

# LEASE SUMMARY

**TEAM: Denver BRONCOS**

**Team Owner:** Patrick Bowlen

**Team Website:** [www.denverbroncos.com](http://www.denverbroncos.com)

**FACILITY:** Sports Authority Field at Mile High

**Facility Website:** <http://www.sportsauthorityfieldatmilehigh.com/>

**Year Built:** 2001

**TITLE OF AGREEMENT:** Lease and Management Agreement

**Lessor:** District City of Detroit

**Lessee:** PDB Sports, LTD.

## **TERM OF AGREEMENT:**

Lessee shall lease the Stadium for a period beginning upon its occupancy of the Stadium and continuing until thirty years after such date, or the end of thirty complete NFL seasons at the Stadium, whichever is later. Lessee has the option to extend this Agreement for an additional five-year term.

## **TERMINATION OF LEASE:**

**Lessee:** Occurrence of one or more of the following events constitutes a default by Lessee under this Agreement:

- Failure by Lessee at any time to pay any sums payable by Lessee to Lessor within ten days after notice from Lessor that any such payment is past due if not paid when due.
- Failure by Lessee to observe or perform any other covenant, agreement, condition, or provision of the Agreement, if such failure shall continue for more than thirty days after notice of such failure is given to Lessee by Lessor. Lessee is not in default for matters that cannot be reasonably cured within thirty days, so long as Lessee has promptly commenced such cure, diligently proceeds in a reasonable manner to complete the same thereafter.
- Lessee 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 Lessee or for the major part of its property.
- A trustee or receiver is appointed for Lessee or for the major part of its property and is not discharged within ninety days after such appointment.
- Bankruptcy, reorganization, arrangement, insolvency, or liquidation proceedings if instituted against Lessee, are allowed against it, or are consented to by it, are not dismissed within ninety days after such institution.

**Lessor:** Occurrence of any one or more of the following events constitutes a default by the Lessor under this Agreement:

- Failure by Lessor at any time to pay any sums payable by the Lessor to or on behalf of Lessee or to the Capital Replacement Reserve Fund within ten days after notice from Lessee that any such payment is past due if not paid when due.

- Failure of Lessor to observe or perform any other covenant, agreement, condition or provision of the Agreement, if such failure shall continue for more than thirty days after notice of such failure is given to the Lessor by Lessee. Lessor shall not default if matters cannot be reasonably cured within thirty days, so long as Lessor has promptly commenced such cure, diligently proceeds in a reasonable manner to complete the same thereafter.
- A trustee or receiver is appointed for Lessor or for the major part of its property and is not discharged within ninety days after such appointment.
- Bankruptcy, reorganization, arrangement, insolvency, or liquidation proceedings if instituted against Lessor, are allowed against it, or are consented to by it, are not dismissed within ninety days after such institution.

#### **USE OF PREMISES:**

Lessee shall be entitled to use the Leased Premises on a year-round basis for the following purposes:

- NFL games and activities related to the playing of such games
- College or High School football games and activities related to the playing of such games
- Sporting events and related functions
- Music concerts and shows
- Conventions, fairs, carnivals, and similar events and activities
- Community and charitable events
- The operation of club and restaurant facilities within the Stadium
- Operation of administrative activities and offices
- Sale of food and beverages, souvenirs, and other items normally considered “concessions”
- Sale of space for advertising signs, billboards, and Stadium Signage used to identify the name of the Stadium
- Parking for any purpose allowed pursuant to zoning and other regulations
- 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 NFL team or the operation of a football stadium

#### **RENT:**

Lessee shall pay an annual base rent on or before February 1 of each year according to the following schedule:

- Years 1–11 of Term: \$1 million
- Years 12–14 of Term: \$2 million
- Years 15–remainder of Lease: \$3.25 million

#### **OTHER PAYMENTS:**

**Parking:** Lessee shall pay Lessor twenty percent of the gross revenues received by Lessee from parking located upon Stadium Land during the first eleven years of the Term from Non-Football Events. Beginning the twelfth year and continuing the remainder of the Term, Lessee shall pay Lessor fifty percent of the gross revenues by Lessee received from parking from Non-Football

Events. Payments shall be paid quarterly on March 1, June 1, September 1, and December 1 of each year of the Term.

**MAINTENANCE:**

Maintenance includes labor, supplies, materials, and equipment reasonably necessary for the cleaning and routine upkeep any property, structures, surfaces, facilities, fixtures, equipment or furnishings, in order to preserve such items in their existing condition, ordinary wear and tear expected. Lessee shall pay maintenance, which includes:

- Preventative or periodic maintenance procedures for procedures for equipment, fixtures, or systems
- Periodic testing of buildings systems, such as mechanical, card-key security, fire alarm, lighting and sound systems
- On-going trash removal
- Regular maintenance procedures for plumbing, mechanical, electrical and structural systems, such as periodic cleaning, lubrication, and changing of air filters and lights
- Touch up painting
- Cleaning prior to, during and following all NFL Games, football related events, and Non-Football Events
- 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

**INSURANCE:**

Lessee will maintain comprehensive general liability insurance and insurance against damage or destruction of PDB Property and during the period that Lessee is the manager of the Stadium, the Leased Premises, in amounts required by the insurance consultant selected by Lessee.