PDB.

Article 9. Non-Football Events. "Non-Football Events" are any event held by PDB or SMC that is not an NFL Game or the CU-CSU Game. PDB has the right to hold Non-Football Events in its discretion in accordance with the other terms of this Agreement. For each Non-Football Events, PDB shall pay to the District twenty (20%) of the gross revenues received by PDB from rent (including revenues received based on a percentage of admissions revenues) during the first eleven (11) years of the Term. Beginning in the twelfth year of the Term and continuing for the remainder of the Term, PDB shall pay to the District fifty percent (50%) of the gross revenues received by PDB from rent (including revenues received based on a percentage of admissions revenues). PDB shall be entitled to deduct fifteen percent (15%) of the gross revenues from rent received by PDB for its overhead and costs. Payments to the District shall be made quarterly, with payments for each preceding calendar quarter made on March 1, June 1, September 1, December 1 of each year of the Term.

Article 10. District Use of Leased Premises.

Article 10.1. Subject to the unavailability of the Leased Premises due to NFL Games, the CU-CSU Game, or Non-Football Events previously scheduled by PDB, the District shall have the right to the use of the Stadium for events as set forth in this Article 10. The District shall be entitled to hold and stage nine (9) Field Events during each calendar year during the Term. A "Field Event" shall be any event scheduled and hosted by the District that includes the use of the exterior seating bowl, the Playing Field (hereinafter defined) or both and is not an NFL Game. In addition, the District shall be entitled to hold up to 36 Non-Field Events during each

calendar year of the Tenn, provided that the District, in recognition of the maintenance costs and wear on the Stadium, may not hold more than five Non-Field Events in any calendar month. A "Non-Field Event" is any event scheduled and hosted by the District that uses only the banquet, dining or other interior spaces at the Stadium. The District must provide PDB with notice within 72 hours of its deciding to schedule any event and offer PDB the opportunity to host the event. PDB shall have 5 days to notify the District whether it elects to host the event, except that if the event is scheduled to occur prior to the date of PDB's making its election, PDB shall give the District a response at least 48 hours prior to the event.

Article 10.2. PDB will use good faith efforts to negotiate an agreement with the Colorado Rapids Soccer franchise ("Rapids") to provide for professional soccer matches to be played at the Stadium. If PDB and the Rapids are unable to reach an agreement, the District agrees to cause its Chairman and PDB will cause its Manager to negotiate in good faith with the Rapids the terms and conditions of a mutually satisfactory agreement providing for professional soccer matches to be played at the Stadium. Notwithstanding the provision of Article 10.1, if PDB does not enter into an agreement to hold professional soccer matches in the Stadium, the District may enter into an agreement or lease to hold professional soccer matches at the Stadium, provided that if such agreement is upon terms and conditions more favorable to the Rapids (or other professional soccer franchise) than the historical practices at Mile High Stadium, the District shall not incur a substantial and recurring subsidy of the Rapids (or other professional soccer franchise) by reason of such agreement. The staging of such soccer matches shall be in addition to the nine Field Events and the Non-Field Events. Not less than 15 days prior to entering into any agreement with the Rapids, or other professional soccer franchise, providing for

professional soccer matches to be played in the Stadium or any material modifications and amendments to an agreement (each herein referred to as a "Soccer Agreement"), the District shall provide a true, correct and complete copy of the Soccer Agreement to PDB. The District agrees, if requested by PDB, to cause a representative of the District to meet with a representative of PDB to discuss PDB's concern with the terms and conditions of any Soccer Agreement prior to entering into such Soccer Agreement.

Article 10.3. Any Non Field Events schedule by the District during the months of May through October shall be subject to cancellation by PDB upon notice to the District at least seven (7) days prior to the Non-Field Event that PDB has scheduled a revenue producing event for the same date. All District agreements for Non-Field Events shall contain a provision regarding the possible cancellation of the event.

Article 10.4. The District shall be entitled to retain all revenues from any Field Event or Non-Field Event. The District shall be responsible for paying the event day costs which will include the operation and maintenance of the Stadium for the event including, but not limited to, ticketing, security, traffic control, crowd control, field preparation as well as a reasonable allocation of fixed Stadium expenses including, but not limited to, insurance, utility costs, and capital repairs. In addition, the District shall be responsible for the cost and expense of repairing any damage to the Stadium which occurs during any event hosted by the District to the extent not covered by insurance. The District agrees that (i) any Field Event shall not be scheduled within three days of a Broncos' home game without the prior approval of PDB which approval may be withheld in the sole and absolute discretion of PDB; (ii) any event shall not be scheduled within

one day of any Broncos' home game or any other event scheduled at the Stadium by PDB without the prior approval of PDB, and (iii) the District shall not at any time be permitted to use any of the following areas of the Stadium: Broncos' locker room, NFL broadcast facilities (which consists of the NFL broadcast booth and storage areas), suites (with the exception of the District Suite and nonrevenue producing suites or suites not leased on an annual basis), the administrative offices of SMC and/or PDB, the Owner's Suite and Stadium Signage.

Article 10.5. The District reserves for itself and shall be entitled, at no expense, to office space which will be incorporated into the structure of the Stadium, the size and location of the office will be mutually agreed by the parties. Any change in the location of the District's office space after the Commencement Date shall only be with the approval of PDB, which approval shall not be unreasonably withheld. The District shall use the office space for normal business operations during normal business hours and during District hosted events. Attendant to this office space, the District will also have, at no expense, the use of parking spaces during such times that the District is permitted to use the office space (as agreed to between the District and PDB or, if no such agreement can be reached, as reasonably designated by the District) for its office staff. PDB is obligated to maintain and pay all costs of maintenance and utilities for the District's office space pursuant to the provisions of Article 20. Any Stadium security system and parking plan developed by PDB shall not cause unreasonable interference with the ingress and egress of any of the District's employees, agents, or representatives to and from the Leased Premises, necessary for the District to perform all of its operations, except on the days of scheduled events.

Article 11. &m. PDB shall pay an annual base rent of \$1,000,000 per year on or before February I of each of the first eleven (11) years of the Term. PDB shall pay an annual base rent of \$2,000,000 per year in each of years twelve (12) through fourteen (14) of the Term and \$3,250,000 per year for years 15 through the remaining years of the Term. The annual base rent payment to the District, less the amount contributed by the District to the Capital Replacement Reserve Fund pursuant to Article 15, will increase annually, throughout the Term in an amount equal to the percentage increase in the Broncos weighted average ticket price after the Commencement Date. Fifty percent (50%) of the additional rent payment that is attributable to an increase in Bronco ticket prices will be deposited in the Capital Replacement Reserve Fund by the District. The first rental payment shall be made the February I immediately following the Commencement Date and shall be made on each succeeding February I.

Article 12. Parking Revenues. PDB shall pay to the District 20% of the gross revenues received by PDB from parking located upon Stadium Land during the first eleven (11) years of the Term from Non-Football Events. Beginning in the twelfth year of the Term and continuing for the remainder of the Term, PDB shall pay to the District fifty percent (50%) of the gross revenues by PDB received from parking from Non-Football Events. Prior to allocating the revenues, PDB shall be entitled to deduct fifteen percent (15%) of the gross revenues received by PDB for the overhead and costs. PDB shall be entitled to retain all of the parking revenues received during NFL Games. Payments to the District shall be made quarterly, with payments_ for each preceding calendar quarter made on March I, June I, September I, December I of each year of the Term.

Article 13. - PDB shall receive 100% of all suite revenues up to one hundred and ten revenue producing suites (110), based on an average suite seating capacity of twenty (20) persons. If additional revenue producing suites seats above 110 (based on 2200 seats) are constructed, revenue will be shared between PDB and the District as follows: (a) suite seats 2201-2300, 90% to PDB and 10% to District; (b) suite seats 2301-2400, 85% to PDB and 15% to District; (c) suite seats 2401-2500, 80% to PDB and 20% to District; and (d) suite seats above 2501, 75% to SMC and 25% to District. The District agrees that PDB shall amortize the construction cost of new suite additions over the initial term of the suite license user agreement for purposes of this revenue sharing provision. The District will receive one suite ("District Suite"), including tickets to NFL Games, at a location to be mutually determined between the goal lines, at no cost to the District. Food and beverage service for the District Suite shall be the sole responsibility and cost of the District. The District at its option may purchase tickets from PDB for Non-Football Events at the standard ticket cost .

Article 14. Club Seat Revenues. PDB shall be entitled to receive 100% of all club seat revenues except for those rights and provisions of the District as defined in Articles 8.3 and 10.

Article 15. Capital Replacement Reserve Fund.

(a) The parties recognize that capital repairs, replacements and improvements will have to be made to the Stadium during the Term to maintain the Stadium to the standards desired by the parties. Accordingly, the District agrees that it shall make payments from the rent payments into an interest bearing escrow or trustee account(s) (the "Capital Replacement

Reserve Fund") for the purposes of paying all or part of the cost of Capital Replacement as defined in Section 20.1(c) of this Agreement. The fund shall be maintained as a separate escrow or trustee account(s) to be used solely for Capital Replacement. All checks issued from the fund shall require a signature of an authorized representative of both PDB and the District. Each year during the Term, the District shall deposit funds, based upon the following schedule:

(a) \$750,000 (seven hundred fifty thousand dollars) annually within two (2) business days after the District's receipt of the payment of annual base rent from PDB in each of the first fourteen years of the Term; and (b) \$2,000,000 (two million dollars) annually within two (2) business days after the District's receipt of the payment of annual base rent from PDB in each of the remaining years of the Term. In addition, fifty-percent (50%) of the annual increase paid in rent due to Bronco ticket price increases after the Commencement Date shall be deposited in the Capital Replacement Reserve Fund by the District. Prior to the beginning of each year during the Term, the District and PDB shall meet and agree upon any Capital Replacements which are to be made to the Stadium during such year. No Capital Replacements shall be made without the concurrence of the District and PDB, except that PDB shall be permitted to make Capital Replacements without the District's approval in emergency situations and if required by the NFL, in conjunction with a NFL resolution applicable to all NFL stadiums which are similar in age and utility to the Stadium. The District, in order to ensure that Leased Premises are maintained to Stadium Standards (as defined in Article 20.4), and to assist it in making determinations regarding Capital Replacements may conduct an annual inspection and hire mechanical, structural or electrical engineers or other experts to assist in making that determination. PDB agrees to reimburse the District for the reasonable costs of any inspection, including the cost of

any engineers or experts retained by the District up to an amount not to exceed one thousand dollars(\$ I000) per year. The District shall submit an invoice to PDB within thirty (30) days of the inspection and PDB shall reimburse the District y,ithin thirty (30) days of receipt of that invoice. In the alternative, PDB may retain in its name any engineers or experts designated by the District and remit payments directly to such engineers or experts as agreed between PDB and those hired.

(b) The District shall be provided or have the opportunity to review and inspect: (i) a complete set of plans and specifications setting forth all construction requirements for the Capital Replacement; (ii) copies of all permits and requisite approvals of any governmental bodies necessary for the construction and use of the Capital Replacement; (iii) an executed copy, if any, of the architecture contract"and an executed copy, if any, of the construction contract; and (iv) detailed budget and cash flow projections of the Capital Replacement costs and a schedule of the estimated amount and time of disbursement of each advance, if any.

(c) PDB shall have delivered to the District insurance policies or evidence thereof providing for the applicabl; coverages and policy terms as may be required pursuant to this Agreement pertaining to construction and use of the Capital Replacement.

(d) PDB may, in its discretion, elect to perform any Capital Replacement and seek reimbursement from the Capital Replacement Reserve Fund after completion or seek advances from the Capital Replacement Reserve Fund to pay for the Capital Replacement construction as the work progresses. PDB recognizes that the purpose of the Capital Replacement Reserve Fund

is to ensure the availability of adequate funds to perform Capital Replacement throughout the Term. PDB shall exercise prudence in its use of the Capital Replacement Reserve Fund. PDB shall not submit a request for advance from the Capital Replacement Reserve Fund or part thereof prior to completion of any Capital Replacement or portion thereof for which advance or reimbursement is requested; provided, however, that PDB may submit reasonable requests for advances from the Capital Replacement Reserve Fund for materials prior to delivery to the Stadium or incorporation into a Capital Replacement. By submission of the request, PDB warrants that to the best of its knowledge, the Leased Premises or PDB Property, is free and clear of liens, claims, security interests or encumbrances in favor of the PDB subcontractors, material suppliers or other entities making a claim by reason of having provided labor, materials or equipment relating to the Capital Replacement and that the requirements of any governmental authority with jurisdiction over the Leased Premises, PDB Property or both have been met. The District may refuse to consent to payments from the Capital Replacement Reserve Fund to such extent as may be necessary to protect the District from loss because of:

- (i) Defective performance in effectuating the Capital Replacement or any part thereof;
- (ii) Third-party claims made or filed or reasonable evidence indicating the probability of such filing; or
- (iii) Failure of PDB to make payments properly to subcontractors for labor, materials or equipment. If the District in its sole reasonable discretion determines that any work or materials do not conform to any approved plans and specifications, or sound building practices, or otherwise depart from any of the requirements of this Agreement, the District may require

the work to be stopped and withhold disbursements until the maner is corrected. In such event, PDB will promptly cause the work to be corrected to the District's reasonable satisfaction.

Upon completion of any Capital Replacement, PDB shall provide or make available to the District a complete set of record documents regarding such Capital Replacement.

(e) PDB shall reimburse to the Capital Replacement Reserve Fund any amounts taken therefrom for any Capital Replacement or repair of damaged property to the extent that PDB receives funds from any source (including, but not limited to, insurance proceeds and recovery from third parties) to reimburse it for costs and expenses incurred in the performance of such Capital Replacement.

(f) PDB shall ensure that contracts for the performance of any Capital Replacement work are fair and competitive. Prior to being entitled to any advancements or reimbursements from the Capital Replacement Reserve Fund, PDB must provide evidence, satisfactory to the District, of such competitiveness. PDB shall provide the District with an annual report regarding the participation of minority and women owned businesses in the maintenance and repair of the Leased Premises. This report shall be provided to the District on or before July 15 of the first year after the Commencement Date and annually thereafter, on or before July 15 of each succeeding year during the Term.

(g) If PDB reasonably determines that the health or safety of persons or property will be jeopardized absent the immediate commencement of a Capital Replacement, PDB may

commence such Capital Replacement without the prior written approval of the District. PDB shall provide the District, monthly during the Term, a report of all such Capital Replacement made by PDB.

Article 16. Personal Seat Licenses ("PSL's"). PDB does not plan any permanent seat license fee (a one-time sale of seat licenses and/or the rights to purchase seats to events at the Stadium) ("ISL") at the Stadium. PDB may implement a program only upon the approval of the District and, only if all revenues from said programs are utilized by PDB for its costs of the Stadium Project.

Article 17. Bond Defeasance Assessment. PDB or SMC may, at its sole option, impose a Bond Defeasance Assessment (the "Assessment") on tickets, not to exceed ten percent (10%) of the price of the ticket, to all events at the Stadium hosted by PDB or SMC through the year 2012. PDB shall utilize the revenues from the Assessment to pay its obligations related to the Facilities Development Admissions tax owed to the City and County of Denver. Upon satisfaction of its annual obligations to the City, PDB or SMC may, at its option continue to collect the Assessment and any revenues from the Assessment shall be paid to the District and credited against future payments of annual base rent (the "Accelerated CRRF Payment"). The District shall pay any Accelerated CRRF Payment into the Capital Replacement Reserve Fund which payments will be credited toward the District's future obligation to contribute rent payments to the Capital Replacement Reserve Fund. In addition, PDB will receive a credit on future annual base rent payments in an amount equal to the interest earned on the Accelerated CRRF Payments made by the District, and the District will receive credit on future payments

required to be made to the Capital Replacement Reserve Fund in an amount equal to the interest earned on the Accelerated CRRF Payment. PDB shall not charge an Assessment on any events not subject to a ticket charge or on events hosted by the District.

Article 18. Naming Rights. In accordance with C.R.S. § 32-15-106(3), all proceeds related to the sale or lease of the name of the stadium will be used by the District to repay its bond obligations in off-setting the public's contribution toward the Stadium Project. The District, together with PDB if PDB chooses to participate,, may include the sale or lease of the Stadium name as part of a marketing package with such other items as suites, advertising and signage in order to maximize the value received by all parties. The District, with PDB's cooperation, will issue a Request for Proposal ("RFP") to secure a third party sports marketing firm that will subsequently seek bids from interested parties on behalf of the District to sell or lease the marketing package. If the sale or lease of the name of the Stadium is included as part of a marketing package, the third party sports marketing firm shall allocate the amount of the marketing package that is attributable to the sale or lease of the name of the Stadium. Either party may elect not to proceed with the marketing package if it does not believe the allocation properly reflects its contribution to the marketing package.

Article 19. Concessionaires. The District shall award all food and beverage concession contracts in accordance with C.R.S. § 32-15-106(5). In awarding such contract(s), the District shall consult and cooperate with PDB in order to maximize the value and benefits to the parties. The District shall provide PDB with at least fifteen days notice of its intent to enter into a

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contract and, if requested by PDB, a representative of the District shall meet with a representative of PDB to obtain PDB's comments pertaining to the contracts. PDB shall be a third party beneficiary of any concession contract and shall have the right to manage the concession contracts as part of its obligations under Article 20. The District shall honor all concessionaire contracts during any Field Event or Non-Field Event hosted by the District.

Article 20. Stadium Management.

Article 20.1. Definitions. As used in this Article 20.1. and elsewhere in this Agreement. the terms listed below shall have the following meanings:

(a) **Stadium Management.** "Stadium Management" means the planning, supervision and conduct of the day-to-day management of the Leased Premises and PDB Property and all activities connected with the operation of the Leased Premises and PDB Property on a year-round basis, including but not limited to the provision of (or arrangements for third parties to provide) all personnel, supplies, equipment and services necessary for Repairs, Maintenance, Improvements and the security required on the Leased Premises and PDB Property.

(b) **Deterioration.** "Deterioration" and "Deteriorated" means any equipment, fixture, furnishing, facility, surface, structure or any other component of a Repair Area which has become dysfunctional due to ordinary wear and tear. (For purposes of this Section 20, any equipment, fixture, furnishing, facility, surface, structure or any other component shall be

deemed dysfunctional if such equipment, fixture, furnishing, facility, surface, structure or any other component has deteriorated to a degree that cannot be remedied through Maintenance).

(c) Capital Replacement. "Capital Replacement" means any work (including all labor, supplies, materials and equipment) reasonably necessary to repair, restore, or replace any equipment, facility, structure or any other component of a Repair Area, if such work is necessitated by: (i) any material defects in design, construction or installation which, if not repaired, would create a threat to health or safety or a material interference with PDB's or the Broncos' ability to play any NFL Game in the Stadium; (ii) Deterioration (including replacement necessitated by the repeated breakdown of a component despite successive efforts to repair or restore it short of such replacement); (iii) requirements initiated and imposed prospectively by the National Football League which requirements are made of all National Football League open-air stadiums of similar age and utility; (iv) modifications required by city, state or federal laws, ordinances, rules or regulations, including without limitation, accommodations required to be made to the Leased Premises or PDB Property under the Americans with Disabilities Act (unless such modifications are for components negligently excluded by the design consultants from the original construction); and (v) requirements of any insurance carrier, which requirements are necessary to enable PDB to obtain insurance coverage at commercially reasonable rates. Capital Replacement may include, capital modifications or additions necessary to maintain the economic competitiveness of the Stadium and its revenue potential as compared to other NFL stadia generally and create new revenue enhancing opportunities consistent with those provided in other NFL stadia provided that such modification has a useful life of more than 5 years, modifications and additions that are intended to reduce the costs of the operation and

maintenance of the Stadium; prudent and extraordinary repairs; repairs that have a useful life of greater than five (5) years; repairs that are necessary to maintain the foundation and the structural integrity of the Stadium and preserve its usefulness; after exhaustion of claims against any third parties, items covered under warranty and items that are the result of unsatisfactory work on the initial construction of the Stadium and replacements caused by settling (i.e., broken glass, cracked windows, concrete); replacement of carpeting no more than once every five (5) years; repairs to or replacement of the playing surface of the Stadium but only if such repair or replacement is required as a result of other Capital Replacements; upgrades of components to field lighting and the scoreboard (including message board and circuit breaker panels) no more often than once every five (5) years; repaving or resurfacing of driveway and parking areas no more often than once every five (5) years.

If any Capital Replacement is necessitated due to the gross negligence or intentional or willful misconduct of PDB, PDB shall not be entitled to reimbursement or advances from the Capital Replacement Reserve Fund for the cost of such Capital Replacement. If any Capital Replacement is necessitated due to the gross negligence or intentional or willful misconduct of the District, the District shall not be entitled to reimbursement or advances from the Capital Replacement Reserve Fund for the cost of such Capital Replacement.

(d) Repair Areas. "Repair Area" means the Leased Premises and PDB Property.

(e) Maintenance. "Maintain" and "Maintenance" means all work (including all labor, supplies, materials and equipment) reasonably necessary for the cleaning and routine upkeep of

any property, structures, surfaces, facilities, fixtures (including but not limited to media plug-ins and cable and all wiring attendant thereto), equipment or furnishings, or any other component of a Repair Area in order to preserve such items in their existing condition, ordinary wear and tear excepted. By way of illustration, and without limiting the generality of the foregoing, Maintenance shall include: (i) preventive or periodic maintenance procedures for equipment, fixtures or systems; (ii) periodic testing of buildings systems, such as mechanical, card-key security, fire alarm, lighting and sound systems; (iii) ongoing trash removal; (iv) regular maintenance procedures for HVAC, plumbing, mechanical, electrical and structural systems, such as periodic cleaning, lubrication, and changing of air filters and lights; (v) touch up painting; (vi) cleaning prior to, during and following all NFL Games, football related events and Non-Football Events and (vii) any other work of a routine, regular and generally predictable nature that is reasonably necessary in order to keep the Leased Premises in good order and condition. As used in this Agreement, the term "Maintenance" shall not include any work defined as a "Capital Replacement."

(f) Damaged Property. "Damaged Property" means the Playing Field, any equipment, facility, structure, furniture, fixture or any other component of a Repair Area which is damaged or destroyed, including any damage or destruction resulting from the acts or omissions of third parties (including licensees or invitees of PDB or the District).

(g) Improvements. "Improvements" or "Improvement" means any alterations, modifications, additions, or other construction, development, or improvement of any part of the

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Leased Premises or PDB Property which the parties jointly determine are necessary to maintain the Stadium Standards.

Article 20.2: Manner. PDB is hereby designated operator/manager of the Leased Premises and shall be responsible for all Stadium Management unless such responsibility is terminated by the District pursuant to Article 21. PDB shall submit a management plan reasonably acceptable to the District, describing the plan for proper operations and management of the Stadium prior to commencing any such operations. Subject to the provisions of Article 15, PDB shall at its own expense, Maintain and operate all Repair Areas and make all Capital Replacements. PDB shall obtain or provide, at its expense, all labor, services, materials, supplies and equipment needed to perform all Stadium Management, Maintenance, and security. This includes the payment for all day-of-game expenses for hosting NFL Games. PDB shall not reduce, diminish or eliminate any equipment or services that it is required to provide under this Agreement without the prior written consent of the District. The District shall provide PDB with a copy of all plans, specifications and other documents in the control of the District necessary to assist PDB in fulfilling its obligations pursuant to this Agreement. PDB agrees to assume the responsibilities and obligations set forth in the Agreement for Public Improvements and Infrastructure between the City and County of Denver ("Infrastructure Agreement") and the District, regarding maintenance of pedestrian lighting, trees, trash receptacles and sidewalks contiguous to the Leased Premises, except that PDB shall not have these responsibilities for events hosted by the District or for other than NFL Games in the event that PDB or its assigns is not the manager of the Stadium.

Article 20.3. Operating Costs. Except as otherwise determined in Article 21, PDB shall be responsible for all costs associated with the Maintenance, operation and use of the Leased Premises and PDB Property except for the costs of those events hosted by the District, including but not limited to the following costs:

(a) wages and salaries of all PDB employees engaged in operation, Maintenance or security of the Leased Premises and PDB Property, including taxes, insurance and benefits related thereto;

(b) all supplies and materials used by PDB in the operation and Maintenance of the Leased Premises and PDB Property;

(c) costs of all utilities for the Leased Premises and PDB Property, including but not limited to the cost of water, power, heating, lighting, air conditioning, ventilating, sewer, waste water, and trash disposal;

(d) cost of all Maintenance, Stadium Management and service agreements for the Leased Premises and PDB Property and the equipment therein, including but not limited to alarm service, janitorial service, window cleaning, security service, guest services (including ticket takers and ushers) elevator maintenance, police, game-day operations, landscaping, snow removal, parking lot maintenance and playing field maintenance;

(e) cost of all insurance PDB is required to provide under Article 24 relating to the Leased Premises and PDB Property, including but not limited to the cost of casualty and liability insurance applicable to the Leased Premises and PDB Property; and

(f) in the event that any taxes are imposed upon the possession or possessory interest in the Stadium, the District and PDB shall work to minimize the amount of tax paid and shall agree upon the allocation between the parties for paying such tax. The parties agree that absent an agreement, taxes imposed upon the possession or possessory interest in the Stadium is not an operating expense for purposes of this Article 20.

The foregoing is presented by way of example only and is not intended to be an all-inclusive list.

Article 20.4. Standards. Except as otherwise determined in Article 21, PDB shall maintain, operate and repair the entire Leased Premises, PDB Property and Repair Area in a safe and first-class manner considering the age and utility of the Stadium (the "Stadium Standards").

Article 20.5. Cleaning and Trash Removal. PDB shall provide ongoing sweeping and trash removal services, and shall provide Maintenance (including cleaning) of the Repair Areas after all National Football League games and Non-Football Events hosted by PDB and at all other times, as necessary, during the Term so as to Maintain the Leased Premises, PDB Property and Repair Areas in conformity with the Stadium Standards, except that this obligation shall not

apply to events hosted by the District or to times other than NFL Games or Non-Football Events hosted by PDB, if PDB or its assigns is terminated as manager of the Stadium.

Article 20.6. Emergency Maintenance. PDB shall provide for all necessary emergency maintenance of mechanical, electrical and plumbing facilities of the Leased Premises and PDB Property which directly affect the public's safe access to or use of the Leased Premises and PDB Property, including but not limited to the Stadium's elevators and escalators, for the duration of each National Football League Game and all Non-Football Events using the Playing Field or seating areas.

Article 20.7. Conduct of Capital Replacements and Maintenance. PDB shall cause all Maintenance and Capital Replacements required to be performed by PDB under this Article 20 to be performed promptly and diligently, and in a good and workmanlike manner. PDB shall plan, schedule and conduct such Maintenance and Capital Replacements so as to prevent or at least minimize (i) inconvenience to any patrons, (ii) any reduction in seating capacity at the Stadium, (iii) any reduction in the number of spaces available in the parking facilities, and (iv) interference with the District's or PDB's use and enjoyment of the Leased Premises.

Article 20.8. PDB's Property. PDB shall be responsible, at its sole expense, for repair, operation and maintenance of the PDB Property, except for repair of such property necessitated by damage caused by the District, and except for any Capital Replacements permitted under Article 15 or Article 20.1.

Article 20.9. Grune and Event Operations. On the date of National Football League Games and all Non-Football Events hosted by PDB which are open to the public and use the Playing Field or seating areas, beginning with the time of day by which an admissions ticket to such games or events is required in order for the public to enter the Stadium or the Leased Premises, PDB shall be responsible for: (i) providing and supervising all personnel, including ushers and ticket takers; (ii) providing crowd control and management within the Leased Premises; (iii) providing and supervising first-aid personnel to operate the first-aid facilities of the Leased Premises; (iv) working cooperatively with the City and County of Denver to provide event security and emergency medical assistance during such games and events; (v) implementation of a transportation management program; and (vi) providing all other services and materials necessary to fulfill its obligations under this Agreement and the Infrastructure Agreement.

This list is provided by way of example only and is not a limitation upon the PDB's Stadium Management responsibilities or any other obligations of PDB under this Agreement.

Article 20.10. Notice to District. PDB shall promptly notify the District (orally first, then by written notice if written notice alone is not practicable) whenever PDB knows of or discovers any material defects in, damage to, or destruction of any part of the Repair Areas, or any dangers or hazards on the Repair Areas.

Article 20.11. Notice to PDB. The District shall promptly notify PDB (orally first, then by written notice if written notice alone is not practicable) whenever the District knows of or discovers any material defects in, damage to, or destruction of any part of the Repair Areas, or any dangers or hazards on the Repair Areas.

Article 20.12. Obligations Regarding Damaged Property. Provided PDB is the manager of the Stadium, PDB shall provide insurance, pursuant to the provisions of Article 24 to cover the repair, restoration or replacement of any Damaged Property. Except for Damaged Property occurring during an event hosted by the District, PDB shall be responsible for the payment of all deductibles attendant to such insurance. To the extent that such insurance is insufficient to cover the costs of any repair, restoration or replacement of any Damaged Property, PDB shall be solely responsible for such costs (including the costs of all labor, supplies, materials and equipment); provided, however, that the District shall be solely responsible for such costs (including the costs of all labor, supplies, materials and equipment) to the extent Damaged Property occurs during any event hosted by the District and such insurance is insufficient to cover the costs.

Article 20.13. Playing Field. PDB shall be responsible for performing and completing any day-to-day landscaping and maintenance of the Playing Field, including any necessary preparation and conditioning of the Playing Field before or during any events using the Playing Field, and the landscaping and maintenance (including sodding and seeding) as may be required in PDB's reasonable judgment after such events in order to restore the Playing Field to NFL standards. For Field Events held or permitted by the District, the District shall promptly reimburse PDB for PDB's personnel and material costs in providing such landscaping and

maintenance and for reasonable costs associated with the repair or restoration of any portion of the Playing Field which becomes Damaged Property as a result of a Field Event hosted by the District. PDB shall supply the District with itemized invoices for such personnel and material costs, including supporting invoices for costs incurred in acquiring materials. If the District believes that PDB is failing to perform its obligations under this Article, the District shall promptly notify PDB, and PDB shall then be obligated to cause its groundskeepers to perform such duties. In the event PDB is not the manager of the Stadium, the District shall reimburse PDB for all costs incurred by PDB in performing its obligations under this Article 20.12; provided, however, that PDB shall remain responsible for the costs of preparation of the Playing Field related to NFL Games.

Article 20.14. Effect of Management Termination.

(a) In the event PDB's right to manage the Stadium is terminated pursuant to the provisions of Article 21 ("Management Termination"), as of the date of such termination, the District shall have the responsibilities and obligations to operate and manage the Stadium in the manner and in compliance with the standards required of PDB prior to the Management Termination, except that: (i) the District shall not be obligated to maintain and repair any of the PDB Property; (ii) the rights and obligations of the District and PDB under Article 15 and this Article pertaining to Capital Replacements and the Capital Replacement Reserve Fund shall remain the same; (iii) the rights and obligations of the District and PDB under Article 20.13 pertaining to the maintenance and repair of the Playing Field shall remain the same; and (iv) the District shall have the obligation to maintain the insurance coverages required of PDB under

Article 24 prior to the Management Termination; provided, however, that [A] the amounts of coverages shall be as required by the insurance consultant selected by the District, which insurance consultant shall be reasonably acceptable to PDB and provided that the amounts of the coverages shall not be less than amounts customarily maintained by the operators of other NFL football stadiums after consideration of regional risk factors; and [BJ the District shall have no obligation to insure the PDB Property; and (v) PDB shall continue to have the obligations to perform and pay for day of game operations for NFL Games.

(b) PDB shall continue to have the right to use the Owner's Suite during all events scheduled at the Stadium which permit attendance by any other suite owner and PDB shall have the right, at its option, to purchase tickets to such events from the District or event promoter at standard ticket costs.

Article 21. Termination of PDB or SMC as Manager.

Article 21.1. On-going Qualifications. PDB must at all times during the Term remain qualified to manage the Leased Premises to Stadium Standards. PDB or SMC shall notify the District of significant changes in the management, including key personnel, of PDB or SMC's maintenance and operation of the Leased Premises and PDB's Property or any part of such maintenance and operation. PDB shall provide a quarterly report to the District giving an overview of operations of the Stadium for the previous quarter including budgeting, management and marketing.

Article 21.2. Termination of Stadium Management Responsibilities. If during the Term, the District determines that PDB or SMC has materially defaulted in its obligation to perform or be qualified to perform Stadium Management, the District shall notify PDB of such default in accordance with the provisions of Article 50. PDB shall have the right to contest, only via the mediation and arbitration process described herein, whether a default has occurred, is material, or has been cured. In order to contest whether a default has occurred or is material, PDB must provide written notice to the District of its claim that the alleged default did not occur or is not material within thirty (30) days after receipt of the notice of such default from the District. In order to claim the default has been cured, PDB must send written notice making such claim within thirty (30) days after the alleged cure or the notice provided by the District, whichever occurs later.

All material defaults shall be cured by PDB within thirty (30) days after notice from the District or within one (1) year after notice from the District if the default (i) is not capable of cure within thirty (30) days and (ii) PDB is working diligently toward cure. If the cure is not capable of being completed within one year and PDB is working diligently toward cure, the time period shall be extended to permit such cure to be effectuated.

In the event of a dispute between the District and PDB as to whether a default has occurred, is material, or has been cured, the District and PDB agree to submit those matters to mediation and binding arbitration as set forth in Article 37. The mediation and arbitration shall be limited to those issues and any procedural or evidentiary issues that may arise in attempting to resolve those issues.

If the arbiter shall find that there is an uncured material default and PDB thereafter fails to cure such default within thirty (30) days after the arbiter's decision, then the District shall have the right to terminate the management responsibilities of PDB under this Agreement and retain separate management for the Leased Premises; provided, however, that the District shall not be allowed to so terminate the management responsibilities of PDB as to a material default that cannot reasonably be cured within thirty (30) days, so long as PDB has promptly commenced such cure, diligently proceeds in a reasonable manner to complete the same thereafter, and effectuates such cure within one (1) year after the arbiter's decision. If the cure is not capable of being completed within one year and PDB is working diligently toward cure, the time period shall be extended to permit such cure to be effectuated. If the arbiter does not find an uncured material default, then there shall be no right to terminate the management responsibilities of PDB based upon the claimed default; however, such determination by the arbiter shall not affect the District's other rights or remedies under this Agreement.

If the date upon which any such termination would be effective falls within any National Football League Season during the Term, the effective date of such termination shall be the date which occurs ten (10) days after the Team's final home game of such National Football League Season including any post-season games. Any such termination of management responsibilities shall have no effect upon PDB's tenancy and obligations with respect to NFL Games and obligation to pay rent. PDB shall be responsible for paying all game day expenses pertaining to NFL Games. The arbiter shall determine the appropriate amount of Maintenance and operations costs that PDB shall be obligated to pay in addition to game day expenses pertaining to NFL

Garnes. Upon termination, PDB shall not schedule or contract any Non-Football Events without the approval of the District. In the event of such termination, PDB shall continue to manage and host the NFL Garnes and be entitled to receive and retain all revenues that PDB would have otherwise been entitled to retain had there not been a termination.

Article 22. District Inspection Rights. PDB recognizes that the District has a substantial interest in the manner in which the Stadium is operated and maintained and has a responsibility to the public to ensure that the Facilities are operated and maintained in a manner consistent with Stadium Standards. The District shall have the right at all times during usual business hours or at any other time in case of emergency to enter into and upon any and all parts of the Stadium for the purpose of inspecting the Stadium. The District shall provide reasonable prior notice of its intent to conduct an inspection except in the case of emergency. The District shall provide telephone notice of any emergency inspection subsequent to such inspection as soon as reasonably possible.

Article 23. Access to PDB's Books and Records. Each payment to the District pursuant to this Agreement shall be accompanied by a statement certified as true and correct by PDB's chief financial officer, showing with reasonable specificity all computations relating thereto as may be reasonably required by the District. The District shall have the right as reasonably required (not to be exercised more often than once in any twelve-month period), through the use of an independent certified public accounting firm selected by the District, at any time during normal business hours and at the offices of PDB, to review all records of PDB which relate to any such payments received by the District within three (3) years of the date of such audit. The

District shall provide reasonable prior notice of its intent to conduct an audit. In the event such review results in a determination that the computations are erroneous and that such error resulted in an underpayment to the District of five percent (5%) or more of what the District was actually entitled to within any twelve-month period, the error shall be promptly corrected by PDB and PDB shall promptly remit payment to the District of all amounts underpaid, plus interest thereon at the rate of four percent (4%) per annum above the prime rate charged from time to time by Wells Fargo National Bank or its successor bank(s). In the event of an overall underpayment of five percent (5%) or more within any twelve-month period, PDB shall pay any reasonable out-of-pocket costs incurred by the District in reviewing PDB's books and record and assuring such errors are corrected. In the event the audit reflects an overpayment to the District, the District shall repay PDB within ten (10) business days after the completion of the audit or as soon thereafter as funds are available to the District.

Article 24. Insurance. PDB will maintain comprehensive general liability insurance and insurance against damage or destruction of PDB Property and during the period that PDB is the manager of the Stadium, the Leased Premises, in amounts required by the insurance consultant selected by PDB, which insurance consultant shall be reasonably acceptable to the District, but in no event shall the amount be less than the amounts customarily maintained by other stadium operators and NFL teams after consideration of regional risk factors. Certificates of Insurance acceptable to the District shall be filed with the District. The Certificates shall contain a provision that coverages afforded under the policies will not be canceled until at least thirty (30) days prior written notice has been given to the District. The District shall purchase and maintain its own liability insurance and shall purchase and maintain such insurance as will provide

protection against claims which may arise from the District's operations under this Agreement.

Any insurance policy maintained by either PDB or the District shall contain waivers of subrogation for claims against PDB or the District and their respective members, managers, officers, directors, employees and agents.

Article 25. Indemnity. (a) PDB agrees to the fullest extent permitted by law, to indemnify and hold the District and its officers, directors, consultants, employees and agents harmless from all claims, damages, losses and expenses for bodily injury and property damage to the extent caused by PDB's (or its assigns) performance under this Agreement. Notwithstanding anything to the contrary contained in this Agreement, in no event shall PDB be obligated to protect, defend, indemnify or hold harmless the District, its officers, Board members, employees, agents, attorneys or representatives from or against any loss, cost, expense, obligation, claim, demand, judgment, damage or injury to the extent the same arises out of, or is connected with:

(i) the negligence or misconduct of the District, its Board members, employees, agents, attorneys, sponsors, promoters, representatives or independent contractors;

(ii) the failure of the District to perform or observe any covenant or condition to be performed or observed by the District under this Agreement; or

(iii) defects in (i) the design of the Stadium or the Leased Premises; or (ii) the workmanship or materials employed in the construction of the Stadium or the Leased Premises.

(b) The District shall cooperate with PDB and its counsel in any action being actively contested or defended by PDB pursuant to its obligations under Article 25, shall join in making any appropriate counterclaim or cross-claim in connection with the actions, and shall provide such access to the books and records of the District as shall be necessary in connection with such defense or contest, all at the sole cost and expense of PDB. PDB shall provide its defense or contest through attorneys, accountants, and others selected by PDB with the reasonable concurrence of the District. Notwithstanding that PDB is actively conducting such defense or contest, any such action may be settled, compromised, or paid by the District without the consent of PDB; provided however, that if such action is taken without PDB's consent, its indemnification obligations in respect of such claim shall thereby be nullified. Any such action may be settled, compromised, or paid by PDB without the District's consent, so long as such settlement or compromise does not cause the District to incur any present or future cost, expense, obligation or liability of any kind or nature with respect to such action. The District shall also cooperate with PDB in its pursuit of any indemnity under which the District is entitled to indemnification from any architect, engineer, consultant, contractor or sub-contractor.

(c) In the event any action involves matters partly within or partly outside the scope of the indemnification by PDB hereunder, then the attorneys' fees, costs, and expenses of

contesting or defending such action shall be allocated between the District and PDB as they shall agree.

(d) To the extent permitted by law, the District agrees to indemnify and hold PDB and SMC and its officers, directors, members, managers, consultants, employees and agents harmless from all claims, damages, losses and expenses for bodily injury and property damage that may be caused in whole or in part by the District's performance under this Agreement. Notwithstanding anything to the contrary contained in this Agreement, in no event shall the District be obligated to protect, defend, indemnify or hold harmless PDB, its officers, Board members, employees, agents, attorneys or representatives from or against any loss, cost, expense, obligation, claim, demand, judgment, damage or injury to the extent the same arises out of, or is connected with:

(i) the negligence or misconduct of PDB, its Board members, employees, agents, attorneys, sponsors, promoters, representatives or independent contractors;

(ii) the failure of PDB to perform or observe any covenant or condition to be performed or observed by PDB under this Agreement; or

(iii) defects in (i) the design of the Stadium or the Leased Premises; or (ii) the workmanship or materials employed in the construction of the Stadium or the Leased Premises.

Article 26. Mile High Stadium Lease Termination. PDB has entered into the Conditional Termination of User Agreement with the City and County of Denver providing for the conditional termination of the Mile High User Agreement, and the conditional release of the Broncos from its existing lease at Mile High Stadium.

Article 27. Availability of Sales Tax for 2001. The District and PDB will use their reasonable best efforts to obtain the cooperation of the Denver Metropolitan Major League Baseball Stadium District ("DMMLBSD") to defease the bonds issued by the DMMLBSD on or before December 31, 2000. To the extent permitted by law and agreed to by DMMLBSD, PDB agrees to cause a creditworthy guarantee to be provided to DMMLBSD if necessary to obtain defeasance of the bonds. To the extent funds are available from sales tax revenues, the District shall reimburse PDB, including interest upon such funds advanced by PDB at a rate which is equal to the interest rate charged to PDB on such borrowed funds.

Article 28. Election Costs. Pursuant to C.R.S. § 32-15-107(8), PDB will pay for all the costs of the District associated with the election at which the question is submitted to the voters, those costs being the cost of each county within the District related to placing the initiative question on the ballot.

Article 29.1. Default by PDB. The occurrence of any one or more of the following events constitutes a default by PDB under this Agreement ("PDB Default"):

(a) Failure by PDB at any time to pay any sums payable by PDB to the District hereunder within ten (10) days after notice from the District that any such payment is past due if not paid when due;

(b) Failure by PDB to observe or perform any other covenant, agreement, condition or provision of this Agreement, if such failure shall continue for more than thirty (30) days after notice of such failure is given to PDB by the District; provided, however, that PDB shall not be in default with respect to matters that cannot be reasonably cured within thirty (30) days, so long as PDB has promptly commenced such cure, diligently proceeds in a reasonable manner to complete the same thereafter;

(c) PDB admits in writing its inability to pay its debts as they mature, or makes an assignment for the benefit of creditors, or applies for or consents to the appointment of a trustee or receiver for PDB, or for a major part of its property;

(d) a trustee or receiver is appointed for PDB or for a major part of its property and its not discharged within ninety (90) days after such appointment;

(e) bankruptcy, reorganization, receivership, arrangement, insolvency or liquidation proceedings, or other proceedings for relief under any federal or

state bankruptcy law, or similar law for the relief of debtors, are instituted by or against PDB, and, if instituted by or against PDB, are allowed against it or are consented to by it or are not dismissed within ninety (90) days after such institution.

Article 29.2. Default by District. The occurrence of any one or more of the following events constitutes a default by the District under this Agreement ("District Default"):

(a) Failure by a District at any time to pay any sums payable by the District to or on behalf of PDB or to the Capital Replacement Reserve Fund hereunder within ten (10) days after notice from PDB that any such payment is past due if not paid when due (no advance or reimbursement to be paid to PDB pursuant to Article 15 shall be considered due until such time as all conditions precedent to PDB's (or any third party's) entitlement to such advance or reimbursement have been satisfied);

(b) Failure of the District to observe or perform any other covenant, agreement, condition or provision of this Agreement, if such failure shall continue for more than thirty (30) days after notice of such failure is given to the District by SMC and/or PDB; provided, however, that the District shall not be in default with respect to matters that cannot be reasonably cured within thirty (30) days, so long as the District has promptly commenced such cure, diligently proceeds in a reasonable manner to complete the same thereafter.

(c) A trustee or receiver is appointed for the District or for a major part of its property and is not discharged within ninety (90) days after such appointment; or

(d) Bankruptcy, reorganization, receivership, arrangement, insolvency or liquidation proceedings, or other proceedings for relief under any federal or state bankruptcy law, or similar law for the relief of debtors, are instigated by or against the District, and, if instituted against the District, are allowed against it or are consented to by it or are not dismissed within ninety (90) days after such institution.

Article 29.3. Remedies. If a PDB Default or District Default occurs, the parties will have the remedies provided under Article 37.

Article 29.4. Binding Commitments to Maintain Franchise at New Stadium: PDB recognizes and agrees that, in securing the covenants and agreements of PDB herein, the District is and shall be acting on behalf of and is vested with the public rights and interests of the citizens of the District, that is essential to the preservation and betterment of the public welfare that PDB perform and discharge its obligations hereunder, and that loss of the presence of the NFL Franchise in the District would constitute an irreparable harm that is not adequately compensable by money damages or other remedies available at law, and consequently specific performance or other form of equitable relief for such breach is an essential remedy for the District. PDB further

specifically agrees that, consistent with the applicable Rules of Civil Procedure and interpretive case law and the most common use of terms therein, the injury to the District is real, specific, immediate, and irreparable, and that no bond shall be required to be posted by the District prior to the awarding of any Temporary Restraining Order or Preliminary Injunction in furtherance of the enforcement of this provision.

Article ,29.5. Venue. The parties further agree that venue for the enforcement of the provisions of this Article 29.5 shall be exclusive with a court of general jurisdiction within the District.

Article 30. Pay-Per-View Clause. To the extent required by Colorado law, PDB agrees, that during the Lease Term, PDB will not limit the broadcast of any Broncos' game played at the Stadium to a pay-per-view broadcast within the boundaries of the District; except that the District shall waive this provision if the District is notified in writing by the NFL that this provision violates NFL requirements. In the event the District waives this provision, PDB, in addition to the rent payment, shall pay to the District an amount equal to the amount received by PDB as a result of any pay-per-view broadcast of a Broncos' game within the boundaries of the District.

Article 31. Discounted Tickets. To the extent required by Colorado law, PDB agrees to guarantee that 2,000 tickets for each pre-season and regular season game held at the Stadium will be available for the sale to the general public. These tickets shall be made available at a cost equal to 50% of the regular season ticket price. Such tickets shall be sold on an individual game basis.

Article 32. No Television Blackouts. To the extent required by Colorado law, PDB agrees to purchase, or cause to be purchased, any unsold tickets to any football game played by the Broncos at the Football Stadium to the extent required to prevent a local television blackout of the game.

Article 33. Sale of Franchise. PDB agrees that upon the sale of the franchise or 80% of the beneficial interest in the entity owning the franchise, to pay to the District as a one-time payment, an amount equal to the Sharing Amount with the funds to be used for youth activity programs. Sharing Amount means an amount equal to 2% of the net profit realized by PDB or the franchise or the persons or entities selling the interest. The Sharing Amount shall not be less than \$1,000,000. Net profit means the gross proceeds of the sale less capital contributions to the franchise (or capital contributions of the person's selling interests, plus six percent imputed annual return on such capital contributions and less franchise debt if such debt is not assumed or paid by the purchasing entity. Individual sales of the franchise's beneficial interests will not trigger this profit-sharing provision if such sales do not, over a one-year period, result in the sale of eighty percent or more of the beneficial interests of the franchise to a person or entity or related persons or entities that have not been beneficial owners of interests of this franchise.

Article 34. Event Promotion. PDB shall advertise and promote all events hosted at the Stadium by PDB.

Article 35. Other events. PDB shall not unreasonably withhold consent to the holding of other events in the Stadium.

Article 36. **Binding Agreement.** Through the Term, the provisions set forth in this Agreement shall be binding upon the parties hereto and their respective successors and assigns, including, but not limited to, assignees of PDB's NFL franchise as a consequence of a sale of assets or stock, sale of equity interests, merger, consolidation, pledge or other form of disposition.

Article 37.

(a) **Mediation and Arbitration.** Except as otherwise provided herein, including Article 21, all disputes regarding the provisions of this Agreement will be resolved, first by mediation. In the event parties to this Agreement can not reach agreement through mediation, said parties shall solve disputes by binding arbitration in accordance with the rules and procedures of the American Arbitration Association. Notwithstanding the forgoing, any dispute where PDB, its assignee, or the District seeks termination of this Agreement as a remedy (other than termination of stadium management as provided in Articles 20 and 21 of this Agreement), shall not be subject to mediation and/or arbitration unless the parties to such dispute agree in writing to submit the dispute for mediation and/or arbitration.

(b) The arbitration shall occur in Denver, Colorado, in accordance with the American Arbitration Association ("AAA") Commercial Arbitration Rules. The AAA shall conduct the arbitration.

(c) After the expiration of any cure period provided in this Agreement, and after the parties have been unable to resolve the dispute through mediation, either party may commence the arbitration by written demand to AAA with a copy to the other party. AAA shall provide to the parties, within fifteen (15) days after the demand, a list containing an odd number of the names of at least five (5) potential arbiters. The parties, beginning with the party demanding arbitration, shall each strike one name in turn until only one (1) name remains. If it is one party's turn and that party does not strike a name within three (3) business days, then that turn is forfeited, and the other party shall strike the next name, before taking its next turn. When only one (1) name remains, the remaining person shall be the single arbiter.

(d) Once the arbiter is selected, an arbitration hearing shall be commenced in no more than one hundred twenty (120) days. Such arbitration shall be held in accordance with the AAA Commercial Arbitration Rules, unless otherwise provided herein.

(e) Unless the parties otherwise agree, discovery shall be limited to no more than two depositions per party and an informal document exchange of documents related to the subject matter of the arbitration.

(f) In any arbitration conducted pursuant to this Agreement, the arbiter shall express its decision in a writing to be delivered to each of the parties, which writing shall explain the reasons for the decision and state the legal basis for such decision. Colorado law shall apply to the arbitration. The arbiter shall render a written decision on, and deliver the decision to the parties within fifteen (15) days after the close of the presentation of evidence by all the parties to the arbitration.

(g) Each of the parties to any arbitration hereunder shall bear its own costs and fees and an equal share of the fees and expenses of the arbiter and administrative fees of the arbitration.

(h) Any party to an arbitration conducted hereunder may seek reconsideration of all or any part of the original decision of the arbiter by filing a written request thereof with the arbiter and serving the same on all the other parties to the arbitration within ten (10) days after the date of delivery of the arbiter's original decision. Any other party may file a written response to such request within ten (10) days after receipt of the request for reconsideration. No further replies will be permitted. The arbiter shall consider any such request either based solely on the

documents filed or after a hearing, as he or she may determine in his or her sole discretion. The arbiter shall issue a written decision on any such request within fifteen (15) days after the submission of any response hereunder or within twenty-five (25) days after the submission of the request for reconsideration if no response is submitted.

(i) There shall be no right to appeal from the final decision of the arbiter and any arbitration conducted hereunder, except on those grounds set forth in the Federal Arbitration Act or where the Arbiter has failed to follow the applicable law. Judgment upon any decision rendered by the arbiter may be entered in any court having jurisdiction and enforced in the manner judgments of said court are normally enforced; provided, however, that the only remedy for failure of PDB to comply with any decision of the arbiter relating to Stadium management issues shall be the right of the District to terminate PDB's management of the Stadium, as provided in Article 21.

Article 38. SMC and PDB's Furnishings and Equipment. PDB shall provide, at its own expense, all furniture, equipment, appliances and other personal property necessary or appropriate for the operation of its offices, ticket offices, the Broncos' locker room, the Owner's Suite (beyond the standard finishes provided for suites), designated storage areas and areas for the training and conditioning of its athletes ("PDB Property").

Article 39. Force Majeure. If PDB or the District is prohibited or prevented, directly or indirectly, from performing any of its obligations under this Agreement by reason of fire or other

casualty, act of God, war, holocaust, riot, strike, labor dispute, boycott, intervention by civil or military government authorities, orders of the judiciary, rules of the NFL or any other cause whatsoever beyond the control of PDB or the District, as the case may be, the party so prohibited or prevented from performing shall be exonerated and excused from such performance until such time as the cause terminates or is removed. During such period of prevention or prohibition, the party so affected shall at times act diligently and in good faith to bring about its termination as promptly as reasonably possible. In no event, if the force majeure event is the rules of the NFL, shall that be grounds for termination of this Agreement.

Article 40. Self Help. In the event that either PDB on the one hand, or the District, on the other hand, fails to perform in a timely manner any obligation of such party (a "defaulting party") under this Agreement, and such failure continues after reasonable notice to the defaulting party (except in the case of emergency when no notice will be required), the other party shall have the right to perform such obligation on behalf of the defaulting party and the defaulting party promptly shall reimburse the other party for all reasonable costs associated with performing such obligation. The other party shall have the right to offset such amounts against any sums owing from it to the defaulting party in the event of the failure of the defaulting party so to reimburse.

. **Article 41. Assignment**. This Agreement will not be assignable or otherwise transferable by PDB, in whole or in part, without the prior consent of the District. Any transfer or issuance of partnership interests in PDB that results in a change in the party having managerial control of PDB shall be deemed to be an assignment requiring the District's consent. The District

hereby consents to the assignment of PDB's obligations hereunder to SMC and agrees to release PDB from its obligations arising under this Agreement after the date of such assignment which are assumed by SMC, provided that the assignment and/or assumption of these obligations shall not in any way relieve PDB or its successors or assigns of the obligation regarding the Broncos playing of games at the Stadium or relieve PDB of any obligations imposed pursuant to the Act or any agreements with the City and County of Denver, including the Infrastructure Agreement, the Purchase and Sale Agreement and the Conditional Termination Agreement. The District agrees to execute a consent to PDB's assignment to SMC in form and content reasonably required by SMC's creditor. The District shall be deemed to have consented to any assignment if: (a) the assignment constitutes a collateral assignment for the benefit of a creditor of PDB or SMC; (b) the assignee assumes and is capable of performing PDB's or SMC's obligations under this Agreement as the case may be; (c) in the event of an assignment of PDB's obligations, the NFL shall have approved the assignment to the extent that such approval is required under the NFL constitution or by-laws and (d) PDB or SMC shall have furnished the District an executed copy of the assignment.

Article 42. Governing Law. This Agreement shall be governed by and enforced in accordance with the Laws of the State of Colorado.

Article 43. Consents. Whenever either party is required in this Agreement to consent, give its approval to or concur with any action, such consent, approval or concurrence shall not be unreasonably withheld or delayed.

Article 44. No Third Party Beneficiaries. It is expressly understood and agreed that enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the District, PDB and SMC, and nothing contained in this Agreement shall give or allow any such claim or right of action by any other or third person on such Agreements. It is the express intention of the District, PDB and SMC that any person other than the District, PDB or SMC receiving services or benefits under this Agreement shall be deemed to be an incidental beneficiary only. Notwithstanding the above, the City and County of Denver shall be a third party beneficiary to enforce those rights specified in the Infrastructure Agreement.

Article 45. Obligation for Repayment of City Bonds at Mile High Stadium. PDB recognizes and agrees that its obligation to the City and County of Denver for the payment of \$2.7 million annually through 2008 in order to retire the City's bond obligation at Mile High Stadium is a non-severable part of the consideration for this Agreement. Further, the City and County of Denver shall be deemed to be a third party beneficiary of this Agreement for this purpose, entitled to enforce this provision in its own name and right.

Article 46. Reasonableness of Consent or Approval. Whenever under this Agreement "reasonableness" is the standard for the granting or denial of the consent or approval of either party hereto, such party shall be entitled to consider public and governmental policy, as well as business and economic considerations.

Article 47. District's Governmental Immunity. The parties recognize that the District is a Colorado governmental entity within the scope and purview of § 24-10-101, et seq. of the Colorado Revised Statutes and has not taken steps, by resolution or otherwise, to waive its governmental immunity or to increase or modify its statutory limits of liability of \$150,000/\$600,000.

Article 48. Representations by PDB. PDB represents and warrants as follows, as of the date hereof and at all times from and after the date hereof until the expiration or termination of this Agreement.

Article 48.1. Valid Existence. PDB is a limited partnership duly organized and validly existing under the laws of the State of Colorado. PDB has full partnership power to own its property and conduct its business as presently conducted. SMC is a limited liability company duly organized and validly existing under the laws of the State of Colorado.

Article 48.2. Power: No Limitation on Ability to Perform. PDB has full partnership power and authority to execute and deliver this Agreement and to carry out and perform all of the terms and provisions of this Agreement, and all transactions contemplated hereby, to the extent required to be carried out or performed by PDB. Neither PDB's partnership agreement or certificate of limited partnership or the articles of incorporation or bylaws of Bowlen Sports, Inc. (the "Corporation"), PDB's general partner, law or other rule in any way prohibits, limits or

otherwise affects the right or power of PDB or the Corporation to enter into and perform all of the terms and provisions of this Agreement and all transactions contemplated hereby. Except for agreements with the NFL, neither PDB nor any of its partners (general or limited, including, without limitation, the Corporation), or stockholders of any corporate partner, officers, directors or any of their personal or legal representatives are party to or bound by any contract, agreement, indenture, trust agreement, note, obligation or other instrument which would prohibit, limit or otherwise affect the same. No consent, authorization or approval of or other action by and no notice to or filing with any government authority, regulatory body or any other person is required for the due execution, delivery and performance by PDB and the Corporation of this Agreement or any of the transactions contemplated hereby, that has not already been obtained.

Article 48.3. Valid Execution. The execution and delivery of this Agreement by Pat Bowlen on behalf of PDB has been duly and validly authorized by all necessary action. This Agreement will be a legal, valid- and binding obligation of PDB, enforceable against PDB in accordance with its terms. PDB shall provide reasonable evidence to the District evidencing such authority.

Article 48.4. Defaults. The execution, deliver and performance of this Agreement (a) do not and will not violate or result in a violation of, contravene or conflict with, or constitute a default under (i) any agreement, document or instrument to which PDB or the Corporation is a party or by which PDB's or the Corporation's assets may be bound or affected, (ii) any law, statute, ordinance or regulation applicable to PDB or the Corporation, or (iii) the articles of incorporation or bylaws of the Corporation, or the partnership agreement or certificate of limited

partnership of PDB, and (b) do not and will not result in the creation or imposition of any lien or other encumbrance upon the assets of PDB or the Corporation.

Article 48.5. Good Standing of the Corporation. The Corporation is PDB's sole general partner and is a corporation duly organized, validly existing and in good standing under the laws of the State of Arizona. PDB shall provide to the District a certificate of good standing for the Corporation issued by the Arizona Secretary of State or other appropriate agency.

Article 48.6. Power of the Corporation. The Corporation has full corporate power and authority to execute and deliver this Agreement on behalf of PDB as PDB's sole general partner and to carry out the terms and provisions of this Agreement and all transactions contemplated hereby.

Article 48.7. Valid Execution by the Corporation. The execution and delivery of this Agreement by Pat Bowlen on behalf the Corporation on behalf of PDB as PDB's sole general partner has been duly and validly authorized by all necessary action. PDB shall provide to the District reasonable evidence of such authority.

Article 48.8. Team Ownership. PDB owns the Denver Broncos Football Club, a
• National Football League franchise (the "Franchise") as of the date hereof.

Article 48.9. Compliance with Laws. PDB complies and shall comply, at all times, with
(all laws and regulations applicable to its use of the Leased Premises in accordance with the terms

of this Agreement and shall obtain licenses and permits (other than building permits and certificates of occupancy in connection with the construction thereof), necessary in connection therewith at its sole cost and expense.

Article 48.10. Maintenance of Good Standing in League. PDB or its successors in interest is and will be the owner of the Franchise, through which the Broncos are authorized to play NFL football games within the boundaries of the District, and PDB or its successor or assigns in interest shall maintain the Franchise in good standing with the National Football League or its successor.

Article 49. Representations by District. The District represents and warrants as follows, as of the date hereof and at all times from and after the date hereof until the expiration or termination of this Agreement.

Article 49.1. Valid Existence. Pursuant to § 32-15-104 of the Colorado Revised Statutes, the District is a body corporate and politic and a political subdivision of the State of Colorado.

Article 49.2. Power: No Limitation on Ability to Perform. Pursuant to the Metropolitan Football Stadium District Act, C.R.S. § 32-15-101, *et seq.* (the "Act"), the District, through its Board of Directors, has the power and authority to execute and deliver this Agreement and to carry out and perform all of the terms and provisions of this Agreement, and all transactions contemplated hereby, to the extent required to be carried out or performed by the District. The

District is not bound by any contract, agreement, indenture, trust agreement, note, obligation or other instrument which could prohibit, limit or otherwise affect the same.

Article 49.3. Valid Execution. The execution and delivery of this Agreement by the District has been duly and validly authorized by all necessary action. This Agreement will be a legal, valid and binding obligation of the District, enforceable against the District in accordance with its terms. The District will provide to PDB a written resolution of the District authorizing the execution and delivery of this Agreement.

Article 49.4. **Defaults.** The execution, delivery and performance of this Agreement (a) does not and will not violate or result in a violation of, contravene or conflict with, or constitute a default under: (i) any agreement, document or instrument to which the District is a party or by which the District's assets may be bound or affected, or (ii) any law, statute, ordinance or regulation applicable to the District, and (b) does not and will not result in the creation or imposition of any lien or other encumbrance upon the assets of the District.

Article 49.5. **Compliance with Laws.** The District shall comply at all times with all laws and regulations applicable to its construction and use of the Leased Premises in accordance with the terms of this Agreement.

Article 50. **Notices.** All notices, consents, approvals, demands and submissions (collectively "Notices") shall be in writing and shall be deemed properly given if delivered personally (including by courier), via first class, registered mail, postage prepaid, return receipt

requested, or by a nationally recognized overnight delivery service. Notices shall be sent as follows:

To District:

Metropolitan Football Stadium District
5675 DIC Boulevard
Suite 180
Englewood, CO 80111
Attn: Executive Director

with a copy to:

Hogan & Hartson L.L.P.
1200 Seventeenth Street
Suite 1500
Denver, CO 80202
Attn: Craig A. Umbaugh
Telephone: (303) 899-7300

To PDB:

PDB Sports, Ltd.
13655 Broncos Parkway
Englewood, CO 80112
Attn: Pat Bowlen

and

Stadium Management Company, LLC
13655 Broncos Parkway
Englewood, CO 80112
Attn: Pat Bowlen

with a copy to:

Slivka Robinson Waters & O'Dorisio, P.C.
1099 18th Street
Suite 2600
Denver, CO 80202
Attn: Richard P. Slivka
Telephone: (303) 297-2600

The parties shall notify the other parties of any change in address or of the persons to whom notice is to be delivered.

Article 51. Damage or Destruction.

Article 51.1. Repair of Damage.

(a) If at any time during the Term of this Agreement, the Stadium or any improvements on the Leased Premises or any part thereof shall be damaged or destroyed by fire or other cause of loss of any kind or nature, ordinary or extraordinary, foreseen or unforeseen, to such an extent that the Stadium cannot lawfully be used for an NFL game, or if PDB shall experience any interruption or suspension in the provision or supply of utility service for more than ten (10) consecutive days, PDB shall not thereby be, or be deemed to be, relieved of its obligations hereunder to perform and observe the covenants, duties and responsibilities on its part to be performed or observed, except as otherwise provided in this Article 51. In such event, the proceeds of insurance plus the amount of the deductible, if any, shall be deposited into an escrow with a third-party reasonably acceptable to the District and PDB to be used and distributed in accordance with this Article 51. The District and PDB shall proceed with reasonable diligence (subject to a reasonable time allowance for the purpose of adjusting such loss) to repair, alter, restore, replace, rebuild or supply the same as nearly as possible to a condition reasonably satisfactory for the purposes to which PDB has been granted the right of use and occupancy of the Leased Premises.

(b) If the estimated cost of repairing the damage to the Leased Premises exceeds the available Capital Replacement Reserve Fund balance plus the insurance proceeds, if

any, plus the amount of the deductible, if any, the District shall have one(!) month from the date of such damage or destruction within which to determine, in the District's sole discretion, whether the repair in excess of such amount of the above funds shall be made at the District's sole expense. Should the District determine that such repair of the Leased Premises shall not be made at the District's expense, PDB shall have sixty (60) days from the date of the District's determination within which to determine in PDB's sole discretion whether the repair in excess of such amount of the above funds shall be made at PDB's sole expense. If the District determines to proceed and subject to additional requirements imposed by weather conditions, permitting and authorization requirements, restrictions contained in this Agreement, receipt of commercially reasonable bids, and other matters outside of the control of the District, the District shall proceed with reasonable diligence to commence the repair, alteration, restoration, replacement, rebuilding or resupply within nine (9) months after the occurrence of the damage or destruction and shall cause the repair, alteration, restoration, replacement or rebuilding to be completed no later than twenty-four (24) months following the commencement thereof, unless the parties agree to a longer period. If, following a determination by the District not to make such repair, and PDB also determines not to make such repair, PDB shall have the right, after thirty (30) days prior written notice to the District, to terminate this Agreement; provided, however, that if by reason of the parties' failure to make such repair, the Leased Premises will remain unusable permanently, then, without further action by SMC or PDB, this Agreement shall terminate.

(c) In the event that this Agreement terminates following damage or destruction to the Leased Premises, all proceeds of insurance and the proceeds of the Capital Replacement Reserve Fund shall be shared by the District and SMC in proportion to their

respective original contributions to the cost of improvements to the Leased Premises. Upon termination of this Agreement, neither of the parties shall have any further obligation under this Agreement.

Article 51.2. Reduced Seating Capacity. In the event of any such damage or destruction, as a result of which the Stadium cannot lawfully be used for a scheduled event or if the spectator seating capacity of the Stadium is diminished to less than eighty percent (80%) of the general seating or seventy percent (70%) of the premium seating (i.e., club seats and luxury suites) of that existing immediately prior to such damage or destruction or if access to the Stadium is prevented, or if PDB shall experience any interruption or suspension in the provision or supply of utility service for more than ten (10) consecutive days for reasons beyond the reasonable control of PDB, PDB shall be relieved of its covenant to play all of its regular season home games and other games in the Stadium as required by Article 5 for and during the period of time that the Leased Premises remain so unusable (plus up to fourteen (14) days thereafter). In such event, PDB covenants to recommence the play of games at the Stadium as soon as practicable, but in no event later than fourteen (14) days, after the Leased Premises becomes usable.

Article 51.3. Abatement. In the event of any such damage or destruction; as a result of which the Stadium cannot lawfully be used for an NFL game, PDB's annual base rent and the District's annual obligation to fund the Capital Replacement Reserve Fund shall abate at the rate often (10%) of the annual base rent and annual Capital Replacement Reserve Fund payment amount for each NFL game scheduled at the Stadium which cannot be held at the Stadium due to such damage or destruction.

Article 52. Eminent Domain.

Article 52.1. Total Condemnation. If the entire Leased Premises shall be taken by the exercise of the right of eminent domain for any public or quasi-public improvement or use, under any statute or by private purchase in lieu thereof, this Agreement and the Term shall terminate on the date when possession is required to be surrendered.

Article 52.2. Partial Condemnation. In the event (i) so substantial a portion of the Leased Premises or the improvements thereon shall be taken so as to make the Leased Premises effectively and practicably unusable for NFL Football games; or (ii) there is a permanent deprivation of access to the Leased Premises, then in any such event, PDB shall have the right but not the obligation to cancel or terminate this Agreement on sixty (60) days written notice to the District, such termination to become effective on the date physical possession is surrendered by SMC and PDB.

Article 52.3. No Apportionment of Rent. If PDB does not cancel or terminate this Agreement as provided in Article 52.2 above, this Agreement shall continue under the same terms and conditions hereof.

Article 52.4. Condemnation Award.

(a) In the event of a total taking or a partial taking resulting in a termination of this Agreement, the District, and PDB may pursue, in their respective individual and separate names and rights, unless otherwise required by law, or unless otherwise necessary to maximize the award, such remedies and make such claims as they may have against the authority exercising such right of eminent domain or other lawful taking as if this Agreement and the Term hereof had not expired (whether or not such expiration shall have occurred on account of such taking), and for the sole purpose of determining the respective rights and remedies of the parties, or for the sole purpose of an equitable apportionment of the award for damages if made to the District and PDB jointly.

(b) In the event of a partial taking not resulting in a termination of this Agreement, the total award to PDB for the said taking shall be used and paid in the following priority:

(i) First, so much as shall be necessary to repair and restore the improvements on the Leased Premises to make the same whole as nearly as reasonably possible to the condition existing prior to such taking shall be paid to PDB, and PDB, if it elects in its sole discretion to repair and restore the improvements shall undertake to restore and repair the improvements on the Leased Premises as soon as reasonably practicable, and shall proceed with due diligence until completion; and

(ii) Second, the balance, if any, shall be shared by the District, and PDB in proportion to their contribution toward the cost of improvements to the Leased Premises

and manner as if there had occurred a total taking or a partial taking resulting in termination of this Agreement (i.e., in accordance with the procedure set forth in subsection a. above).

Article 52.5. Capital Replacement Reserve Fund. In the event this Agreement is terminated pursuant to the terms of this Article 52, the proceeds of the Capital Replacement Reserve Fund shall be distributed to the parties in proportion to their respective original contribution to the cost of improvements to the Leased Premises.

Article 53. Sale of Stadium Land and Purchase Option.

(a) Colorado Revised Statute, § 32-15-126 provides that the District cannot sell the Stadium Land to any buyer other than a "qualified" buyer. The District shall accept input from PDB as to what criteria will define a "qualified" buyer during the Lease Term. The District, however, shall have the ultimate authority to determine, in its sole discretion, what criteria will define a "qualified" buyer.

(b) If at any time during the Term the District proposes to sell the Leased Premises to a third-party offeree, the District will first give PDB a written offer to sell the Leased Premises to PDB on the same terms and conditions on which the District proposes to sell the Leased Premises to the third-party offeree. PDB must provide the District with a written acceptance or rejection of such offer within thirty (30) days after receipt. Failure to provide such acceptance or rejection within that time shall be deemed a rejection of the District's offer and the District shall thereupon be entitled to proceed with its sale to the third-party offeree upon the

terms and conditions of the original offer. If at any time during the Term PDB shall desire to purchase the Leased Premises, the District will negotiate in good faith to sell the Leased Premises to PDB, subject to all rules, ordinances, regulations, laws or other agreements by which the District is or may be bound.

Article 54. Covenant Of Quiet Enjoyment. The District covenants that if, and so long as, PDB materially performs each and every covenant, agreement, term, provision and condition of this Agreement on the part and on behalf of PDB to be kept and performed, PDB shall quietly enjoy their rights under this Agreement without hindrance or molestation by the District by any other person lawfully claiming the same by, through, or under the District, subject to the covenants, agreements, terms, provisions and conditions of this Agreement.

Article 55. Estoppel Certificates. Any of the parties to this Agreement, without charge, at any time and from time to time, upon ten (10) days written request by another party, shall certify, by written instrument, duly executed and acknowledged in recordable form, to the requesting party or any other person:

(a) that this Agreement is unmodified and in full force and effect, or, if there has been a modification, that the same is in full force and effect as modified, and stating the date and nature of such modification;

(b) the dates, if any, to which sums due hereunder have been paid in advance;

(c) whether any party is or is not in default in the performance of any covenant, condition or agreement on its part to be performed, and the nature of such default, if any; and

(d) such other reasonable and appropriate information as the requesting party may request.

Article 56. Counterparts: Facsimile Signatures. This Agreement may be executed and delivered in any number of counterparts, each of which so executed and delivered shall be deemed to be an original, and all of which shall constitute one and the same instrument. This Agreement may also be executed via facsimile, with any such signatures deemed to be originals.

Article 57. Amendment. This Agreement may be amended only by an agreement in writing, signed by all the parties hereto or their respective successors in interest. At the election of PDB and SMC this Agreement shall be amended to reflect any modification, change, alteration or amendment permitted by any amendment to the Act and contemplated by this Agreement.

Article 58. No Partnership. Nothing contained in this Agreement shall, or shall be deemed or construed so as to create the relationship of principal-agent, joint venturers, co-adventurers, partners or co-tenants between the District and SMC and/or PDB; it being the

express intention of the parties that they are and shall remain independent contractors one as to the other.

Article 59. Recording Of Short Form Memorandum Of Lease. This Agreement shall not be recorded by any of the parties. If requested by any party, the parties agree to execute, in recordable form, a short form memorandum of this Agreement that may, at any party's option, be placed of record.

Article 60. Architectural Drawings And Logo.

(a) To the extent that the District owns architectural renderings of the Stadium, architectural drawings of the Stadium and Stadium logo(s), SMC and PDB will be permitted to utilize such renderings, drawings or logo(s) without charge in conjunction with the marketing of the Stadium, the Broncos and events hosted at the Stadium.

(b) If the District or PDB elects to create and market products utilizing its renderings, drawings or logos, the District and PDB will negotiate to attempt to reach an agreement to license such products to SMC and PDB for production, marketing and sale. In the event the District and PDB are unable to reach an agreement (i) PDB and/or SMC shall be permitted to utilize such renderings, drawings or logo(s) in the sale of products provided that PDB or SMC, as the case may be, pay the District four percent (4%) of the gross sales amount of all retail sales received from products utilizing one or more of such renderings, drawings or logo(s) alone, and two percent (2%) of the gross sales amount of all retail sales derived from

products utilizing one or more of such renderings, drawings or logo(s) in conjunction with the Broncos' logos; and (ii) the District may license such products to any other entity with whom the District can reach an agreement regarding the production, marketing and sale of such products.

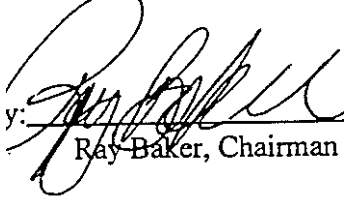
Article 61. Entire Agreement. This Agreement contains the entire agreement between the parties hereto with respect to the subject matter hereof, and there are no promises, agreements, conditions, undertakings or warranties or representations, oral or written, express or implied, between them other than as herein set forth or as specifically referred to herein. This Agreement is intended to be an integration of all prior or-contemporaneous promises or agreements, conditions or undertakings between the parties hereto. The District, SMC and PDB have participated in the drafting of this Agreement and any ambiguity contained in this Agreement shall not be construed against the District, SMC or PDB solely by virtue of the fact that either the District, SMC or PDB should be considered the drafter of this Agreement.

The undersigned have executed this Agreement as of the date first above written.

WITNESS/ATTEST:

METROPOLITAN FOOTBALL
STADIUM DISTRICT, a political subdivision of
the State of Colorado

~~-i-x-~~ .
~~-c~~ -----

y: 
Ray Baker, Chairman

WITNESS/ATTEST:

PDB SPORTS, LTD., a Colorado limited
partnership

By: Bowlen Sports, Inc., general partner

By: _____
Pat Bowlen, President

WITNESS/ATTEST:

STADIUM MANAGEMENT COMPANY, LLC,
a Colorado limited liability company

By: _____
Pat Bowlen, Manager

The undersigned have executed this Agreement as of the date first above v.Tinen.

WITNESS/ ATTEST:


METROPOLITAN FOOTBALL
STADIUM DISTRICT. a political subdivision of
the State of Colorado

By: _____

Ray Baker, Chairman

WITNESS/ATTEST:

PDB SPORTS, LTD., a Colorado limited
partnership



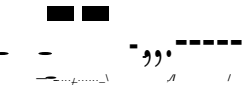
By: Bow n Sports Inc., general partner

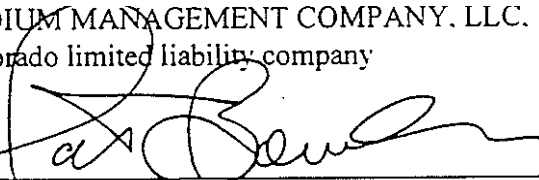
By: 

Pat Bowlen, President

WITNESS/ATTEST:

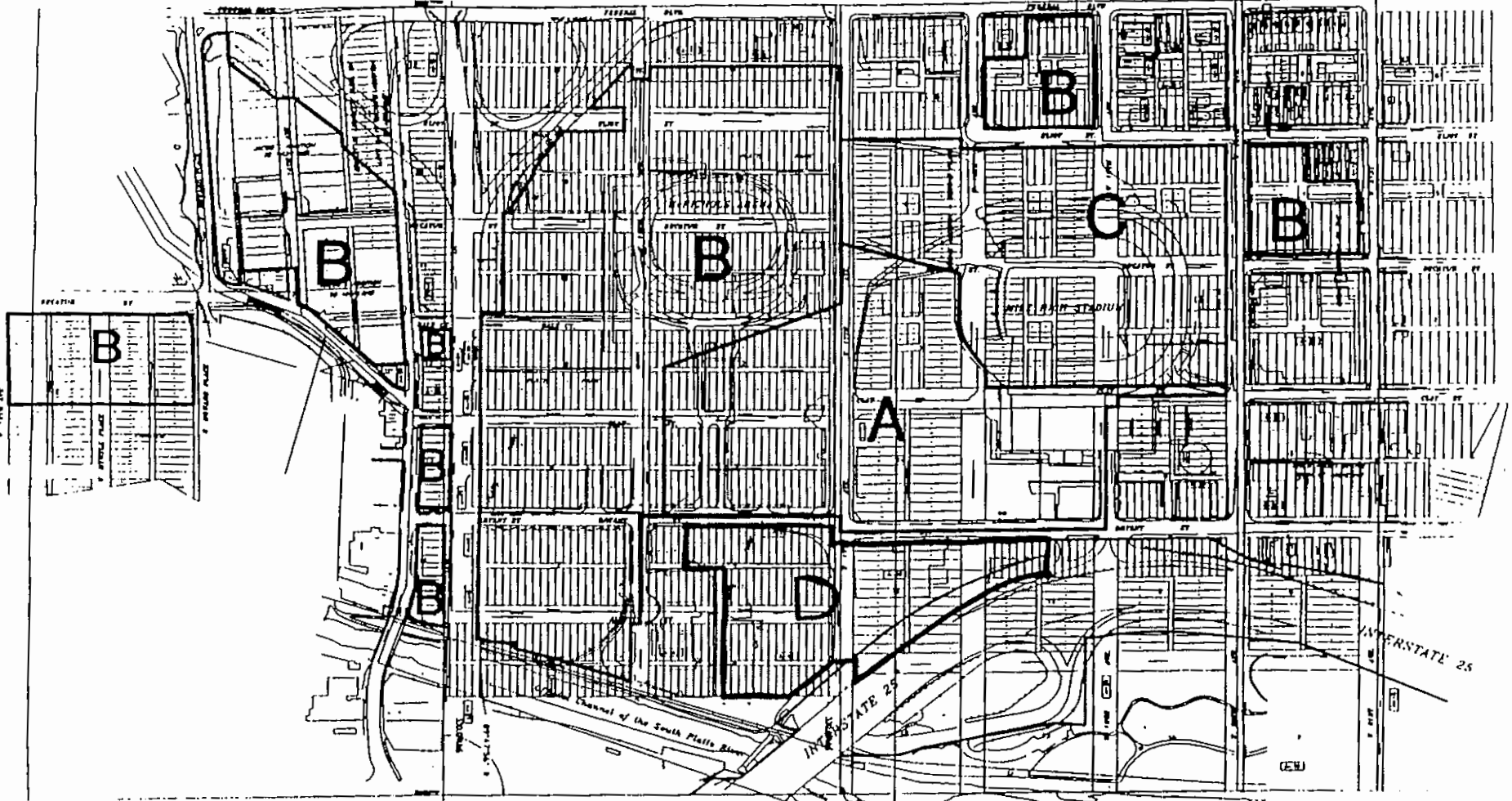
STADIUM MANAGEMENT COMPANY, LLC.
a Colorado limited liability company


C: _____

By: 

Pat Bowlen, Manager

EXHIBIT A



ESTIMATED PARCEL AREAS

- PARCEL A : 971,100 SQ. FT. - 22.3 AC.
- PARCEL B : 1,413,800 SQ. FT. - 32.5 AC.
- PARCEL C : 858,250 SQ. FT. - 19.7 AC.
- TOTAL : 3,243,150 SQ. FT. - 74.5 AC.

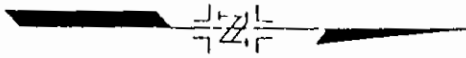


EXHIBIT MAP

PREPARED BY:



KELLY SURVEYING ASSOCIATES, INC.

14 INVERNESS DRIVE EAST BLDG H SUITE 144

ENGLEWOOD, CO 80112 / (303) 792 5257

"STADIUM LAND" CONSISTS OF PARCELS A, B, C, & D.
 AND ANY LAND OR STREETS VACATED BY CITY TO DISTRICT.