

**LEASE AGREEMENT**  
**BY AND BETWEEN**  
**SPORTS & EXHIBITION AUTHORITY**  
**OF PITTSBURGH AND ALLEGHENY COUNTY**  
**AND**  
**PSSI STADIUM CORP.**

**TABLE OF CONTENTS**

ARTICLE 1. LEASE..... 1

ARTICLE 2. DEFINITIONS ..... 2

ARTICLE 3. TERM..... 9

ARTICLE 4. PAYMENTS; STATUTORY RENT ..... 10

    4.1    Payments..... 10

    4.2    Accounting Matters..... 11

    4.3    Statutory Rent..... 12

ARTICLE 5. USE OF LEASED PREMISES ..... 15

    5.1    Suitability for Use; Use and Possession Rights..... 15

    5.2    Revenues from Events..... 15

    5.3    Public Use – Community Events..... 15

    5.4    Use by the Commonwealth..... 16

    5.5    Announcements..... 16

    5.6    Compliance With Laws..... 17

    5.7    Assignment of Warranties..... 17

    5.8    Authority Reservation of Luxury Box; Tickets and Services..... 17

    5.9    Authority Office..... 17

ARTICLE 6. ASSIGNMENT AND SUBLETTING..... 18

    6.1    Restrictions..... 18

    6.2    Ownership and Control..... 19

    6.3    Other Permitted Subleases..... 19

    6.4    Permitted Transfers..... 19

    6.5    Covenant Not to Relocate..... 20

    6.6    Transfers of the Authority's Interest..... 20

ARTICLE 7. OPERATIONS ..... 20

    7.1    Lessee's Covenants..... 20

    7.2    Ticket Surcharge..... 21

    7.3    Lessee Revenues..... 22

    7.4    Operating Budget..... 23

    7.5    Operation of Concessions..... 23

    7.6    Management Authority..... 23

    7.7    Parking..... 25

    7.8    Affiliates..... 30

    7.9    Player Payroll Tax..... 30

    7.10   Arms-Length Negotiations..... 30

    7.11   Occupancy of the Stadium..... 30

    7.12   Notice of Sale, etc..... 30

    7.13   Successors Bound..... 31

    7.14   Maintenance and Repair..... 31

7.15	Commonwealth and Community Events.....	31
7.16	Compliance with Grant Agreement, etc.....	31
ARTICLE 8. OPERATING AND NON-RELOCATION COVENANT .....		32
8.1	Operating Covenant of the Lessee.....	32
8.2	Covenant Not to Relocate.....	32
8.3	Unique Nature of Agreement. ....	32
8.4	Permission to File Consent Order. ....	33
ARTICLE 9. UTILITIES .....		33
ARTICLE 10. REPAIRS, MAINTENANCE AND ALTERATIONS .....		33
10.1	Lessee's Covenants.....	33
10.2	Authority's Covenants. ....	34
10.3	Capital Repairs. ....	36
10.4	Capital Repair Audit.....	40
10.5	Emergency Repairs.....	40
10.6	Title to Alterations and Capital Repairs .....	41
10.7	Authority Access. ....	41
10.8	Consulting Engineer. ....	42
10.9	Alterations. ....	42
10.10	Liens. ....	43
10.11	Performance.....	43
10.12	Applicability to Capital Improvements. ....	44
10.13	Resolution of Disputes. ....	45
ARTICLE 11. INDEMNIFICATION .....		45
11.1	Indemnification. ....	45
11.2	Defense Of Indemnified Claims.....	46
11.3	Injunctive Relief.....	47
11.4	Recourse to Security.....	48
11.5	Indemnification and Payment of Damages by Authority.....	48
ARTICLE 12. INSURANCE – CONDEMNATION – RESTORATION.....		48
12.1	Insurance. ....	48
12.2	Rights of Authority to Insurance Proceeds.....	50
12.3	Condemnation. ....	50
12.4	Restoration. ....	51
ARTICLE 13. ENVIRONMENTAL MATTERS.....		52
13.1	Authority's Representations.....	52
13.2	Lessee's Covenants.....	52
13.3	Lessee's Indemnity of Authority. ....	53
13.4	The Authority's Indemnity of the Lessee. ....	55
ARTICLE 14. DEFAULT .....		56
14.1	Events of Default by Lessee.....	56

14.2	No Notice Required for Certain Defaults.....	57
14.3	Remedies.....	57
14.4	Equitable Remedies.....	58
14.5	Late Charge.....	58
14.6	Remedies Cumulative.....	59
14.7	Waivers by Lessee.....	59
14.8	Default by the Authority.....	59
14.9	Arbitration.....	60
ARTICLE 15. REPRESENTATIONS AND WARRANTIES.....		61
15.1	Representations and Warranties of the Authority.....	61
15.2	Representations and Warranties of the Lessee.....	61
ARTICLE 16. MISCELLANEOUS.....		63
16.1	Form of Notices; Addresses.....	63
16.2	Entire Lease.....	63
16.3	Amendment.....	63
16.4	Binding Effect.....	63
16.5	Trial by Jury.....	63
16.6	Waiver.....	64
16.7	Captions.....	64
16.8	Construction.....	64
16.9	Article and Exhibit References.....	64
16.10	Severability.....	64
16.11	Third Party Beneficiaries.....	64
16.12	Other Documents.....	64
16.13	Governing Law.....	65
16.14	Counterparts.....	65
16.15	Relationship of Parties.....	65
16.16	Authority Approval.....	65
16.17	Nondiscrimination.....	65
16.18	Required Contractual Nondiscrimination Clause.....	65
16.19	Quiet Enjoyment.....	66
16.20	Subordination, Nondisturbance and Attornment.....	66
16.21	Estoppel Certificate.....	67
16.22	Option to Purchase in Favor of Commonwealth.....	67
16.23	Amusement Tax.....	67
16.24	Tax-Exempt Financing.....	68
16.25	Applicability of Capital Facilities Act Provisions to PSSI.....	68
16.26	Rights of the Commonwealth.....	68
16.27	Restrictive Covenant Agreement.....	68
16.28	Independent Covenants.....	68
16.29	Force Majeure.....	68

LEASE EXHIBITS

Exhibit A	Site
Exhibit B	Site Plan
Exhibit C	Description of Leased Premises
Exhibit D	Permitted Encumbrances
Exhibit E	Form of Acknowledgment of Commencement Date
Exhibit F	Parking Drawings
Exhibit G	Option Area Terms
Exhibit H	Area of Designated Expansion

**LEASE AGREEMENT**

This **LEASE AGREEMENT** (the "**Lease**") is made and entered into as of the 20th day of June 2000, to be effective on the Commencement Date (as defined below), by and between the **SPORTS & EXHIBITION AUTHORITY OF PITTSBURGH AND ALLEGHENY COUNTY**, a body corporate and politic, organized and existing pursuant to the Public Auditorium Authorities Law, Act of July 29, 1953, P.L. 1034, 53 Purdon's Statutes § 23841, et seq. (the "**Authority**"), and **PSSI STADIUM CORP.**, a Pennsylvania corporation (the "**Lessee**"),

WITNESSETH THAT:

WHEREAS, the Authority has acquired fee simple title to the property bounded by Reedsdale Street on the North, Three Rivers Stadium on the East, Allegheny Avenue on the West and North Shore Drive on the South, located on the North Side of the City of Pittsburgh, County of Allegheny and Commonwealth of Pennsylvania, more particularly described in Exhibit A, attached hereto and made a part hereof (the "**Site**"), and shown on the site plan attached hereto as Exhibit B, and made a part hereof; and

WHEREAS, pursuant to the Development Agreement (as hereinafter defined) a football stadium shall be designed by the Lessee and shall be constructed on the Site with a seating capacity of approximately 65,000 (the "**Stadium**"), and shall contain certain fixtures, furnishings and equipment therein ("**Equipment**") (the Site, Stadium and Equipment are referred to herein collectively as the "**Project**" or the "**Leased Premises**"); and

WHEREAS, the Authority desires to lease the Leased Premises, as further described on Exhibit C attached hereto, to the Lessee, and the Lessee desires to lease and accept the Leased Premises from the Authority, all under the terms and conditions set forth herein; and

WHEREAS, the Lessee intends to sublease the Stadium to Pittsburgh Steelers Sports, Inc., a Pennsylvania corporation ("**PSSI**"), and PSSI shall guaranty all of the Lessee's obligations, duties and liabilities under this Lease and the Related Agreements (as hereinafter defined); and

NOW, THEREFORE, in consideration of the mutual promises, undertakings and covenants hereinafter set forth, and intending to be legally bound hereby, the Authority and the Lessee covenant and agree as follows.

ARTICLE 1.  
LEASE

The Authority hereby leases to the Lessee and the Lessee hereby leases and accepts from the Authority the Leased Premises for the Lease Term (as defined in **Article 3** below), all upon the terms, conditions and covenants set forth herein.

ARTICLE 2.  
DEFINITIONS

As used in this Lease:

"**Accountants**" shall have the meaning set forth in **Section 4.2**.

"**Additional Sporting Events**" shall mean any sporting event, including, but not limited to, professional, collegiate and scholastic sporting events (other than NFL Events and charitable sporting events).

"**Affiliate**" of a specified person or entity means any natural person, sole proprietorship, corporation, partnership, limited liability company, joint venture or other Person which directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with the Person specified. The term "**control**" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person .

"**Alterations**" shall mean any alteration, modification or improvement to the Stadium that is not a Capital Repair or Capital Improvement.

"**Amusement Tax**" shall mean such tax as is presently imposed, or as may be imposed from time to time by the City of Pittsburgh as an "amusement tax" on admission tickets to Events at the Stadium, which tax is presently imposed at the rate of five percent (5%) on the price of each ticket.

"**Applicable Laws**" shall mean any applicable law (including, without limitation, any Environmental Law), enactment, statute, code, ordinance, administrative order, charter, tariff, resolution, order, rule, regulation, guideline, judgment, decree, writ, injunction, franchise, permit, certificate, license, authorization, or other direction or requirement of any Governmental Entity, enacted, adopted, promulgated, entered, or issued, including without limitation the Capital Facilities Act. The term "**Applicable Laws**" and "**applicable laws**" shall expressly include, without limiting the generality of the foregoing sentence, all applicable bidding, employment, zoning and land use requirements and regulations.

"**Architect's Agreement**" shall mean that certain Agreement among PSSI as agent for the Authority and HOK Architects, Inc. dated July 1, 1999.

"**Authority Environmental Losses**" shall have the meaning set forth in **Section 13.3.1**.

"**Authority-Indemnified Persons**" shall have the meaning set forth in **Section 11.1**.

"**Authority Representative**" shall mean the person or persons authorized to execute this Lease on behalf of the Authority, and/or the person or persons authorized by the Authority to act on behalf of the Authority with respect to matters related to this Lease.

"**Authority's Share of Non-Sporting Event Revenues**" shall have the meaning set forth in **Section 4.1(a)**.

"**Base Line Tax Amount**" shall have the meaning set forth in Section 501 of the Capital Facilities Act, as the same may be amended from time to time.

"**Business Day**" shall mean any day other than a Saturday, Sunday or legal or bank holiday. If any time period set forth in this Lease expires on other than a Business Day, such period shall be extended to and through the next succeeding Business Day.

"**Capital Facilities Act**" shall mean the Capital Facilities Debt Enabling Act, Pennsylvania S.B. 10, No. 313, Act of February 9, 1999, as amended from time to time.

"**Capital Improvements**" shall have the meaning set forth in **Article 10**.

"**Capital Repair Plans**" shall have the meaning set forth in **Section 10.3**.

"**Capital Repairs**" shall have the meaning set forth in **Section 10.3**.

"**Capital Reserve Fund**" shall mean the account established under **Article 10** to furnish funds for Capital Repairs and Capital Improvements.

"**City**" shall mean the City of Pittsburgh.

"**Club Seats**" shall mean those seats in the Stadium which will be located on the level of the Stadium to be designated as the "**Club Level**."

"**Commencement Date**" shall have the meaning set forth in **Article 3**.

"**Commonwealth**" shall mean the Commonwealth of Pennsylvania.

"**Communication System**" shall mean the internal video and audio broadcasting system at the Stadium, together with the scoreboard.

"**Commonwealth Community Events**" shall have the meaning set forth in **Section 5.4**.

"**Community Event(s)**" shall have the meaning set forth in **Section 5.4**.

"**Community Event Operating Expenses**" shall have the meaning set forth in **Section 5.3**.

"**Concessions**" shall mean food and beverages, including alcoholic beverages, game programs, yearbooks and similar publications and other PSSI and NFL related merchandise and novelties.

"**Construction Management Agreement**" shall mean that certain contract, together with all exhibits, appendices, amendments and supplements, between the Lessee as agent for the Authority and the Construction Manager, assigned by the Authority to the Lessee, relating to construction of the Stadium.

"**Construction Manager**" shall mean a joint venture composed of Huber, Hunt & Nichols, Inc. and Mascaro Construction Company, L.P.



"**Consulting Engineer**" shall have the meaning set forth in **Section 10.8**.

"**Contamination**" shall mean the presence or release or threat of release of Regulated Substances in, on, under or emanating to or from the Site, which pursuant to Environmental Laws requires notification or reporting to any Governmental Authority, or which pursuant to Environmental Laws requires the identification, investigation, cleanup, removal, remediation, containment abatement of or other response to such Regulated Substances or which otherwise constitutes a violation of Environmental Laws.

"**County**" shall mean the County of Allegheny.

"**CPI Increases**" shall mean increases, calculated from January 1, of the calendar year in which the Commencement Date occurs to such date as may be relevant, in the index known as the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index, All Urban Consumers, United States City Average, All Items (1982-84 = 100) (the "**CPI**") or the successor index that most closely approximates the CPI. For purposes of this Lease, the CPI will be recalculated as of January 1 of each Lease Year, provided that, if in any Lease Year the CPI decreases, then the CPI increase for that Lease Year shall be zero.

"**Daily Parking Spaces**" shall have the meaning set forth in **Section 7.7(d)**.

"**Damages**" shall mean any loss, liability, claim, damage (including incidental and consequential damages) and expense (including costs of investigation and defense and reasonable attorneys' fees), whether the action is for money damages, or otherwise at law, or for equitable or declaratory relief.

"**Default Rate**" shall mean the lesser of (a) four percent (4%) above the Prime Rate or (b) the greatest amount permitted by Applicable Law.

"**Designated Expansion**" shall have the meaning set forth in **Section 10.12.2**.

"**Development Agreement**" shall mean that certain Development and Operating Agreement between the Authority and the Lessee of even date herewith.

"**Emergency Repairs**" shall mean those Capital Repairs, or other repairs, maintenance or improvements, which, if not immediately made, would endanger the health and safety of any one or more persons working in or attending an Event in the Stadium, would cause imminent damage to any significant component of the Stadium, or would render the Stadium, or any material portion of its mechanical, electrical or plumbing systems or other significant component thereof, unusable for previously scheduled Events.

"**Environmental Complaint**" shall mean any written complaint by any Person or Governmental Authority setting forth a cause of action for personal injury or property damage, natural resource damage, contribution or indemnity for response costs, civil or administrative penalties, criminal fines or penalties, or declaratory or equitable relief arising under any Environmental Law or any order, notice of violation, citation, subpoena, request for information or other written notice or demand of any type issued by any Governmental Authority pursuant to any Environmental Law.

**"Environmental Law"** shall mean all Applicable Laws, including without limitation any consent decrees, settlement agreements, judgments, orders, directives, policies or programs issued by or entered into with a Governmental Authority pertaining or relating to: (i) pollution or pollution control; (ii) protection of human health or the environment; (iii) employee safety in the workplace; (iv) the presence, use, management, generation, processing, treatment, recycling, transport, storage, disposal or release or threat of release of Regulated Substances; (v) the presence of Contamination; (vi) the protection of endangered or threatened species; and/or (vii) the protection of Environmentally Sensitive Areas.

**"Environmentally Sensitive Area"** shall mean (i) any wetland as defined by applicable Environmental Laws; (ii) any area designated as a coastal zone pursuant to Applicable Laws, including Environmental Laws; (iii) any area of historic or archeological significance as defined by Applicable Laws, including Environmental Laws; (iv) habitats of endangered species or threatened species as designated by Applicable Laws, including Environmental Laws; or (v) a floodplain or other flood hazard area as defined pursuant to any Applicable Laws.

**"Equipment"** shall have the meaning set forth in the preamble hereto.

**"Event"** or **"Events"** shall mean, separately and collectively, all NFL Events, Additional Sporting Events, Community Events and Non-NFL Events.

**"Event of Default"** shall have the meaning set forth in **Article 14**.

**"Event Day Option Area Net Parking Revenues"** shall mean all parking revenues received by the Authority or the Stadium Authority from surface parking spaces located within the Option Area for any Event, net of (i) reasonable operating expenses, (ii) lease payments to Alco Parking (or a successor entity) and (iii) all applicable local, state and federal taxes, in the case of clauses (i), (ii) and (iii) each to the extent associated with the operation of surface parking spaces located within the Option Area for Events.

**"Expiration Date"** shall have the meaning set forth in **Article 3**.

**"Extension Term"** shall have meaning set forth in **Article 3**.

**"Franchise"** means the Pittsburgh Steelers National Football League franchise.

**"GAAP"** shall mean generally accepted accounting principles, as recognized from time to time by the Financial Accounting Standards Board or as successor(s) in function.

**"Garage Operating and Financing Costs"** shall mean (i) all operating expenses, including without limitation taxes, and (ii) funds expended for debt service in connection with the financing of the North Shore Garages

**"Governmental Authority"** shall mean any national, federal, state, local or other government or political subdivision or any agency, authority, board, department or instrumentality thereof, or any court, arbitrator (to the extent required by the terms of this Agreement) or tribunal having jurisdiction over the Leased Premises.

**"Grant Agreement"** shall mean that certain Contract effective as of January 14, 2000, pursuant to which the Commonwealth, acting through the Office of Budget, agreed to grant the sum of Seventy-Five Million Dollars (\$75,000,000) to the Authority to be used toward construction and development of the Stadium.

**"Guaranty Agreement"** shall mean that certain Guaranty Agreement dated as of even date herewith pursuant to which PSSI shall guaranty all of the obligations of the Lessee hereunder.

**"Leased Premises"** shall have the meaning set forth in the preamble hereto.

**"Lease Term"** or **"Term"** shall have the meaning set forth in **Article 3**.

**"Lease Year"** shall mean each 12-month period during the Lease Term commencing on April 1 and ending on the next March 31, provided that the first Lease Year shall commence on the Commencement Date and end March 31, 2002, and the final Lease Year shall commence on April 1 of that calendar year, and end on the Expiration Date of this Lease.

**"Lien or Liens"** shall mean mechanics' and suppliers' liens, judgments in excess of \$50,000, liens for real estate taxes, local, state or federal taxes of any kind, municipal assessments, levies for improvements, or other encumbrances of any kind affecting the Stadium.

**"Local Community Events"** shall have the meaning set forth in **Section 5.3**.

**"Luxury Suites"** shall mean the approximately 120 private suites to be located in the Stadium, the exact number of which will be in the discretion of the Lessee.

**"Net Revenues"** shall mean ticket or gate receipts (including tickets for suites) (net of taxes) less any deductions for direct Event specific expenses, including but not limited to: Event specific payroll and staffing costs, utility expenses, cleaning expenses and security expenses.

**"NFL"** shall mean National Football League, or any successor or similar association or organization of which PSSI is a member or joint owner, and which engages in professional football in a manner comparable to the National Football League.

**"NFL Event"** shall mean any regular season, post-season, or exhibition football game played by PSSI.

**"NFL Event Ticket Surcharges"** shall have the meaning set forth in **Section 7.2**.

**"Non-Event Day Option Area Net Parking Revenues"** shall mean all parking revenues received by the Authority or the Stadium Authority from surface parking spaces located within the Option Area from sources that are not related to Events (as used in this definition, the term "Events" includes, but is not limited to, NFL Events and Major League Baseball games played in PNC Park), net of (i) reasonable operating expenses, (ii) lease payments to Alco Parking (or a successor entity) and (iii) all applicable local, state and federal taxes, in the case of clauses (i), (ii) and (iii) each to the extent associated with the operation of surface parking spaces located within the Option Area on such non-Event days.

"**Non-NFL Events**" shall mean all events at the Stadium sponsored by or scheduled with the approval of the Lessee, excluding NFL Events and Community Events.

"**Non-NFL Event Ticket Surcharges**" shall have the meaning set forth in **Section 7.2**.

"**Non-Sporting Events**" shall mean all events at the Stadium sponsored by or scheduled with the approval of the Lessee, excluding NFL Events, Additional Sporting Events and Community Events.

"**North Shore Garages**" shall have the meaning set forth in **Section 7.7(f)**.

"**On Market Terms**" shall mean terms that would be obtained between unaffiliated third parties negotiating on an arm's length basis at commercially reasonable rates, with neither party under any particular compulsion to sell or purchase.

"**Option Area Garages**" shall have the meaning set forth in **Section 7.7(f)**.

"**Permitted Encumbrances**" shall mean the matters set forth in Exhibit D attached to this Lease.

"**Person**" shall mean any natural person, sole proprietorship, partnership, corporation, limited liability company, trust, joint venture, unincorporated organization or other entity, including any Governmental Authority.

"**Player Payroll Tax**" shall mean such tax as is presently imposed, or as may be imposed from time to time by the City of Pittsburgh as a "Player Payroll Tax".

"**PNC Bank**" shall mean PNC Bank, National Association, a national banking association, or any successor thereto.

"**Prime Rate**" shall mean the "prime rate" of interest announced from time to time by PNC Bank as its then "prime rate" on loans to commercial borrowers of high credit standing.

"**Project**" shall have the meaning set forth in the preamble hereto.

"**Proceeding**" shall have the meaning set forth in **Section 11.2.1**.

"**PSSI**" shall mean Pittsburgh Steelers Sports, Inc., a Pennsylvania corporation.

"**RAD**" shall mean the Allegheny Regional Asset District, a body corporate and politic.

"**Regulated Substances**" shall mean, without limitation, any substance, material or waste, regardless of its form or nature, defined under Environmental Laws as a "hazard substance," "hazardous waste," "toxic substance," "extremely hazardous substance," "toxic chemical," "toxic waste," "solid waste," "industrial waste," "residual waste," "municipal waste," "special handling waste," "mixed waste," "infectious waste," "chemotherapeutic waste," "medical waste," "regulated substance," "pollutant" or "contaminant" or any other substance,

material or waste, regardless of its form or nature, which otherwise is regulated by Environmental Laws.

"**Related Agreements**" shall mean the Development Agreement, the Construction Agreement, the Architect's Agreement, the Management Agreement, the Guaranty Agreement and the Sublease Agreement, all as amended, supplemented, renewed or replaced from time to time.

"**Relocation**" or "**Relocate**" shall refer to the act, or attempt, by PSSI, to move its NFL Franchise (or franchise in any new or successor league) from the Leased Premises, whether to another city or location, or to another site in Western Pennsylvania, at any time during the Lease Term.

"**Rental Period**" for purposes of determining Statutory Rent, shall mean a calendar year.

"**Required Environmental Permits**" shall mean all permits, licenses, bonds, consents, programs, approvals or authorizations required under Environmental Laws for the Lessee to conduct its operations, maintain the Project or construct, maintain, operate or occupy any Alterations or improvements other than the improvements necessary for the initial construction of the Stadium.

"**Required Environmental Reports**" shall mean all notices, reports, plans, forms or other filings which pursuant to Environmental Laws, Required Environmental Permits or at the request or direction of a Governmental Authority, must be submitted to a Governmental Authority or which otherwise must be maintained with respect to the Leased Premises, Contamination and/or the operations and activities of the Lessee after July 7, 1999.

"**Response Action**" shall mean the investigation, cleanup, removal, remediation, containment, control or any other response action, including but not limited to the correction or abatement of any violation, required pursuant to Environmental Laws, Required Environmental Permits or by a Governmental Authority.

"**Restoration Fund**" shall have the meaning set forth in **Section 12.2**.

"**Restoration Fund Trustee**" shall have the meaning set forth in **Section 12.2**.

"**Site**" shall have the meaning set forth in the preamble hereto, and in Exhibit A.

"**Stadium**" shall have the meaning set forth in the preamble hereto.

"**Stadium Authority**" shall mean the Stadium Authority of the City of Pittsburgh, a body corporate and politic.

"**Stadium Statement of Operations**" shall have the meaning set forth in **Section 4.2**.

"**Statutory Rent**" shall mean those sums payable by the Lessee and/or PSSI to the Authority, to be remitted by the Authority to the Commonwealth, pursuant to Chapter 5 of the Capital Facilities Act in effect as of the date of this Lease.

"**Sublease Agreement**" shall mean that certain Sublease Agreement to be entered into between the Lessee and PSSI pursuant to which the Lessee shall sublease the Leased Premises to PSSI.

"**Substantial Completion**" shall mean that the work related to the construction and development of the Project (or separate units or phases as provided in the Construction Agreement) is substantially complete in accordance with the Construction Agreement and Related Agreements and other related documents, such that the Project is ready for opening to the general public and full occupancy or use by the Lessee and PSSI in the manner intended, without material inconvenience or discomfort (including, without limitation, all suites, Concessions and other income generating areas ready for full operation). A minor amount of work, as determined by and at the discretion of the Lessee and its project manager, such as installation of minor accessories or items, a minor amount of painting, minor replacement of defective work, minor adjustment of controls, or completion or correction of minor exterior work that cannot be completed due to weather conditions, will not delay determination of Substantial Completion. For purposes of Substantial Completion, specified areas of the entire work or Project may be individually judged as Substantially Complete. In no event shall Substantial Completion be deemed to have occurred unless all certificates required by all Applicable Laws for opening of the Project to the general public have been issued to the Lessee.

"**Successor Landlord**" shall have the meaning set forth in **Section 16.20**.

"**Three Rivers Stadium Ticket Surcharge**" shall mean the 5% ticket surcharge imposed upon NFL Events in Three Rivers Stadium during the 2000 football season.

"**Ticket Revenues**" shall mean revenues (net of Amusement Tax and Ticket Surcharge) from the sale of tickets to all NFL Events and all Additional Sporting events played at the Stadium and shall include revenues from all seating within the Stadium, including without limitation tickets sold for club seats, field boxes, luxury boxes, premium seating and other seating sold within the Stadium.

"**Ticket Surcharge**" shall mean NFL Event Ticket Surcharges and Non-NFL Event Ticket Surcharges.

"**Utilities**" shall have the meaning set forth in **Article 9**.

### ARTICLE 3.

#### TERM

The term of this Lease (the "**Lease Term**" or "**Term**") shall commence on the Commencement Date and shall continue for three hundred and fifty-four (354) months thereafter (the "Expiration Date"), unless otherwise terminated in accordance with the terms herein. The "**Commencement Date**" shall mean the later of (a) August 1, 2001, or (b) a date that is ten (10) days following the delivery of written notice from the Authority to the Lessee that Substantial Completion of the Project has occurred. When the Commencement Date is established pursuant to the procedure set forth in clause (b), the parties will execute and deliver an "**Acknowledgment of Commencement Date**" in the form attached to this Lease as Exhibit E, and the Expiration Date shall be the last day of the 354<sup>th</sup> month following the Commencement

Date as so established which date shall be set forth in the Acknowledgment of Commencement Date. So long as the Lessee is not then in default of any of the provisions of this Lease, and provided that the Authority and the Lessee can agree upon the amount of payments to be made during the Extension Term as provided in **Section 4.1.1(d)** hereof, the Lessee may elect to extend the Term for up to four (4) extension periods of five (5) years each (each, an "**Extension Term**") by providing the Authority not less than one (1) year's prior written notice of each such election. The Extension Term (if so created) shall be deemed to be part of the Term, and throughout the Extension Term all of the terms and conditions contained in this Lease shall remain in effect, except that the payments to be made for the Extension Term shall be as set forth in **Article 4** and the Lessee shall have no additional rights to extend the Term.

ARTICLE 4.  
PAYMENTS; STATUTORY RENT

4.1 Payments.

4.1.1 From and after the Commencement Date, the Lessee shall make payments required hereunder to the Authority at the address set forth in **Article 16**, or at such other address as may be given in writing by the Authority to the Lessee, in the amounts described below.

(a) Authority's Share of Non-Sporting Event Revenues. The Lessee shall pay the Authority an amount equal to fifteen percent (15%) of all Net Revenues generated from Non-Sporting Events at the Stadium ("**Authority's Share of Non-Sporting Event Revenues**"). The Authority's Share of Non-Sporting Event Revenues shall be due and payable within thirty (30) days following the end of any quarterly period of a Lease Year, in which any such revenues have been generated.

(b) Statutory Rent. The Lessee shall pay the Statutory Rent and shall submit any required documentation with respect thereto pursuant to and in accordance with the provisions of Chapter 5 of the Capital Facilities Act. In the event that any provisions of the Lease pertaining to Statutory Rent conflict with the provisions of Chapter 5 of the Capital Facilities Act, the provisions of the Capital Facilities Act shall control.

(c) Extension Term. The payments required during each Extension Term (if any) shall be due and payable in such amounts and at such times as are mutually agreed in writing (with respect to each Extension Term) by the Authority and the Lessee.

All payments required to be made hereunder shall be paid on the date due, without notice, counterclaim, demand, offset or deduction.

4.1.2 In addition to the amounts set forth in **Section 4.1.1**, the Lessee shall be obligated to satisfy the payment, performance and other obligations specifically set forth in this Lease.

4.1.3 All sums payable by the Lessee under this Lease to the Authority shall be paid in legal tender of the United States by wire transfer or by check drawn on a U.S. bank (subject to collection), at the address to which notices to the Authority are to be given or to such

other party or such other address as the Authority may designate in writing. The Authority's acceptance of any payments required hereunder after it shall have become due and payable shall not excuse a delay upon any subsequent occasion or be deemed to waive any rights of the Authority hereunder.

4.2 Accounting Matters.

4.2.1 Records. The Lessee shall and hereby agrees to keep and maintain during the Lease Term and for a period of four (4) consecutive years following the end of each Lease Year, permanent, complete and accurate financial records for the gate receipts (including tickets to suites) and the expenses for operations of the Stadium, for each such Lease Year, which records shall be maintained in accordance with GAAP, and which records shall be audited not less than annually by an independent and nationally recognized firm of independent certified accountants selected by the Lessee and reasonably approved by the Authority (the "**Accountants**"). Notwithstanding the foregoing, all records relating to Statutory Rent shall be kept and maintained in a manner prescribed by the Office of the Budget of the Commonwealth of Pennsylvania. In that regard, pursuant to the provisions of the Capital Facilities Act, all tax records and information related to Statutory Rent shall be subject to all confidentiality protections provided by the Act of March 4, 1971 (P.L. 6, No. 2), known as the Tax Reform Act of 1971.

4.2.2 Financial Reporting, etc.

4.2.2.1 The Lessee shall submit to the Authority on or before June 30 of each Lease Year, beginning June 30, 2002, a complete and accurate financial statement prepared by the Accountants in accordance with GAAP with respect to the gate receipts (including tickets to suites) and the expenses for operations of the Stadium during the preceding Lease Year, including without limitation records related to the Authority's Share of Non-Sporting Event Revenues, all of which shall be in form reasonably acceptable to the Authority, certified by the Accountants, and including, without limitation, a statement from the Accountants that nothing came to their attention which caused the Accountants to believe that the Lessee was not in compliance with its obligations to pay (i) the Authority's Share of Non-Sporting Event Revenues and/or (ii) the Ticket Surcharge and further certified as accurate and correct by the chief financial officer of the Lessee. Records relating to Statutory Rent shall be submitted as required by the Capital Facilities Act.

4.2.2.2 [Intentionally deleted]

4.2.2.3 On or before the twentieth (20th) day of each month during the Lease Term, commencing with the month following the month in which the Commencement Date occurs, the Lessee shall provide to the Authority a complete and accurate financial statement with respect to the gate receipts (including tickets to suites) and expenses for operations of the Stadium during the preceding month, which shall be certified as accurate and correct in all material respects by the chief financial officer of the Lessee and PSSI and shall be in form reasonably acceptable to the Authority.



4.2.3 Authority Inspection and Audit. All financial records of the Lessee related to the gate receipts (including tickets for suites) and expenses for operation of the Stadium shall be open to the inspection and audit of the Authority and its representatives or agents during the Lease Term and for a period of four (4) years thereafter, which inspection shall occur at the Lessee's office, following reasonable notice. The Authority shall have the right to review and examine all documents and materials in the possession of the Lessee relating to the Stadium statement of operations, the Lessee's management of the Stadium and the Lessee's expenditures relating to the leasing and operation of the Leased Premises, to determine the accuracy of any statements, schedules or other information provided under the terms of this Lease.

4.2.4 Failure to Submit Statements. Failure of the Lessee to meet a scheduled date for delivery of its financial statements, or to submit a monthly and/or annual report required under this **Article 4**, at the time fixed by this Lease or otherwise by the Authority, which failure continues for thirty (30) days after delivery of written notice by the Authority to the Lessee, shall be deemed a default under this Lease and the Authority, in addition to all other remedies afforded to it under this Lease, shall be promptly reimbursed by the Lessee for all costs of such scheduled audit. Following such a default, in addition to the remedies afforded to it under this Lease, the Authority shall be entitled, without notice to the Lessee, to conduct an audit of the Lessee's books and records related to the Stadium for such period or periods during which the Lessee has failed to supply the Authority with reports, at the cost and expense of the Lessee. The receipt by the Authority of any statement or any payment hereunder for any period or the failure of the Authority to make an audit for said period shall neither bind the Authority as to the correctness of the statement or the payment, nor bar the Authority from collecting at any time thereafter the sums due for said period. If it is determined that there is a deficiency in any payment of the Authority's Share of Non-Sporting Event Revenues or Ticket Surcharge in excess of 5%, the Lessee shall forthwith pay to the Authority the amount of the deficiency together with interest at the Default Rate from the date when said payment should have been made, together with the reasonable cost of such audit.

#### 4.3 Statutory Rent.

4.3.1 Amounts Payable. The Lessee and/or PSSI covenant and agree to make three payments of Statutory Rent to the Authority of \$25,000,000.00 each, reduced by available credits under Sections 4.3.3 and 4.3.4 below. Said additional rental payments shall be due in the Lease Year immediately following the expiration of the first ten-year period of the Initial Term, at the expiration of the next ten-year period thereafter and at the expiration of the Initial Term. Payments shall be made to the Authority which shall remit such Statutory Rent payments to the Commonwealth.

4.3.2 Payments Due. Payments shall be made to the Authority by the Lessee and/or PSSI within one hundred twenty (120) days following the end of the appropriate Lease Year. The Lessee and/or PSSI shall provide documentation acceptable in form and substance to the Commonwealth of all credits claimed. The Lessee shall submit to the Commonwealth, annually within one hundred twenty (120) days following the end of each Lease Year, a

compilation of the credits that will be claimed for that tax year together with such supporting documentation of those credits as may be required by the Commonwealth.

4.3.3 Credits. The credits available for the first ten-year period of occupancy shall be amounts of eligible taxes paid to the Commonwealth in respect of that ten-year period which exceed the product of the Base Line Tax Amount multiplied by 7.5. The credits available for next two periods of occupancy shall be the amounts of eligible taxes paid to the Commonwealth in respect of each of those periods which exceed the product of the Base Line Tax Amount multiplied by 10.

4.3.4 Eligible Taxes. Eligible taxes available for credits shall include all of the following:

- (i) an amount equal to all corporate net income tax, capital stock and franchise tax and personal income tax paid to the Commonwealth by PSSI;
- (ii) an amount equal to:
  - 1) all personal income tax withheld from its employees and paid to the Commonwealth by the Lessee;
  - 2) all personal income tax withheld from the employees of any provider of events at the Stadium related to events held at the Stadium and paid to the Commonwealth;
  - 3) all personal income tax withheld from the employees of any provider of services to or at the Stadium related to services provided to or at the Stadium and to be paid to the Commonwealth;
  - 4) all personal income tax withheld from the employee of any enterprise in the Stadium or an enterprise developed by or for PSSI as part of the Stadium complex related to the operation of the enterprise at the Stadium or Stadium complex and paid to the Commonwealth; and
  - 5) all personal income tax to which the Commonwealth would be entitled from performers or other participants, including visiting teams, at an event or activity at the Stadium.
  - 6) An amount equal to all sales and use tax paid to the Commonwealth, the City or the County related to the operation of PSSI and the Stadium and enterprises developed by or for PSSI as part of the Stadium complex. This clause includes sales and use tax paid by any provider of events or activities at, or services to, the Stadium for

events or services provided to or at the Stadium, including sales and use tax paid by vendors and concessionaires and contractors at the Stadium related to their operations at the Stadium.

- 7) An amount equal to all tax paid, by PSSI or by any provider of events or activities at, or services to, the Stadium, to the Commonwealth related to the sale of any liquor, wine or malt or brewed beverage in the Stadium.
- 8) The amount paid to the Commonwealth by PSSI or by any provider of events or activities at, or services to, the Stadium for events or services provided to or at the Stadium, of any new tax enacted by the Commonwealth following the effective date of the Capital Facilities Act.
- 9) An amount equal to one-third of the following, incurred prior to the occupancy or lease of the Stadium:
  - a) all personal income tax withheld from personnel by PSSI or by a contractor or other entity involved in the construction or renovation of the Stadium related to work performed at or for the Stadium and paid to the Commonwealth; and
  - b) sales and use tax paid to the Commonwealth, the City or the County on materials and other construction costs, whether withheld or paid by PSSI or other entity, directly related to the construction or renovation of the Stadium.

4.3.5. Carryover of Credits. To the extent the amount of the credits available for a specific ten-year period exceeds \$25,000,000, the excess may be carried over and added to the amount of credits claimed under this Section 4.3 for the following ten-year period. Any excess credit still remaining, shall be carried over to subsequent ten-year periods until it is exhausted or until 30 years following the Commencement Date, whichever is sooner.

4.3.6 Commonwealth Inspection and Audit. All financial records of the Lessee related to the payment of Statutory Rent shall be open to the inspection and audit of the Commonwealth and its representatives or agents during the Lease Term and for a period of four (4) years thereafter, which inspection shall occur at the Lessee's office, following reasonable notice. The Commonwealth shall have the right to review and examine all documents and materials in the possession of the Lessee relating to the payment of Statutory Rent, to determine the accuracy of any statements, schedules or other information provided under the terms of this Lease.

ARTICLE 5.  
USE OF LEASED PREMISES

5.1 Suitability for Use; Use and Possession Rights.

Pursuant to the Development Agreement, the Lessee shall cause the Leased Premises to be designed and constructed so as to be fit for their intended purpose and suitable for use. The Lessee shall be entitled to exclusive use and possession of the Stadium subject only to Permitted Encumbrances, none of which Permitted Encumbrances shall materially diminish Lessee's ability to use the Leased Premises for their intended purposes, and to the rights of the holders of the stadium builder licenses sold in connection with the development of the Project and the rights of the Authority and Commonwealth as set forth herein. The Lessee shall be entitled to grant licenses with respect to the Leased Premises, and shall be entitled to revenue from all Events and activities (other than reserved Community Events and other than the Authority's share of Non-Sporting Event Revenue) as hereinafter provided. The Lessee shall use and operate the Stadium for public assemblies, the holding of athletic contests and exhibitions, sporting events and tournaments, musical and dramatic performances and other business, social, cultural, scientific and recreational events.

5.2 Revenues from Events.

The Lessee shall be responsible for marketing and scheduling all Events (other than reserved Community Events) and will retain 100% of the revenue from all Sporting Events and other activities, and 85% of the Event specific Net Revenues from Non-Sporting Events.

5.3 Public Use – Community Events.

The City, County and the Authority, collectively, shall have the right to use the Stadium for up to three (3) civic, cultural or community events and activities as it deems reasonably appropriate including, without limitation, events such as Special Olympics and civic celebrations ("**Local Community Events**") during each Lease Year (excluding the months of September, October, November and December), commencing with the Commencement Date. Local Community Events shall only be scheduled on dates approved by the Lessee (which approval shall not be unreasonably withheld or delayed), and the Authority shall provide not less than one hundred twenty (120) days written notice to the Lessee of dates on which it desires to schedule Local Community Events. Such notice shall include the date, time and length of Events as well as a general description of the Event. Local Community Events may be moved to another date if the Stadium is required for an NFL Event or other previously scheduled Non-NFL Event. No Local Community Event will be permitted that will result in material damage to, or unreasonable use of, the playing surface of the Stadium, as determined by the Lessee in its reasonable discretion. All Net Revenues derived from Community Events sponsored by governmental or nonprofit entities shall be distributed to the sponsoring entities. The Lessee shall not charge rental or a license, use or other fee for use of the Stadium for a Local Community Event, but shall be reimbursed for out-of-pocket operating expenses and costs relating to the operation of the Stadium, including, by way of example and not of limitation, additional utilities, security, costs of operating Stadium Concessions, costs of cleaning the Stadium after the Community Event, and personnel costs that would not be incurred but for the Local Community Event

("Community Event Operating Expenses") attributable to the use of the Stadium for each Community Event. Payments due to the Lessee for Community Event Operating Expenses shall be made within 30 days after submission of an invoice by the Lessee to the Authority stating in detail the expenses incurred.

5.4 Use by the Commonwealth.

The Commonwealth shall also have the right to use the Stadium for up to three (3) civic, cultural or community events and activities as it deems reasonably appropriate including, without limitation, events such as Special Olympics and civic celebrations during each Lease Year (excluding the months of September, October, November and December) ("**Commonwealth Community Events**", and together with Local Community Events, "**Community Events**"). Commonwealth Community Events shall only be scheduled on dates approved by the Lessee (which approval shall not be unreasonably withheld or delayed), and the Authority shall provide not less than one hundred twenty (120) days written notice to the Lessee of dates on which it desires to schedule Commonwealth Community Events. Such notice shall include the date, time and length of Events as well as a general description of the Event. Commonwealth Community Events may be moved to another date if the Stadium is required for an NFL Event or other previously scheduled Non-NFL Event. No Commonwealth Community Event will be permitted that will result in material damage to, or unreasonable use of, the playing surface of the Stadium, as determined by the Lessee in its reasonable discretion. All Net Revenues derived from Community Events sponsored by governmental or nonprofit entities shall be distributed to the sponsoring entities. The Lessee shall not charge rental or a license, use or other fee for use of the Stadium for a Commonwealth Community Event, but shall be reimbursed for out-of-pocket Community Event Operating Expenses attributable to the use of the Stadium for each Community Event. Payments due to the Lessee for Community Event Operating Expenses shall be made within 30 days after submission of an invoice by the Lessee to the Commonwealth stating in detail the expenses incurred.

5.5 Announcements.

The Authority, on behalf of the City and County, shall have the right, for an appropriate purpose, not more than two (2) times during each Event, at no cost to the Authority, City, or County, to use the Communication System for disseminating public service community announcements and announcements concerning future Community Events at such reasonable times as are designated by the Lessee. During Community Events, the Authority shall have the right to permit the sponsor of the Community Event to use the Communication System for any purpose related to its charitable, civic or non-profit activities and at no cost. In addition, the Lessee shall, upon the Authority's request, from time to time, at reasonable times designated by the Lessee, place announcements and advertisements concerning Community Events in a prominent location on the marquee sign or signs placed on the Leased Premises which are used to advertise Lessee Events, provided, however, that the placement, frequency and timing of such announcements and advertisements shall be consistent with the Lessee's practices for placement, frequency and timing of advertisements with respect to NFL Events and Non-NFL Events.

5.6 Compliance With Laws.

The Lessee shall comply with and conform to all Applicable Laws and orders of all applicable Governmental Authorities having jurisdiction over the Leased Premises, except to the extent the Authority is responsible for compliance with Environmental Laws pursuant to **Section 13.1** below and pursuant to the Development Agreement, and relating in any manner whatsoever to the Lessee's use and occupancy of the Leased Premises, including without limitation the Capital Facilities Act and the Lessee shall procure and maintain all franchises, licenses, approvals and permits required for its business and for the operation of the Stadium.

5.7 Assignment of Warranties.

The Lessee will have the benefit of all warranties relating to construction, and to fixtures, machinery and equipment installed in the Stadium that are made and delivered by the Construction Manager or trade contractors and any manufacturer of any fixtures, machinery and equipment, and the Authority hereby assigns and transfers to the Lessee, during the Term, all of its right, title and interest in and to these warranties. Notwithstanding the foregoing, to the extent that any of such warranties impose duties of indemnification upon the maker, the Authority and the Lessee will share such right of indemnification as their interests may appear. The Lessee shall, at its sole cost and expense, preserve all warranties and shall comply with all use limitations and maintenance requirements. Notwithstanding the foregoing, immediately upon the occurrence of an Event of Default by the Lessee, all warranties related to fixtures, machinery and equipment related to the Stadium shall be automatically re-assigned to the Authority without further action.

5.8 Authority Reservation of Luxury Box; Tickets and Services.

The Authority reserves for itself, without payment of any rent, fees or charges, the use of one 12-seat Luxury Suite, to be located at a location to be selected by the Lessee, after consultation with the Authority. The Authority Luxury Suite shall include, without additional charge, tickets to all Events. Food, beverage and other services to the Authority's Luxury Suite shall be furnished by the Lessee through its Concession agreements at the same price charged to the Lessee under its concession agreements. In addition, the Authority shall be furnished with (i) twenty-four (24) additional tickets to each Event, at a location to be selected by the Lessee, and (ii) not less than 2 parking spaces at a location comparable to those spaces provided to holders of comparable Luxury Suites.

5.9 Authority Office.

At the election of the Authority, the Authority will be provided with an unfurnished private office and reception area within the Stadium for its use, which will contain approximately 500 square feet, and be located at street level or above. Such office space will be finished in connection with the construction of the Stadium, at no additional cost to the Authority. The Authority acknowledges that it has no current intention of electing to obtain such an office, however, if the Authority so elects, this office will be delivered in a finished condition and suitable for use as a business office. The Authority will pay no rent or utilities, except the cost of telephone and communications services. Cleaning and routine maintenance, including periodic

painting and replacement of carpeting, will also be the responsibility of the Lessee. Furthermore, if at any time during the Lease Term, the Lessee or the Lessee's agent or sublessee is no longer managing the Leased Premises, and it is necessary for the Authority, or its designee, to assume management responsibilities with respect to the Leased Premises, the Lessee will furnish additional office space in amounts sufficient for the Authority to fulfill its management responsibilities, but in no event less than three thousand (3,000) square feet of contiguous finished space at street level or above (the "**Additional Authority Space**"). The cost of finishing the Additional Authority Space, as well as all costs related to maintenance and repair of any Additional Authority space furnished to the Authority under this **Section 5.9**, will be paid by the Authority.

ARTICLE 6.  
ASSIGNMENT AND SUBLETTING

6.1 Restrictions.

Except as provided elsewhere in this **Article 6**, the Lessee shall not assign, transfer, mortgage or otherwise encumber or restrict this Lease or any of the Lessee's rights or obligations hereunder, or sublet the Leased Premises or any part thereof, or enter into any management agreements with respect to the operations or maintenance of the Stadium, whether by operation of law or otherwise, without the Authority's prior written consent. Notwithstanding the foregoing, no such consent shall be required for the sublease of up to 75,000 square feet of space in the Stadium as long as (i) prior to Lessee's execution of a sublease agreement it shall review the terms of such agreement with the executive director of the Authority (ii) any consideration payable pursuant to such agreement is to be paid proportionately over the term of such agreement and (iii) the term of such agreement is no longer than the Term of this Lease. Notwithstanding the foregoing, the Authority acknowledges that the Lessee will sublease the Leased Premises to PSSI upon the terms and conditions contained in the Sublease Agreement following the Authority's written approval of the terms thereof, not to be unreasonably withheld. Subject to the provisions of **Section 6.4**, for purposes of this Agreement, any change in control of the Lessee or PSSI shall be deemed an assignment. Notwithstanding any assignment, sublet or transfer, whether or not in violation of this Lease, and notwithstanding the acceptance of any rent by the Authority from an assignee, transferee or any other party, but subject to the last sentence of this **Section 6.1**, the Lessee and each successor lessee shall remain fully liable for the payment of the Statutory Rent and all additional sums required to be paid to the Authority by the Lessee under this Lease and/or any Related Agreement and the performance of the Lessee's other obligations under this Lease. The Authority's consent to any assignment, subletting or occupancy, or the Authority's acceptance or collection of rent from any assignee, sublessee or occupant, shall not be construed (a) as a waiver or release of the Lessee from liability for the performance of any obligation to be performed under this Lease by the Lessee, or (b) as relieving the Lessee or any assignee, sublessee or occupant from the obligation of obtaining the consent of the Authority to other matters for which its consent is required. All restrictions and obligations imposed upon the Lessee pursuant to this Lease shall be deemed to extend to any sublessee or assignee of the Lessee, and the Lessee shall cause such persons or entities to comply with all such restrictions and obligations. Notwithstanding the foregoing, upon any assignment of this Lease and provided that the assignee assumes all of the obligations of the Lessee (or any subsequent permitted lessee) hereunder and under the Related Agreements pursuant to an

Assignment and Assumption Agreement in form and substance reasonably acceptable to the Authority, the Lessee and any guarantor hereof including without limitation PSSI (or, as may be applicable, any subsequent permitted lessee and guarantor hereof) shall be released from all obligations thereafter arising hereunder or under any of the Related Agreements.

#### 6.2 Ownership and Control.

The Lessee covenants and agrees that at all times during the Term of this Lease, either (i) the Lessee of this Lease shall be the sole owner of the Franchise or (ii) the obligations of the Lessee under this Lease will be guaranteed by the entity (or entities if in the future there is more than one) owning the Franchise (Pittsburgh Steelers Sports, Inc.). The Lessee agrees that during the Term of this Lease, except for transfers to Permitted Transferees, without written approval of the Authority allowing this provision to be waived, any change in the ownership of the capital stock of the Lessee or any change in the ownership of the Franchise will be made in accordance with the financial and ownership criteria and standards of the NFL which are then in effect for the NFL as a whole, without any special waivers or exceptions being made by the NFL for the Lessee or the Franchise. The Lessee agrees that upon entering into any commitment to sell or transfer the Franchise, the Lessee shall provide written notification of such commitment to the Commonwealth and the Authority.

#### 6.3 Other Permitted Subleases.

The Lessee shall be permitted to sublease and license, for retail and entertainment use, portions of the Stadium provided that such usage is consistent with the operation of the Stadium as a first-class sports and entertainment facility; provided: (i) in no event may the Stadium be used as a venue for professional baseball events, (ii) prior to Lessee's execution of a sublease or license agreement it shall review the terms of such agreement with the executive director of the Authority (iii) any consideration payable pursuant to such agreement is to be paid proportionately over the term of such agreement and (iv) no such agreement may have a term which is longer than the Term of this Lease. Without limitation of the foregoing, the Lessee shall be permitted to license the Stadium for use by others, including the University of Pittsburgh, the Western Pennsylvania Interscholastic Athletic League, PACE Entertainment, and other entities.

#### 6.4 Permitted Transfers.

Nothing contained in this **Article 6** is intended to limit, restrict, or require the Authority's consent for transfers of capital stock of the Lessee or PSSI to, between or among Permitted Transferees. For purposes of this Lease, a "**Permitted Transferee**" of any ownership interest in the Lessee or PSSI shall mean (i) the existing shareholders of the Lessee or PSSI, (ii) said shareholders' respective parents, grandparents, spouses, children, grandchildren or lineal descendants, and (iii) any entity controlled by any person described in the preceding clauses (i) or (ii).



6.5 Covenant Not to Relocate.

In consideration for the participation of the Authority and the Commonwealth in the Project, the Lessee affirmatively covenants that for the Term of this Lease, there shall be no relocation, or attempted relocation, of the Franchise outside of the City of Pittsburgh.

6.6 Transfers of the Authority's Interest.

No transfer or sale of the Authority's interest hereunder shall release the Authority from any of its obligations or duties hereunder accruing prior thereto. The Authority shall be released from any ongoing obligations hereunder from and after the date of such transfer only upon the assumption of all such obligations and duties by the transferee of the Authority. Notwithstanding anything contained herein to the contrary, in no event shall the Authority have the right to transfer, in any manner whatsoever, or to sell the Leased Premises or its interest hereunder to any entity other than the City, the County, the Commonwealth or any Governmental Authority controlled by any of the foregoing, prior to the Commencement Date.

ARTICLE 7.  
OPERATIONS

7.1 Lessee's Covenants.

7.1.1 The Lessee shall manage and operate all aspects of the Stadium, subject to the Authority's and the Commonwealth's right to utilize the Stadium for Community Events as provided in **Sections 5.3** and **5.4** above.

7.1.2 At all times during the Lease Term, the Lessee and PSSI shall operate the Stadium as a first class sports and entertainment facility comparable with similar football stadia in the United States housing NFL teams.

7.1.3 The Lessee shall do all things and take all actions and expend such funds necessary or desirable for the operation of the Stadium in accordance with this Lease throughout the Lease Term. Without limiting the generality of the foregoing, the Lessee, at all times throughout the Lease Term, shall:

(a) Commence, defend and settle in good faith such legal actions or proceedings concerning the operation of the Stadium as are necessary or required in the reasonable opinion of the Lessee; retain counsel in connection with such defense; and notify the Authority in writing of the commencement of any legal action or proceeding and advise the Authority of the progress of any such legal action or proceeding; and maintain such insurance with respect to the obligations of the Lessee set forth in this Lease as may be required by **Article 12**, or as the Lessee otherwise determines appropriate. Upon request, the Lessee shall send to the Authority copies of all legal documentation relating to such legal actions.

(b) Employ, train, pay, supervise and discharge all personnel and/or engage such independent contractors, as the Lessee determines to be necessary for the operation of the Stadium as a first class sports and entertainment facility.

(c) Maintain or cause to be maintained all necessary licenses, permits, approvals and authorizations required by any Governmental Authority, for the operation of the Leased Premises.

7.1.4 At all times during the Lease Term, the Lessee and PSSI will maintain their existence as Pennsylvania corporations or other form of Pennsylvania domiciled entity.

7.1.5 At all times during the Lease Term, the Lessee shall cause PSSI to (i) maintain its membership and franchise in the NFL in good standing, and (ii) hold, maintain and defend its rights and franchise to play professional football in the City.

7.1.6 The Lessee shall have no power to bind the Authority, except as specifically approved in writing in advance by the Authority.

7.1.7 On or before the Commencement Date, and thereafter in accordance with Applicable Law, the Lessee will submit to the Authority and to the Commonwealth, a plan to provide affordable seating during NFL Events (as defined in the Lease), in portions of the Stadium. This plan will comply with Applicable Law and will identify in detail the number and location(s) of seats designated as affordable and the number and dates of games in which seats designated as affordable will be available. Additionally, the Lessee shall comply with the Affordable Seating requirements set forth in Section 10 of that certain Agreement dated as of June \_\_\_, 2000 among the Commonwealth, the Lessee and PSSI.

7.1.8 At all times during the Lease Term, the Lessee and PSSI will maintain their headquarters and principal places of business within Allegheny County, Pennsylvania, and will maintain all of their facilities within the Commonwealth.

## 7.2 Ticket Surcharge.

7.2.1 NFL Events Ticket Surcharge. A five-percent (5%) ticket surcharge shall be imposed by the Authority on all tickets sold for all NFL Events. Such surcharge shall be capped at an average of three dollars (\$3.00) per ticket (the "**NFL Events Ticket Surcharge**"). The Lessee shall collect or cause it to be collected, and shall remit all proceeds to the Authority without offset, claim or deduction. To the extent that proceeds from the NFL Events Ticket Surcharge exceed \$1,400,000 in any Lease Year, the Authority shall pay such excess into the Capital Reserve Fund, as the same are received by the Authority.

7.2.2 Non-NFL Events Ticket Surcharge. A five-percent (5%) ticket surcharge shall be imposed by the Authority on all tickets sold for all Non-NFL Events. Such surcharge shall be capped at an average of two dollars (\$2.00) per ticket for Non-NFL Events (the "**Non-NFL Events Ticket Surcharge**"). The Lessee shall collect or cause it to be collected, and shall remit all proceeds to the Authority without offset, claim or deduction. The cap on the Non-NFL Events Ticket Surcharge shall be increased to an average of (i) two dollars and 25/100 (\$2.25) beginning at the commencement of the 10<sup>th</sup> Lease Year, and (ii) two dollars and 50/100 (\$2.50) beginning at the commencement of the 20<sup>th</sup> Lease Year. The entire Non-NFL Events Ticket Surcharge shall be remitted to the Authority.

7.3 Lessee Revenues.

7.3.1 Gate Receipts. Except as specifically set forth in this Lease, the Lessee shall retain 100% of all Ticket Revenues (net of the Amusement Tax and Ticket Surcharge).

7.3.2 Concessions. The Lessee shall have the duty and the right to select and negotiate the Stadium's Concessions contracts, provided, that, the list of eligible concessionaires with which the Lessee may contract and the contract provisions affecting Stadium construction shall be subject to approval by the Authority, which approval shall not be unreasonably withheld or delayed. The Lessee shall retain 100% of all Concession revenues for all Events other than Community Events.

7.3.3 Non-Sporting Events. The Lessee shall have the duty and the right to market and schedule all Non-Sporting Events (other than Community Events). The Lessee will retain 85% of the Event specific Net Revenues from Non-Sporting Events. The remaining 15% of the Event specific Net Revenues shall be paid to the Authority as described in **Section 4.1.1(b)** hereof.

7.3.4 Luxury Suites and Club Seats. The Lessee shall have the duty and the right to market and sell Luxury Suites and Club Seats and shall retain 100% of the revenue generated therefrom. Notwithstanding the foregoing, and notwithstanding anything to the contrary contained herein, the Lessee agrees to use all commercially reasonable efforts to obtain NFL approval to permit it or PSSI to deposit into the Capital Reserve Fund, from and after June 1, 2017, the visiting team's share of Club Seat revenues (or other substitute or alternative funding mechanisms) for Stadium construction or renovations. Following the receipt of such approval, if obtained, the visiting team's share of Club Seat revenues (or such other substitute or alternative funding mechanisms) shall be deposited into the Capital Reserve Fund.

7.3.5 Novelties and Programs. The Lessee shall have the duty and the right to market and sell novelties and programs and shall retain 100% of the revenue generated therefrom.

7.3.6 In-Stadium Advertising. The Lessee shall have the duty and right to market and sell in-stadium advertising and shall retain 100% of the revenue generated therefrom.

7.3.7 Naming Rights. The Lessee shall have the option to sell the naming rights to the Stadium during the Term of this Lease, and shall retain 100% of the revenue generated from the sale of naming rights to the Stadium during the Term of this Lease. The name of the Stadium shall be subject to the approval of the Authority only to the extent that the name of the Stadium may not be permitted to be morally objectionable.

7.3.8 Other Revenue. Except as specifically provided in this Lease with respect to the Authority's share of Non-Sporting Event Net Revenues, the Lessee shall retain 100% of all revenues generated at the Leased Premises from the use and/or operation of the Leased Premises, including, but not limited to, all revenues specifically identified in this Lease, as well as revenues not specifically identified in this Lease.

7.4 Operating Budget.

7.4.1 On or before August 1, 2001, with respect to the first partial Lease Year, and on or before April 1 of each Lease Year thereafter (commencing on April 1, 2002), the Lessee shall submit its proposed stadium operating budget for such Lease Year (including, without limitation, detailed itemization of the Lessee's estimated maintenance expenditures hereunder) to the Authority in such form, and with such content and with such detail, as the Authority may reasonably require.

7.5 Operation of Concessions.

The Lessee will operate all Concessions and the Authority agrees that except for rights granted to the owners of the Pittsburgh Pirates baseball franchise, their successors and assigns during Pirate games and/or any applicable parking concessionaires, in both cases, with respect to surface parking lots adjacent to the Site, it shall not grant to any other Person the right to operate Concessions on the Site or surface parking lots adjacent to the Site that are owned or controlled by the Authority or the Stadium Authority; provided, in no event shall the foregoing be deemed to limit the activities which may be conducted (or the individuals who may conduct them) upon any particular surface parking lot(s) following the development and/or construction of improvements on such surface parking lot(s). The Lessee or its licensees or sublicensees shall have the right to sell to the general public at all times at the Stadium food, beverages, alcoholic beverages, clothing, novelties, and other items as deemed appropriate by the Lessee in its reasonable discretion. The Lessee agrees that the kinds, quality and prices of goods and services shall be consistent with the following:

(i) all products for human consumption shall be stored, handled, prepared and served until delivery to the consumer in compliance with all Applicable Laws and consistently with the highest sanitary standards;

(ii) all Concessions shall be operated in a manner consistent with the operation of a first class sports and entertainment facility; and

(iii) food and beverage offerings shall be similar in quality to those offered at comparable NFL stadiums constructed between 1995 and 2003.

The Lessee will offer to its concessionaires the right of first refusal to furnish suitable Concessions at Community Events, provided that all Net Revenues from Concessions sold at Community Events shall be paid as provided in the contracts between the Lessee and its concessionaires. If the Lessee's concessionaires elect for any reason not to furnish Concessions at Community Events, the Authority may permit other arrangements, provided that concession facilities of the Stadium may not be used except with the permission of the Lessee.

7.6 Management Authority.

Until the expiration of the Term of this Lease, as long as the Lessee remains in compliance with the terms of this Lease, the Lessee shall have the right, duty and obligation, at its own cost, market, manage and operate the Stadium, subject to the terms, conditions and

limitations of this Lease, the Related Agreements and Applicable Law. The Lessee's rights and duties as manager shall include, without limitation:

(a) soliciting, negotiating and entering into leases, licenses and similar agreements regarding the use and presentation of events at the Stadium with professional and amateur sports franchises other than the Franchise and without promoters of events in form and content which the Lessee reasonably expects will maximize the use and revenues of the Stadium by and from other professional and amateur sports franchises, lessees and other users or promoters of events;

(b) entering into licenses for the use of Luxury Suites and Club Seats and agreements with respect to promotions and advertising at the Stadium, and engaging in any and all necessary and appropriate marketing and sales activities with respect to such licenses and agreements;

(c) making appropriate scheduling, staffing and other arrangements with respect to the exercise by the Authority and the Commonwealth of their reserved rights to hold Community Events pursuant to this Lease;

(d) entering into agreements for the right to provide technical production services for radio, TV, cable and other transmissions from the Stadium;

(e) negotiating and entering into agreements with agents and consultants with respect to management and marketing of the Stadium and negotiating and entering into all other agreements with suppliers, concessionaires, vendors, promoters and other parties related to the operation and promotion of the Stadium;

(f) negotiating and entering into an agreement or agreements regarding the naming of the Stadium;

(g) managing, staffing and operating the Stadium both during Event and non-Event periods in a manner appropriate to the operation of the Stadium consistent with industry standards and Applicable Law, including without limitation using its commercially reasonable efforts to comply with the applicable portions of the Minority and Women Business Enterprise Plan and employing all personnel, contractors and vendors necessary and appropriate to efficiently operate the Stadium; and

(h) subject to the terms and conditions of this Lease, and except as may be specifically limited hereby, taking any and all other action and entering into all other agreements with respect to the marketing, management, concessions and operation of the Stadium that the Lessee determines (using its reasonable judgment) to be necessary or appropriate to the marketing, management and operation of a first class sports and entertainment complex; provided, that notwithstanding anything contained herein to the contrary, in no event shall the term of any such agreements referenced in this Section 7.6 continue beyond the Term of this Lease.

In connection with the rights and obligations of the Lessee to manage, market, maintain and operate the Stadium, the Lessee itself may perform marketing, management and operating rights and duties with respect to the Stadium or may from time to time, enter into contract(s) On Market Terms with either a firm or firms of national or regional repute, experience and standing

in certain or all aspects of marketing, management and operation or with Affiliate(s) of the Lessee. If stadium management firms are retained by the Lessee, and such stadium management firms, or their principals, shall at any time have any business relationship with the Lessee, or its principals, other than with respect to the Stadium, the Lessee shall disclose such relationship in writing to the Authority and shall maintain such other business relationship and the Stadium relationship entirely independent and separate from each other. Notwithstanding anything contained herein to the contrary, prior to entering into any agreement with a management firm or an Affiliate, the Lessee shall receive the written approval of the Authority, which shall not be unreasonably withheld or delayed.

7.7 Parking.

7.7.1 General Parking Spaces.

The Authority shall ensure the availability for use in connection with all Events of at least 5,000 parking spaces in surface parking lots and/or parking garages within 3,000 feet of the Stadium whether owned or operated by the Authority or other Person(s) (the "**General Parking Spaces**"); provided, however, that the General Parking Spaces may also be coextensively available for other purposes during any Events; provided, further, however, the Authority agrees that on Event days (other than days on which Pittsburgh Pirates baseball games are played), all General Parking Spaces owned by the Authority and/or the Stadium Authority shall not be made available to the public until five (5) hours prior to such Event. The Authority acknowledges and agrees that the parking spaces in Allegheny Center shall not be included when counting the 5,000 General Parking Spaces (but the parking spaces in the General Robinson St. Garage will be included).

7.7.2 Permanent Surface Parking Spaces.

The Authority shall ensure the availability for use in connection with all Events of 1,100 surface parking lot spaces in the Option Area in the vicinity east of the Stadium, whether owned or operated by the Authority or other Person(s), which spaces are depicted generally on Exhibit F as "**Surface Parking**" (the "**Permanent Surface Parking Spaces**"); provided, however, that, except as otherwise provided in this **Section 7.7.2**, the Permanent Surface Parking Spaces may also be coextensively available for other purposes during any Events; provided, further, however, the Authority agrees that on Event days (other than days on which Pittsburgh Pirates baseball games are played), all Permanent Surface Parking Spaces owned by the Authority and/or the Stadium Authority shall not be made available to the public until five (5) hours prior to such Event. The Lessee acknowledges and agrees that the Permanent Surface Parking Spaces shall be included within the 5,000 General Parking Spaces referred to in **Section 7.7.1** above. The Lessee shall be paid on a quarterly basis by the Authority or the Stadium Authority one hundred percent (100%) of the Event Day Permanent Surface Net Parking Revenues (which are net of any amounts due and payable to ALCO); provided, however, that the Authority or the Stadium Authority shall have no obligation to pay such Event Day Permanent Surface Net Parking Revenues to the extent that Permanent Surface Parking Spaces have been eliminated with the consent of the Lessee and the Pittsburgh Pirates Major League Baseball Franchise. The Authority's obligations hereunder are contingent upon, and subject to, the rights of ALCO Parking in certain of such spaces.

7.7.3 Event Day Parking Spaces.

The Authority shall enter into an agreement with the Lessee pursuant to which it shall lease to the Lessee for all Events during the Term of this Lease, at an annual fee of Forty-Four Thousand Eight Hundred Dollars (\$44,800.00), as adjusted annually by CPI Increases, 350 Parking Spaces (the "**Event Day Parking Spaces**"). The Event Day Parking Spaces are depicted generally on Exhibit F as "**Event Day Spaces**." The Event Day Parking Spaces shall be for use by the Lessee, the Franchise, and their respective employees, agents and invitees for all Events.

7.7.4 Daily Parking Spaces.

The Authority shall, pursuant to the agreement described in **Section 7.7.3** above, lease to the Lessee or its employees, in consideration for payment by the Lessee to the Authority of parking fees at an annual fee of Forty Thousand Dollars (\$40,000.00) as adjusted annually by CPI Increases, 100 parking spaces for use at all times, 365 days a year, during the term of this Lease, for daily parking by the Lessee, the Franchise, and their respective employees, agents and invitees (the "**Daily Parking Spaces**"). The location of the Daily Parking Spaces is depicted generally on Exhibit F as "Daily Parking."

7.7.5 No Reduction in General Parking Spaces. The Authority covenants and agrees that with the exception of temporary losses of parking spaces due to the construction of separate structures or the maintenance of existing structures on the Site or in the North Shore area of the City, whether the parties enter into the Option Agreement or not, the Authority shall not take any action, nor fail to take any action, which would permit a reduction in the total number of General Parking Spaces required to be available pursuant to **Section 7.7.1** above. The Authority further agrees to use commercially reasonable efforts to cause the total number of General Parking Spaces to be increased in future years. In the event that some number of the General Parking Spaces are eliminated due to commercial development or road construction on such spaces, the Authority shall ensure the availability of the same number of parking spaces in alternative areas within 3,000 feet of the Stadium whether owned or operated by the Authority or other Person(s). In the development of new structures or other projects in the North Shore area of the City, the Authority shall at all times comply with, and attempt to cause compliance by third parties with, the provisions of this Lease, and specifically this **Section 7.7.5**.

7.7.6 North Shore Garages. The Authority shall use commercially reasonable efforts to construct three (3) new parking garages in the North Shore area of the City, two (2) of which shall be located in the Option Area (the "**Option Area Garages**") and one of which shall be located on General Robinson Street, between Federal Street and Sandusky Street (the "**General Robinson St. Garage**") (the Option Area Garages and the General Robinson St. Garage shall be referred to collectively as the "**North Shore Garages**"). It is the intention of the Authority that the Option Area Garages will contain not fewer than 1,600 parking spaces; provided, the Lessee and the Pittsburgh Pirates shall each have the right to approve the size and location of such garages, which approval shall not be unreasonably withheld or delayed. To pay the Garage Operating and Financing Costs of the General Robinson St. Garage, the Authority shall utilize the revenues received by the Authority or the Stadium Authority from the operation of the General Robinson St. Garage and the surface parking lots designated on Exhibit F as Lots 7A through 7J. Only to the extent that these designated revenues are insufficient to cover the

Garage Operating and Financing Costs on the General Robinson Street Garage, Non-Event Day Option Area Net Parking Revenues may be applied by the Authority to pay the Garage Operating and Financing Costs of the General Robinson Street Garage. To pay the Garage Operating and Financing Costs of the Option Area Garages, the Authority may, with the consent of the Lessee, which consent may be granted or withheld by Lessee in its sole and absolute discretion, utilize the Non-Event Day Option Area Net Parking Revenues which are deposited into the Steelers North Shore Development Fund.

7.7.7 Future Development and Parking Revenues.

(a) The Authority and the Lessee agree that future development of the Option Area is critical to the continuing success of the Stadium, the Franchise, the convention, tourism, and economic development of the City and County. In connection with their desire to support such future development, the Authority, the Stadium Authority of the City of Pittsburgh and the Lessee intend to enter into an agreement which contains their mutual agreement with respect to future development in the Option Area (the "**Option Agreement**"), the terms of which shall include, among other things, the items listed on Exhibit G attached hereto. The Authority and Lessee acknowledge and agree that it is anticipated and intended that the Option Agreement will be entered into by the Authority (on its own behalf, or pursuant to a cooperation agreement with the Stadium Authority of the City of Pittsburgh) as one party, and a joint venture or partnership (or other arrangement as approved by the Authority), including the Lessee and the Pittsburgh Pirates, as the other party. As such, the terms "Lessee" and "Authority" as used in any provisions related to the Option Agreement shall, as appropriate, be deemed to mean such joint venture or partnership, and the Authority, as the case may be. Notwithstanding anything contained herein to the contrary, recognizing that the area identified as "Parcel 1" on Exhibit G-1 attached hereto, is of particular importance to the Lessee, the parties hereto agree that Parcel 1 shall not be included within the Option Area and that the Lessee and the Authority (but not the joint venture) intend to enter into a separate option agreement with respect to Parcel 1, the terms of which shall be substantially as set forth in Exhibit G; provided, in the event (i) such Option Agreement is not negotiated within the Option Negotiation Period, or (ii) such option is not exercised within three (3) years after the date hereof, Parcel 1 shall be deemed to be included within the Option Area.

(b) In consideration of (i) the investment of private equity provided by or arranged by the Lessee, (ii) the Lessee's commitment to cover construction cost overruns in the construction of the Stadium and (iii) the Lessee's agreement to pay the costs of operating and maintaining the Stadium, all as set forth in the Lease and the Development Agreement between Authority and Lessee, (iv) the Lessee's foregoing of certain parking revenues otherwise generated by the Option Area, and in further consideration of the Lessee's interest in the parking and traffic plan necessary for Lessee to operate on the Site, the Authority covenants and agrees that if the Authority, the Stadium Authority, and the Lessee do not, on or before December 31, 2000 (the period beginning upon the execution of the Lease and through and including December 31, 2000 being the "**Option Negotiation Period**") (unless extended by mutual agreement of the parties hereto, or as extended as set forth in Exhibit G hereto) enter into the Option Agreement, the Authority shall nonetheless consult with the Lessee during any discussions either of them may undertake with third parties concerning the development of the Option Area. The Authority, in consideration of the time spent and expenses heretofore incurred by Lessee in evaluating the



future development of the Option Area, hereby agrees that Lessee shall have the exclusive right to negotiate with the Authority as to the future development of the Option Area during the Option Negotiation Period and the Authority and the Lessee will undertake such negotiations seriously and in good faith; the intention being that Lessee and the Authority will negotiate in good faith, using all reasonable efforts, to reach a development plan acceptable to both parties. In addition, prior to entering into any form of development agreement or arrangement with a third party, the Authority shall be obligated to obtain Lessee's prior approval of such arrangements solely for purposes of (x) insuring conformity with design and development standards created through the master planning process, (y) assuring the Authority's compliance with its commitment regarding parking availability and (z) assurance that the Authority will share with the Lessee the revenue derived from the sale or lease of property in the Option Area for the purpose of offsetting the Lessee's funding of the annual operating and maintenance costs of the Stadium and the loss of parking and development revenues that otherwise would have derived for such purposes by the Lessee from the Option Area.

(c) The master plan developed for the Option Area may in any case provide (subject to approval by ALCO Parking) for a master leasing program from the Authority to the Lessee (including all parking spaces in the Option Area or replacement spaces in the North Shore Garages or other garages, as permitted above, including all parking spaces in Lots 7a through 7j, so long as inclusion of such Lots 7a-7j does not negatively impact the financing of the General Robinson St. Garage) for the purpose of providing to the Lessee a parking availability program for Event and Lessee employee parking, the Authority agreeing to work cooperatively with the Lessee to establish a pricing program consistent with the nature of the Lessee's Events. The master parking program will include the Authority establishing (to the extent otherwise permitted by law) a "permit parking" system for daily, non-Event parking (and Event parking before 5:00 p.m.) on "Steeler Way." The Authority will work cooperatively with the Lessee to assist the Lessee in identifying and obtaining usage of parking (within shuttle distance) for use of Event day staff.

(d) In further consideration of the investment of private equity provided by or arranged by the Lessee as set forth above, the Authority covenants and agrees for the Option Agreement Negotiation Period set forth above, the Authority will not offer to sell, or sell, transfer or convey any part of the Option Area to any third party, without the prior written consent of Lessee, which may be granted or withheld in Lessee's absolute discretion.

(e) If the Authority, the Stadium Authority and the Lessee enter into the Option Agreement within the Option Negotiation Period, the Authority shall establish a development fund (the "**Steelers North Shore Development Fund**"), as a segregated fund of the Authority, separate and apart from other funds of the Authority. In the event that the Steelers North Shore Development Fund is established in accordance with the preceding sentence, (i) all Event Day Option Area Net Parking Revenues (excluding revenues generated from the use and operation of Permanent Surface Parking Spaces) shall be deposited into the Steelers North Shore Development Fund; (ii) the Authority shall also deposit in the Steelers North Shore Development Fund an amount of Non-Event Day Option Area Net Parking Revenues equal to, but not to exceed, the amount of Event Day Option Area Net Parking Revenues deposited into the Steelers North Shore Development Fund (less any amounts used to pay for Garage Operating and Financing Costs) to the extent such funds are received by and available to the Authority;

(iii) all (100%) of the net annual fees paid by Lessee to the Authority for the Lessee's Event parking spaces and the Daily Parking Spaces shall be deposited into the Steelers North Shore Development Fund, and (iv) all funds in the Steelers North Shore Development Fund shall be used in accordance with the Option Agreement. Event Day Option Area Net Parking Revenues which are generated from the use and operation of Permanent Surface Parking Spaces shall in no event be subject to contribution to the Steelers North Shore Development Fund. The Option Area is the area of land depicted on Exhibit F as the "**Option Area**." In no event shall the Authority be required to deposit funds into both the Pirates North Shore Development Fund and the Steelers North Shore Development Fund for the same space, and the joint venture/partnership agreements for the Option Area between the Lessee and the Pirates shall provide for allocation of any payments made by the Authority in the event of overlapping events.

(f) If the parties do not enter into the Option Agreement during the Option Negotiation Period, the (i) Authority and the Stadium Authority shall reimburse to the Lessee, on an annual basis, fifty percent (50%) of the net annual fees paid by Lessee for the Event parking spaces, and (ii) the Lessee shall be paid by the Authority and the Stadium Authority on a monthly basis, fifty percent (50%) of the Event Day Option Area Net Parking Revenues actually received by the Authority or the Stadium Authority from parking spaces located within the Option Area (other than Permanent Surface Parking Spaces); provided, however, that so long as the Authority has met its obligations under Section 7.7.7(f), the Authority or the Stadium Authority shall have no obligation to pay such Event Day Option Area Net Parking Revenues derived from surface parking spaces (other than Permanent Surface Parking Spaces) to the extent such surface parking spaces located within the Option Area are no longer under the control of the Authority or the Stadium Authority. Except as the Authority is otherwise authorized herein to sell, convey, lease or develop all or a portion of Option Area hereunder, the Authority covenants and agrees that it shall not give up control of any parking spaces located within the Option Area, and that the Authority shall obtain the identical agreement of the Stadium Authority not to give up control of any such spaces, without the prior written consent of the Lessee, which consent shall be granted or withheld by Lessee in its sole and absolute discretion.

(g) (i) Whether or not the Steelers North Shore Development Fund is established, to the extent that the aggregate amount of parking revenues actually received by the Authority or the Stadium Authority in connection with the North Shore Garages (the "**Total Garage Revenues**") exceeds the aggregate amount of any Garage Operating and Financing Costs, the Lessee shall be paid (on an Annual Basis throughout the Term) an amount equal to (i) the remainder of the Total Garage Revenues minus the Garage Operating and Financing Costs, multiplied by (ii) a fraction, the numerator of which is the Total Garage Revenues generated by an Event and the denominator of which is the Total Garage Revenues.

(ii) Notwithstanding any of the foregoing, the Lessee and the Authority agree that whether or not the Steelers North Shore Development Fund is established, and whether or not the parties hereto enter into the Option Agreement, during the Term of this Lease, the Authority or the Stadium Authority shall pay to the Lessee all Event Day Permanent Surface Net Parking Revenues actually received by the Authority or the Stadium Authority.

(iii) All financial records of the Authority and the Stadium Authority, and all documents and materials in either party's possession, related to the operation of Stadium Site

Parking Spaces under the control of the Authority and the North Shore Garages shall be open to the inspection and audit of the Lessee and its representatives during the Lease Term and for a period of four (4) years thereafter, which inspections shall occur following reasonable notice.

7.8 Affiliates.

The Lessee shall administer and enforce any and all agreements with respect to the Stadium that it may enter into with any Affiliate of the Lessee in accordance with its obligations under this Agreement, the Related Agreements and any other agreement to which the Lessee is a party in a manner consistent with a standard of conduct reasonably expected from the manager of a sports and entertainment facility meeting industry standards which is dealing with an unrelated party. If the Lessee is failing to meet this standard in its relationship with any Affiliate with which it has a contractual relationship with respect to the Stadium, the Authority may notify the Lessee in writing of the specific instances of its failure to meet such standard and request that the Lessee remedy such alleged failures and refrain from repeating any such failures. Upon the occurrence of such failure and receipt of such notice, the Lessee shall promptly remedy any such failures and refrain from any repetition of such failures. Failure to respond to such notice shall be deemed concurrence by the Lessee.

7.9 Player Payroll Tax.

The Lessee agrees that it shall use commercially reasonable efforts to comply with the City of Pittsburgh's Player Payroll Tax Program, as the same may be amended or modified from time to time. The Lessee shall not object to or contest the player payroll tax.

7.10 Arms-Length Negotiations.

The Lessee and the Authority agree that all vendor, employee and/or other similar or related agreements relating to the design and construction of the Project, shall be entered into on an arms-length basis at commercially reasonable rates. Neither the Lessee, its owners, key employees, nor Affiliates shall receive fees or profit (other than reimbursement for reasonable expenses) from the design and/or construction process, without the prior written consent of the Authority.

7.11 Occupancy of the Stadium.

The Lessee shall cause PSSI to remain and conduct NFL games at the Stadium for the duration of the Lease Term, as further set forth in Article 8 below, and in the Development Agreement. The Lessee further acknowledges that if it violates this covenant, the Authority and/or the Commonwealth have the right to seek both equitable relief and damages as further agreed in this Lease, the Related Agreements and the Capital Facilities Act.

7.12 Notice of Sale, etc.

If at any time the Lessee and/or PSSI enters into a commitment either orally or in writing, with any Person to sell, transfer, assign or convey any interests in PSSI and/or the Franchise or their managing entities, where the prior written consent of the Authority to the transaction is required under this Lease or any Related Agreement, in addition to the notice

required under Article 8 below, the Lessee will furnish written notice to the Authority and to the Commonwealth in the manner set forth in Article 8 below, within one (1) business day of the date of any such commitment.

7.13 Successors Bound.

If at any time during the Lease Term this Lease is assigned or the Premises sublet, or any interests in the Lessee and/or PSSI or their managing entities are sold, transferred, assigned or conveyed, and the consent of the Authority to any such transaction is required under this Lease or any Related Agreement, the Lessee and PSSI will, as a condition to any such transaction, undertake to ensure that any successor entity be bound by all terms, covenants and conditions of this Lease and the Related Agreements applicable to the period following such transaction, and such successor will execute and deliver to the Authority such documentation evidencing that undertaking as is reasonably requested by the Authority.

7.14 Maintenance and Repair.

At all times during the Lease Term, the Lessee will perform such maintenance and repair, and comply with all other obligations relating to the management and operation of the Stadium, as are required by this Lease, including without limitation, Article 10 hereof, and the Related Agreements.

7.15 Commonwealth and Community Events.

The Lessee will make the Stadium available for Community Events and Commonwealth Events as is further set forth in Sections 5.3 and 5.4 hereof respectively.

7.16 Compliance with Grant Agreement, etc.

The Lessee will, at all times during the Lease Term, comply with the following requirements set forth in the Grant Agreement, a fully executed copy of which has been furnished to the Lessee:

- (a) Steel Products Procurement Act, 73 P.S. 1881, et seq.;
- (b) Trade Practices Act, 71 P.S. 773.101, et seq.;
- (c) Public Works Contractor's Bond Law of 1967, 8 P.S. 891;
- (d) Pennsylvania Prevailing Wage Act, 43 P.S. 165-1, et seq.;
- (e) Americans with Disabilities Act, and
- (f) The Nondiscrimination Provisions set forth in the Grant Agreement and in the Development Agreement.

ARTICLE 8.  
OPERATING AND NON-RELOCATION COVENANT

8.1 Operating Covenant of the Lessee.

The Lessee acknowledges that PSSI's commitment to play all of PSSI's pre-season and regular season home NFL games at the Stadium is a material inducement for the Authority to undertake development of the Project, and to enter into this Lease. Accordingly, the Lessee covenants that, during the Lease Term, (i) PSSI will play each of its home NFL football games, and PSSI will schedule all home pre-season NFL football games at the Stadium, together with such of PSSI's post-season games as may be scheduled by the NFL at the Stadium, (ii) the Lessee and PSSI will maintain their business offices, headquarters, training facilities and camps and football related enterprises in the Commonwealth, and (iii) without the prior written consent of the Authority, PSSI will not play any game that would otherwise be scheduled as a regular season home game at any other facility unless required to do so by the NFL.

8.2 Covenant Not to Relocate.

Notwithstanding anything contained herein or in any Related Agreement to the contrary, in consideration for the participation of the Authority and the Commonwealth in this Project, the Lessee and PSSI affirmatively covenant, during the Lease Term, (i) not to relocate or attempt to relocate (or permit the relocation of) the Franchise outside the City during the Lease Term, and (ii) not to initiate or participate in discussions that would be intended to result in the relocation of the Franchise during the Lease Term. In accordance with such covenant, the Lessee and PSSI further agree not to make an application to the NFL to sell, pledge, encumber, assign, transfer or otherwise dispose of the Franchise without providing thirty (30) days' prior written notice of such intended application to the Authority and to the Commonwealth. These covenants shall expire only upon the expiration of the Lease Term. The Lessee and PSSI hereby agree to request acknowledgment of the terms hereof from the NFL. It shall be a condition to any sale, pledge, encumbrance, assignment, transfer or other disposition that any new owner or controlling entity of the Franchise shall execute a counterpart of this Agreement and the Related Agreements and assume the obligations of the Lessee and PSSI thereunder for the period following such transaction.

8.3 Unique Nature of Agreement.

The Lessee and the Authority agree that the rights and duties established in this Article 8 are of a unique and special nature. The Lessee and the Authority agree that any violation of this Article 8 will result in immediate and irreparable harm to the Authority and that in the event of any actual or threatened breach or violation of any of the provisions of this Article 8, the Authority will be entitled as a matter of right to an injunction or a decree of specific performance without bond from any equity court of competent jurisdiction. The Lessee waives the right to assert the defense that such breach or violation can be compensated adequately in damages in an action at law. Nothing in this Agreement will be construed as prohibiting the Authority from pursuing any other remedies at law or in equity available to it for such breach or violation or threatened violation.

8.4 Permission to File Consent Order.

Upon a breach or threatened breach by Lessee of the terms of **Section 14.8.1** below, the Authority reserves the right to institute, in the Court of Common Pleas of Allegheny County, Pennsylvania, an action in equity against the Lessee relating to the obligations of the Lessee under this **Article 8**. This action may be instituted regardless of whether the Lessee has violated or intends to violate its covenants under this **Article 8**, for the purpose of obtaining equitable relief, in the form of a consent order, which may be permanent at the discretion of the Authority, prohibiting the Lessee from violating its covenants under this **Article 8**.

ARTICLE 9.  
UTILITIES

The Authority shall cause to be delivered to the Site certain Off-Site Improvements, as described in the Development Agreement. The Lessee shall be solely responsible for and promptly pay or cause to be paid directly to the applicable utility companies all charges or taxes for the Lessee's heat, water and sewer, gas, electricity, telephone, communications and any other utilities and services rendered to or used on or about the Leased Premises (the "**Utilities**") (including all costs of maintenance and repairs but not Capital Repairs). The Lessee's rate structure for the Utilities shall be no greater than the rate structure for Utilities at the Convention Center to be constructed during the construction of the Project. In no event shall the Authority be liable for an interruption or failure in the supply of any such Utilities to the Leased Premises. From and after the Effective Date, the Lessee shall have the right to enter into reasonable agreements with utility companies and governmental agencies creating easements in favor of such utility companies or governmental agencies as may be required in order to service the Leased Premises, and the Authority covenants and agrees to consent thereto and to execute any and all documentation and to undertake all actions in order to effectuate the same, as long as the same do not materially adversely affect the Authority.

ARTICLE 10.  
REPAIRS, MAINTENANCE AND ALTERATIONS

10.1 Lessee's Covenants.

At all times during the Lease Term, and subject to such provision for Capital Repairs and Capital Improvements as are made pursuant to this Article, the Lessee shall at its sole cost and expense: (a) keep and maintain the Leased Premises and all equipment, machinery and fixtures located thereon, in compliance with all Applicable Laws and NFL requirements, and in good, clean, safe and sanitary condition and repair, as a first class sports and entertainment facility, and make all ordinary and necessary repairs and replacements required for the day to day operation of the Stadium; (b) maintain or cause to be maintained all necessary licenses, permits, approvals and authorizations for the operation of the Leased Premises; (c) maintain and repair, as necessary, minor portions of the playing field and all landscaping on the Leased Premises; (d) not commit waste or destroy, demolish, vacate or abandon any part of the Leased Premises, (e) maintain and keep all portions of the Leased Premises, and the sidewalks, walkways, promenades, landscaped areas, parking areas, plazas, curbs, alleyways, water, vaults and

passageways on the Leased Premises in a structurally sound, clean, safe, and orderly condition, free of accumulations of dirt, rubbish, snow, ice and unlawful obstructions and with all grass and shrubbery in trim. Maintenance work anticipated as being necessary, to be performed on an annual basis, will be identified in the annual Stadium Operating Budget. All repairs and replacements shall utilize materials and component parts of substantially the same quality as those being repaired or replaced. At the Expiration Date or upon the earlier termination of the Lease Term, the Lessee shall surrender the Leased Premises in good condition and repair, reasonable wear and tear excepted.

## 10.2 Authority's Covenants.

10.2.1 Establishment of Fund. The Authority shall establish a Capital Reserve Fund for the Leased Premises as a segregated, interest-bearing fund of the Authority, separate and apart from other funds of the Authority. All interest earned on such funds shall become a part of the Capital Reserve Fund. The Authority acknowledges that such commitment is a material inducement for the Lessee to undertake the development of the Project and execute this Lease. Prior to December 31, 2002, the sum of \$3,000,000 will be deposited into this fund (the "**Initial Deposit**"), which sum shall be derived, at the discretion of the Authority, from (i) the Authority's share of the Player Payroll Tax collected during calendar years 1999-2001 (divided evenly between the Pittsburgh Pirates baseball club and the Lessee), (ii) the Three Rivers Stadium Ticket Surcharge and (iii) the NFL Ticket Surcharge for the 2001-2002 Lease Year and (iv) such other revenue sources as the Authority deems appropriate in order to meet its obligations under this **Section 10.2.1**. After the Initial Deposit, during each Lease Year the Capital Reserve Fund shall receive deposits pursuant to this Lease, including without limitation **Sections 7.2** and **7.3** and by the Authority otherwise, in an amount of \$650,000 per Lease Year for the first ten (10) Lease Years. For the eleventh Lease Year and for each Lease Year thereafter, such \$650,000 contribution amount shall be increased by the corresponding increase in the CPI, using as the base the CPI which existed in the first full calendar month of the tenth (10<sup>th</sup>) Lease Year. The annual deposits described in the previous sentence shall be derived from the Authority's share of the Player Payroll Tax, annual NFL Ticket Surcharge amounts in excess of \$1,400,000, Non-NFL Event Ticket Surcharge amounts, the Authority's share of Non-Sporting Event Revenues, subject to the terms contained in **Section 7.3.4** above, from and after June 1, 2017, the visiting team's share of Club Seat revenues (or other substitute complementary or comparable funding mechanisms utilized in lieu of visiting team share financings) and such other sources as shall be necessary to allow the Authority to make its required deposits. All funds in the Capital Reserve Fund shall be invested by the Authority in the same manner as other Authority funds, and in compliance with Applicable Laws. Investment income earned on the amounts in the Capital Reserve Fund shall be added to the principal of the Capital Reserve Fund and used as provided in this **Article 10**. Any proceeds remaining unspent from the construction of the Stadium shall be deposited into the Capital Reserve Fund. Notwithstanding anything contained herein to the contrary, the Authority's obligation to make deposits into the Capital Reserve Fund during any Lease Year that any player strike, lockout or other player work stoppage occurs (a "**Work Stoppage**") will be reduced dollar for dollar by the amount by which proceeds payable to the Authority by the Lessee pursuant to this Lease are reduced during such Lease Year as a result of such Work Stoppage. Payments from the Capital Reserve Fund shall be reduced, with respect to each Capital Improvement (as distinguished from Capital Repairs) made subsequent to such Work Stoppage, by an amount (each a "**Payment Reduction**") equal to the

total cost of such Capital Improvement multiplied by a fraction, the numerator of which is the amount of all reductions to the deposits to the Capital Reserve Fund resulting from Work Stoppages occurring prior to such date (collectively, the "**Deposit Reductions**"), as provided in the immediately preceding sentence, and the denominator of which is the total amount that would have been deposited into the Capital Reserve Fund but for any such reductions with such adjustments to payments from the Capital Reserve Fund being made until the deposit reductions have been fully amortized. The Payment Reductions shall be the responsibility of, and shall be paid, by the Lessee.

By way of example, if in Year 5 the Ticket Surcharge payment to the Capital Reserve Fund is reduced by \$100,000 due to a Work Stoppage, then the Authority's obligation to make a contribution to the Capital Reserve Fund in Year 5 is reduced by \$100,000.

Further, then if in Year 12, the Lessee requests a Capital Improvement of \$1,000,000, the funding of said Capital Improvement from the Capital Reserve Fund would be calculated as follows, assuming that but for the Work Stoppage, the Capital Reserve Fund would have had deposits of \$4,000,000:

Payment Reduction:

$$\begin{array}{r r r r r r r} \$1,000,000 & \times & \frac{\$ 100,000}{\$4,000,000} & = & \$ & 25,000 \end{array}$$

Amount Funded:

$$\begin{array}{r r r r r r r} \$1,000,000 & - & \$ 25,000 & = & \$ & 975,000 \end{array}$$

10.2.2 Use of Funds. The proceeds of the Capital Reserve Fund will not be used for ordinary maintenance and repairs, but will be limited solely to Capital Repairs and Capital Improvements as set forth herein. Subject to the terms of this Lease, the Authority will pay the cost of Capital Repairs from the Capital Reserve Fund, and, following ten (10) years after the Commencement Date, the Authority will pay the cost of Capital Improvements from the Capital Reserve Fund. To the extent that the funds in the Capital Reserve Fund are not sufficient to pay the cost of Capital Repairs and Capital Improvements, as required by the terms of this Lease, the Authority shall otherwise obtain funding for the Capital Reserve Fund to pay for Capital Repairs and Capital Improvements. The obligation of the Authority to authorize payment of the cost of Capital Repairs and Capital Improvements from moneys available in the Capital Reserve Fund will be subject to such conditions as are set forth in this **Article 10**.

10.2.3 Annual Report. On or before March 31 of each Lease Year, beginning March 31, 2002, the Authority will submit to the Lessee a financial statement prepared by the chief financial officer of the Authority, certified as correct and accurate, and identifying (i) all funds deposited into the Capital Reserve Fund since the date of the prior report (or in the case of the first report, since the inception of the fund), (ii) all interest and investment earnings, and (iii) all distributions from the Capital Reserve Fund to the date of the financial statement, indicating the reason for such distributions. The Lessee may request an audit of such financial statement no more frequently than once per Lease Year. The cost of such audit shall be paid from the Capital Reserve Fund.



10.3 Capital Repairs.

10.3.1 Capital Repairs. Subject to the provisions of this Lease, all Capital Repairs and, to the extent provided in **Section 10.5**, Emergency Repairs, shall be made by the Lessee, as required by and at the times and subject to the terms and provisions of this **Article 10**, "**Capital Repairs**" shall be defined as:

- (a) prudent, extraordinary repairs;
- (b) repairs that have a useful economic life (as intended to be used in the Stadium) of greater than seven (7) years;
- (c) repairs that are reasonably necessary to maintain the roof, foundation and the structural integrity of the Leased Premises, and preserve its usefulness for the purposes for which it is being leased hereunder; or
- (d) such modifications or additions required by Applicable Laws; provided, no modifications or additions necessary to comply with Applicable Laws in effect at the time of construction of the Stadium shall be deemed to be Capital Repairs.

Capital Repairs shall also include:

- (i) painting of, or application of protective coatings to, substantial areas of the Stadium; provided that no such work shall be deemed to be a Capital Repair if required to be performed within five (5) years after the prior painting or application of protective coatings to such area;
- (ii) replacement of substantial amounts of carpeting; provided that no such replacements shall be deemed to be Capital Repairs if required within seven (7) years after the prior replacement;
- (iii) resodding, repairs or replacements of substantial portions of the playing surface of the Stadium necessitated by ordinary wear and tear, so long as such portions have been reasonably maintained;
- (iv) to the extent necessitated by ordinary wear and tear, replacement of Stadium seats or seat standards, or the concrete into which the seat is affixed;
- (v) major repairs or replacement of components to the field lighting (including bulbs and circuit breaker panels);
- (vi) major repairs of components to the Communication System and the scoreboard (including the control room, message board, videoboard, bulbs and circuit breaker panels);

- (vii) major repairs to or replacement of cracked or disintegrated concrete, broken pipes, or leaking roof or sections thereof;
- (viii) replacement of HVAC compressors or any material part thereof;
- (ix) major repairs and replacement of plumbing systems, HVAC, electrical systems; and
- (x) cleaning of the exterior facade of the Stadium no more often than once every seven (7) years.

10.3.2 Capital Repairs Not to Include. Notwithstanding the foregoing provisions, Capital Repairs shall not include:

- (a) regular, periodic maintenance procedures stipulated in operating manuals or warranties for stadium components;
- (b) periodic painting or the application of protective coatings more frequently than once every five (5) years;
- (c) repairs to carpeting or replacement of carpeting more frequently than once every seven (7) years;
- (d) upgrades to components of the scoreboard more frequently than once every seven (7) years;
- (e) upkeep of the exterior facade of the Stadium, or cleaning the exterior facade of the Stadium more frequently than once every seven (7) years;
- (f) routine maintenance of plumbing systems, electrical and lighting systems, mechanical systems or heating, ventilation or air conditioning systems, including, without limitation, periodic cleaning, lubrication and changing of filters not including, however, any utility systems, equipment, vaults or lines which are the responsibility of others (e.g., the utility providers);
- (g) fixtures, finishes, build-out materials and supplementary equipment in any public or private restaurants or other retail establishments in the Stadium;
- (h) regular maintenance for elevators and escalators;
- (i) groundskeeping, including, without limitation, mowing, seeding, fertilizing and routine maintenance of the playing surface;
- (j) preparation of the playing field each year;
- (k) resodding, repair or replacements of minor portions of the playing surface;
- (l) replacement of light bulbs, fuses and circuit breakers;

- (m) replacement of items of property damaged by misuse, such as seats and restroom facilities;
- (n) painting and repainting to delineate parking spaces in parking areas within the Leased Premises, if any;
- (o) modifications or additions necessary to comply with Applicable Laws in effect at the time of construction of the Stadium;
- (p) resodding, repairs or replacements of any portion of the playing surface of the Stadium during the first ten (10) years of the Lease Term;
- (q) repairs or replacements of plumbing systems, HVAC compressors and systems and electrical systems during the first ten (10) years of the Lease Term;
- (r) items covered under warranty; and
- (s) repairs required in substantial part as a result of design and/or construction defects. For the purposes of the Lease, a "**design defect**" shall be deemed to be a defective condition in the Leased Premises caused, in substantial part, by the failure of the architect to use such care as a reasonably prudent architect skilled in the design of first-class sports facilities would use under similar circumstances. For the purposes of the Lease, a "**construction defect**" shall be deemed to be a defective condition in the Leased Premises caused, in substantial part, by the (a) failure of the Construction Manager and/or its subcontractors to use such care as a reasonably prudent contractor/subcontractor skilled in the construction of first-class sports facilities (or parts thereof) would use under similar circumstances, and/or (b) deviation of the materials used in the construction of the improvements on the Leased Premises from the specifications for such materials.

10.3.3 Performance of Capital Repairs. Subject to the terms of this Lease, Capital Repairs and, after the expiration of ten (10) years following the Commencement Date, Capital Improvements, will be funded from the Capital Reserve Fund, provided that if funds in the Capital Reserve Fund are insufficient to pay the cost of any Capital Repairs, or Capital Improvement, the cost thereof will be borne by the Authority and the Authority shall obtain funding for such Capital Repairs or Capital Improvements. The Authority may require, or the Lessee may propose, that Capital Repairs (or after ten (10) years following the Commencement Date, Capital Improvements) be made to the Leased Premises. If either the Authority or the Lessee knows of or discovers any Applicable Laws necessitating a Capital Repair, or any condition or defect in, damage to, or alteration of the physical structure, fixtures, appurtenances, machinery, equipment, furniture, systems, surfaces or any other component of the Leased Premises necessitating a Capital Repair, or which, in such party's reasonable opinion, makes such Capital Repair necessary or advisable, such party shall promptly notify the other of such matter. If the Lessee proposes a Capital Repair, it shall submit its request in writing to the

Authority specifying the proposed work and representing that such work falls within the definition of Capital Repairs set forth in this Article. The Lessee's proposal must include cost estimates, and proposed timetables. The Authority shall promptly review such request. If the proposed work is a Capital Repair, such cost shall be paid from the Capital Reserve Fund.

Notwithstanding the foregoing and notwithstanding anything contained in this Lease, or in any Related Agreement, to the contrary, except as provided in this paragraph below: (a) for the first two (2) Lease Years, the Capital Reserve Fund shall not be available to pay for any Capital Repairs and the Authority shall not be responsible for the cost of any Capital Repairs, (b) during the third Lease Year, the Capital Reserve Fund shall not be available for any Capital Repairs in excess of the aggregate sum of \$300,000 and the Authority shall not be responsible for the cost of any Capital Repairs in excess of such amounts, (c) during the fourth Lease Year, the Capital Reserve Fund shall not be available for any Capital Repairs in excess of the aggregate sum of \$350,000 and the Authority shall not be responsible for the cost of any Capital Repairs in excess of such amounts (d) during the fifth Lease Year, the Capital Reserve Fund shall not be available for any Capital Repairs in excess of the aggregate sum of \$450,000 and the Authority shall not be responsible for the cost of any Capital Repairs in excess of such amounts; provided, however, the limitations set forth in (b), (c) and (d) above shall not apply to Capital Repairs defined in 10.3.1(a), 10.3.1(d) or Emergency Repairs (to the extent they are Capital Repairs).

All withdrawals from the Capital Reserve Fund or from other Authority funding applied toward the construction of any Capital Repair made in accordance with this Article shall be distributed pursuant to such procedures as the Authority and the Lessee may reasonably establish. All withdrawals from the Capital Reserve Fund for the purpose of making Capital Repairs shall be countersigned by both parties. Any party refusing to sign such withdrawal request shall deliver to the other party within ten (10) days of receipt of a request for disbursement a statement of the basis (with reasonable detail) for such party's objection thereto.

#### 10.3.4 Preparation of Capital Repair Plans.

- (a) In the case of Capital Repairs reasonably requiring the services of an architect, the Authority and the Lessee shall work with an architect selected by the Lessee after consultation with the Authority to prepare construction drawings and specifications for making such Capital Repairs (the "**Capital Repair Plans**"). The architect's fees and expenses and all other costs associated with making the Capital Repair Plans shall be paid out of the Capital Reserve Fund, or from such other source of funding as may be otherwise available to the Authority.
- (b) In the case of Capital Repairs not reasonably requiring the services of an architect, the Lessee shall prepare appropriate Capital Repair Plans.
- (c) All Capital Repair Plans shall be commercially reasonable in light of the then-expected remaining useful life of the Stadium. The Lessee and the Authority each agree that it will not unreasonably withhold, delay or condition its review and approval of such Capital Repair Plans.

10.3.5 Construction of Capital Repairs. After the Capital Repair Plans have been reviewed and approved by the Authority (with such Plans to be deemed approved if not otherwise disapproved of by the Authority within 30 days after submission thereof), the Lessee shall cause the Capital Repairs to be made and carried out in accordance with the Capital Repair Plans. The Lessee shall have the exclusive and unconditional right to control the site on which the Capital Repairs will be made; provided, however, the Lessee shall conduct the Capital Repairs so as to prevent or at least minimize as much as practicable (a) inconvenience to patrons of Events at the Stadium; (b) any reduction in seating capacity and parking spaces at the Stadium and (c) interference with the Lessee's (or Event patron's) use or enjoyment of the Stadium. The Lessee shall have the exclusive right to select and enter into contracts with any and all contractors, subcontractors, suppliers, vendors, architects, engineers, construction manager, project managers, consultants or other entities or individuals with respect to the completion of the Capital Repairs ; provided, all such contracts shall be entered into On Market Terms and in compliance with Applicable Laws. The Lessee shall use its best efforts to obtain for the benefit of both parties from each contractor and subcontractor engaged by such party, commercial warranties for all work performed by such contractor or subcontractor. Capital Repairs must be completed to a standard of quality comparable to that of the original component. In the event that the work completed is unsatisfactory then all reasonable remedies must be sought against the architect, contractor or subcontractor. The Lessee shall use its best efforts to ensure that the work performed by each contractor and subcontractor with which they contract is performed in a good and workmanlike manner and in accordance with the Capital Repair Plans, and in compliance with Applicable Laws.

10.4 Capital Repair Audit.

On the fifth (5th) anniversary of the Commencement Date, and each five (5) years thereafter during the Lease Term, the Authority shall, as an expense of the Capital Reserve Fund, or from other funds available to the Authority, provide the Lessee with a structural and capital component inspection report prepared by a licensed professional engineer, reasonably acceptable to the Lessee, having at least ten (10) years of experience in performing structural and capital component inspections of commercial buildings, including stadia, and otherwise qualified to provide the information required hereunder. Such engineer shall report on the condition of the structure and each capital component of the Leased Premises, which report shall include suggestions for any Capital Repairs that are necessary to the Leased Premises.

10.5 Emergency Repairs.

Subject to the terms of this paragraph, Emergency Repairs shall be made by the Lessee. Prior to commencement of work, the Lessee may submit a written request to the Authority summarizing the Emergency Repair required, and an estimate as to the cost of the repairs to be made, for approval by the Authority, which approval will not be unreasonably delayed under the circumstances. If such repair qualifies as a Capital Repair, the Capital Reserve Fund shall, subject to the standards set forth in this **Article 10**, be the funding source for such repairs. In making Emergency Repairs, the Lessee shall comply with the requirements of Applicable Laws, and in any case, the costs of such Emergency Repairs shall be eligible for reimbursements to the Lessee from the Capital Reserve Fund by the Authority only if the Lessee has complied with all Applicable Laws. If the Lessee fails to make any Emergency Repair for which it is otherwise

responsible in a timely fashion, the Authority may elect (but shall not be obligated) to make such Emergency Repairs (with funds from the Capital Reserve Fund) and, unless such Emergency Repairs constitute Capital Repairs or Capital Improvements eligible for funding from the Capital Reserve Fund, the Lessee shall reimburse the Authority for all costs incurred by the Authority within thirty (30) days after submission of an invoice, or if the Lessee timely disputes its obligation to pay such invoice, within thirty (30) days after the determination that such Emergency Repairs did not constitute Capital Repairs or Capital Improvements.

10.6 Title to Alterations and Capital Repairs.

All Alterations, Capital Repairs and Capital Improvements made to the Leased Premises shall become a part of the Leased Premises, shall be the property of the Authority, and shall remain upon and be surrendered with the Leased Premises at the end of the Lease Term.

10.7 Authority Access.

Nothing contained in this Section, or elsewhere in this Lease, is intended to limit the right of the Authority, the County, the Commonwealth or the City when exercising a nonproprietary function (e.g., building and fire safety inspections, as applicable) to access to the Leased Premises. The Authority, as owner of the Leased Premises, may enter the Leased Premises at any reasonable time provided that the Authority shall not unreasonably interfere with the operations of the Lessee or the Stadium. Notwithstanding the preceding sentence, the Authority may enter the Leased Premises to perform necessary maintenance or repair to the Leased Premises and the facilities thereon, or to perform Capital Repairs or Capital Improvements, when such activities have not been performed or agreed to be performed by the Lessee. Except with respect to Emergency Repairs, when only such notice as is reasonable under the circumstances shall be required, the Authority shall have the right to enter the Leased Premises to perform maintenance or repair, or to perform Capital Repairs or Capital Improvements, to the Leased Premises only (i) upon the agreement of the Lessee, or (ii) if the Lessee fails to perform its maintenance and repair obligations under this Lease, and further fails to rectify such default within thirty (30) days after written notice of the Lessee's default is delivered by the Authority to the Lessee, unless the Lessee has commenced rectifying the problem within the 30-day period and is using good faith to diligently pursue cure. The Authority shall not be liable in connection with any such entry other than for its gross negligence or willful misconduct. Except to the extent that the cost of work is payable from the Capital Reserve Fund, the Authority shall be reimbursed by the Lessee for all reasonable costs incurred by the Authority in so maintaining or repairing the Leased Premises plus interest (after 30 days) at the Default Rate computed from the date on which the Authority paid the cost. The cost of any required reimbursement to the Authority pursuant to this Section (including interest) may be paid from funds available for the operation and maintenance of the Stadium. The Authority may, at its election, offset such reimbursement from any obligation it has to fund the Capital Reserve Fund, or other funds payable to the Lessee by the Authority under this Lease or any Related Agreement, which right of offset is subject to the rights and remedies available to the parties under this Lease and the Related Agreements.

#### 10.8 Consulting Engineer.

The Lessee and the Authority shall, as often as either party may see fit but not more than twice during each Lease Year (unless the Consulting Engineer's report recommends additional inspections and/or investigations), jointly select an independent qualified engineer experienced in stadium operations (the "**Consulting Engineer**") to inspect the Leased Premises to determine whether the Leased Premises are in good condition and working order, in compliance with Applicable Laws, and whether there are any items of deferred maintenance required with respect to any part of the Leased Premises. In connection with the Consulting Engineer's review, the Consulting Engineer shall prepare a written report which shall be delivered to both the Authority and the Lessee, which shall summarize the condition of the Leased Premises, identify any necessary repairs or improvements, identify items of deferred maintenance, identify additional investigations and inspections that may be required and contain recommendations for the ongoing repair and maintenance of the Leased Premises. To the extent that the Consulting Engineer determines that the Leased Premises or any component thereof is not in good condition and working order and that there are items of deferred maintenance, the Lessee shall take all measures necessary to promptly return the Leased Premises to good condition and working order and to perform the items of deferred maintenance. The Lessee shall also promptly perform the repairs, replacements and maintenance recommended in the Consulting Engineer's report and cause the recommended additional inspections and investigations to be performed. If the required repairs qualify as Capital Repairs, subject to the provisions of this Lease, such Capital Repairs will be funded from the Capital Reserve Fund. The Consulting Engineer's reasonable fees shall be paid from the Capital Reserve Fund, and, except as provided in the preceding clause, the Authority shall pay the costs of any additional inspections and investigations conducted during any Lease Year. Any disputes between the parties with respect to the findings of the Consulting Engineer which involve items with an aggregate cost less than \$500,000 shall be subject to arbitration in accordance with the procedures set forth in **Section 10.13** below. The Lessee shall coordinate and administer a preventative maintenance program which shall incorporate the recommendations of the Consulting Engineer. Notwithstanding anything contained herein to the contrary, the failure of the Consulting Engineer to identify any necessary repairs or improvements shall not relieve the Lessee of any of its obligations hereunder.

#### 10.9 Alterations.

10.9.1 Alterations by the Lessee. The Lessee shall, subject to **Section 10.3.2(o)**, at its sole cost, make all Alterations to the Leased Premises: (a) necessary to comply with Applicable Laws; (b) requisite for the safe operation of the Stadium and which is not a Capital Repair, a Capital Improvement, or an Emergency Repair; or (c) otherwise required under the terms of this Lease. All Alterations which will involve costs in excess of \$500,000, as adjusted by CPI or which will affect the Stadium exterior, or its structural components, shall require the prior written approval of the Authority, which shall not be unreasonably withheld, conditioned or delayed, but may be subject to reasonable conditions, including the provision of appropriate surety or payment and/or performance bonds. In all events, the Lessee may not make or permit Alterations to the Stadium if such Alterations would affect adversely the structural integrity, size, utility or value of the Stadium or the Site, which would result in waste, or which would materially increase the cost of retrofitting the Stadium to meet NFL standards.

10.9.2 Plans. The Lessee shall deliver to the Authority, within sixty (60) days after completion of any Alteration made by or at the direction of the Lessee, "as-built" drawings thereof, or, if no as-built drawings were prepared, the final marked working drawing thereof. The Lessee, for a period of five (5) years after completion of any Alteration requiring the Authority approval shall keep records of such Alteration, including plans and specifications, copies of contracts, invoices, evidence of payment and all other records customarily maintained by owners and managers of commercial real estate relating to similar improvements and the cost thereof and shall, within ten (10) days after request by the Authority, furnish to the Authority copies of such records.

10.9.3 Review of Plans. Any review or approval by the Authority of plans and specifications, or other documentation, with respect to any Alteration is solely for the Authority's benefit, and without any representation or warranty to the Lessee with respect to adequacy, correctness or efficiency thereof or its compliance with Applicable Laws or otherwise.

10.10 Liens.

The Lessee shall keep the Leased Premises free from, and shall indemnify, defend and hold harmless the Authority with respect to, all Liens incurred or permitted by the Lessee or its agents, contractors, subcontractors or suppliers or incurred or permitted by any licensee or lessee of the Stadium. If within 30 days following the filing or other assertion of any such Lien, the Lessee does not cause such Lien to be released in a manner satisfactory to the Authority (such as by posting a bond or other acceptable security), the Authority may, at its option, discharge such Lien by any means the Authority deems proper including, without limitation, payment of the Lien. All reasonable sums paid and expenses incurred by the Authority in connection with releasing a Lien (except one arising from Emergency Repairs constructed by the Authority, or otherwise arising because of a default by the Authority in its obligations under this Lease) including, without limitation, reasonable attorneys' fees and costs, shall be payable from the Lessee's own funds, by the Lessee to the Authority upon demand plus interest at the Default Rate computed from the date any such sum was paid by the Authority. If the Authority gives its consent to the making of any Alteration, such consent shall not be deemed to constitute the Authority's consent to subject its interest in the Leased Premises, the Stadium or to the Site to any Lien which may be filed in connection therewith. Notwithstanding the foregoing the Lessee shall not be responsible for paying or causing any Lien to be released when such Lien resulted from the Authority's failure to disburse the funds from the Capital Repair Fund as required by this Lease.

10.11 Performance.

Any Alteration, Capital Repair, Capital Improvement or Emergency Repair made by or for the Lessee, or the Authority, shall be completed (a) in a good, workmanlike, first-class and prompt manner, using materials and equipment at least substantially equal in quality and class to the then standards for the Stadium established by the Lessee and the Authority; (b) by an experienced, reputable contractor selected by the Lessee and approved by the Authority, which approval shall not be unreasonably withheld or delayed and (c) in compliance with the other provisions of this Lease, Applicable Laws and any insurance requirements. The Lessee shall not proceed with any Alteration, Capital Repair or Capital Improvement until the Lessee shall have



submitted to the Authority a description in reasonable detail of the work to be performed. Prior to the commencement of any work, the Lessee or the Authority, as the case may be, shall obtain and furnish copies to the other, of all necessary governmental permits and certificates for the commencement and prosecution of such Alterations, Capital Repairs or Capital Improvements, together with evidence of worker's compensation insurance of its contractors in statutory limits, "All Risk" Builder's Risk coverage and general liability insurance, with a completed operation endorsement for any occurrence in or about the Stadium/Project, under which the Authority shall be named as an additional insured and loss payee, in such limits as the Authority may reasonably require, with insurers reasonably satisfactory to the other party. Each party shall furnish the other with evidence that all required insurance is in effect at or before the commencement of any Alterations, Capital Repair or Capital Improvement or Emergency Repair.

10.12 Applicability to Capital Improvements.

10.12.1 Capital Improvements. Notwithstanding anything contained herein to the contrary, during a period of ten (10) Lease Years following the Commencement Date, the Capital Reserve Fund shall not be available for, and the Authority shall have no responsibility to pay for, any Capital Improvements. The Lessee may however, at its cost, propose and perform such Capital Improvements, subject to Authority approval, not to be unreasonably withheld or delayed. However, following the expiration of this ten (10) year period, all terms and conditions of this **Article 10** applicable to Capital Repairs shall also apply to Capital Improvements. Notwithstanding the foregoing, the Lessee shall have the right, at the end of each of the sixth Lease Year and the eighth Lease Year, to present to the Authority for its consideration two Capital Improvement projects (i.e. two at the end of the sixth Lease Year and the eighth Lease Year) to be paid for out of the Capital Reserve Fund. The Authority shall have the right to approve or disapprove the funding of the cost of any such Capital Improvement in its reasonable discretion. For purposes of this Lease, "**Capital Improvements**" shall constitute all capital modifications or additions to the existing facilities in the Stadium which (a) have been installed in at least one-half of NFL stadia (where not less than 25% of the cost of such modifications or additions has been paid by federal, state or local governmental entities) or, in the case of modifications or additions applicable only to open air stadia, in at least one-half of open air NFL stadia (where not less than 25% of the cost of such modifications or additions has been paid by federal, state or local governmental entities), (b) taken as a whole, are reasonably necessary, directly or indirectly, for the Lessee to maintain its relative economic position within the NFL with regard to revenues and expenses from the Stadium, and (c) are reasonably necessary to prevent the facilities and amenities of the Stadium from becoming materially outdated in comparison to other NFL stadia constructed between 1999 and 2004. By way of example, the parties agree that the installation of more comfortable seating may, for purposes of subpart (b) above, be deemed to be reasonably necessary for the Lessee to maintain its relative economic position within the NFL with regard to revenues from the Stadium, even though Lessee may not be able to demonstrate that such seating will directly lead to increased ticket prices or other revenues. Notwithstanding anything contained in this Lease to the contrary, except as provided in **Section 10.12.2**, Capital Improvements shall not in any event include modifications to the Stadium designed to increase its attendance capacity.

10.12.2 Designated Expansion. In the event a Capital Improvement is required to increase the attendance capacity of the Stadium, in no event shall more than (a) 10,000 seats

located in the southern end of the Stadium (at a height no greater than the highest existing seating anywhere in the Stadium) and (b) 40 luxury suites on a single level located in the northern end of the Stadium, each as more particularly designated on Exhibit H attached hereto and made a part hereof (the "**Designated Expansion**") be deemed to be Capital Improvements. In the event of a Designated Expansion, the parties hereto agree that the Lessee shall be responsible for one-third (1/3) of the cost and the remaining two-thirds (2/3) of such cost shall be paid by the Authority. The Authority shall not have the right to require a Designated Expansion.

#### 10.13 Resolution of Disputes.

The Authority and the Lessee agree to attempt in good faith to resolve any disagreement with respect to Capital Repairs, Capital Improvements or Alterations referred to in this **Article 10** promptly by negotiations between the Authority's Representative and the Lessee's Representative. In the event the parties are unable to reach agreement with respect to a proposal by the Lessee pursuant to **Section 10.3.3** indicating that a Capital Repair (or after ten (10) years following the Commencement Date, a Capital Improvement) are required pursuant to the terms of this Lease, the Authority shall deliver to the Lessee a written response within thirty (30) days after receipt of the proposal. The proposal and response shall include (i) a statement of such party's position and a summary of the evidence and arguments supporting its position, and (ii) the name(s) and title(s) of the authorized representatives who will represent that party. The authorized representatives shall meet at a mutually acceptable time and place within five (5) business days of the date of the response and thereafter as often as they reasonably deem necessary to exchange relevant information and to attempt to resolve the disagreement. If (i) the disagreement has not been resolved within thirty (30) calendar days of the first meeting of the authorized representatives, and (ii) the disagreement involves items with an aggregate cost less than \$500,000, as adjusted by CPI, then the disagreement shall be settled by arbitration conducted before three (3) arbitrators in accordance with the then existing rules of the American Arbitration Association. In any arbitration, the parties shall be entitled to conduct discovery in accordance with the applicable rules of the Federal Rules of Civil Procedure, with such modifications thereto as may be mutually agreeable to the parties unless the arbitrators appointed to hear the case rule that discovery should be limited in light of the particular dispute. In the event the parties are unable to agree on the three arbitrators, the parties shall select the three arbitrators by striking alternatively (the first to strike being chosen by lot) from a list of thirteen arbitrators designated by the American Arbitration Association. Each of the parties to the arbitration shall bear the cost of the arbitration on such basis as the arbitrators of the matter shall determine. Notwithstanding the foregoing, nothing in this Agreement shall preclude any party from filing any action in a court of competent jurisdiction seeking any temporary restraining order or preliminary injunction.

### ARTICLE 11. INDEMNIFICATION

#### 11.1 Indemnification.

The Lessee will indemnify, defend and hold harmless the Authority, the City, the RAD, the Stadium Authority and the County, and each of their respective elected officials, appointed officials, board members, officers, employees, agents and attorneys (collectively, the

"**Authority-Indemnified Persons**") for, and will pay to the Authority-Indemnified Persons the amount of any Damages, whether or not involving a third-party claim arising, directly or indirectly, from or in connection with:

- (i) any breach of any representation or warranty made by the Lessee in this Lease or in any schedule or exhibit attached hereto or any other certificate or document delivered by the Lessee to the Authority pursuant to this Lease;
- (ii) any breach by the Lessee, or any sublessee or licensee, of any covenant or obligation of the Lessee in this Lease or any Related Agreement;
- (iii) any claim by any Person for Damages in connection with the violation by the Lessee, any Affiliate, the Construction Manager, the Architect or any Lessee Agent, of any Applicable Laws; or
- (iv) any matter otherwise arising in any manner out of, or related to the occupancy of the Premises pursuant to this Lease (except as set forth in subpart 11.5 hereof) other than any matter arising out of (x) a breach (or alleged breach) by the Authority of any legal duty or obligation it may have, except as otherwise specified or delegated herein, or (y) the negligence or willful misconduct of Authority, its employees or contractors.

If the Lessee fails to make any payment of any sums payable by the Lessee to Authority-Indemnified Persons on when due, which failure shall continue for thirty (30) days, then the Lessee shall pay, together with such payment, a late charge of five percent (5%) of the amount of such payment and such payment shall bear interest at the Default Rate.

#### 11.2 Defense Of Indemnified Claims.

11.2.1 Notice of Claims. Promptly after receipt by an Authority-Indemnified Person of the notice of the commencement of a claim against it for which the Authority-Indemnified Person would be entitled to receive indemnification under **Section 11.1** (a "**Proceeding**"), the Authority-Indemnified Person will give notice to the Lessee of the commencement of such claim, but the failure to notify the Lessee will not relieve the Lessee of any liability that it may have to the Authority-Indemnified Person. The Lessee shall promptly give written notice to Authority of any claim, including a claim for damages, against an Authority-Indemnified Person.

11.2.2 Assumption of Defense by the Lessee. If any Proceeding referred to in **Section 11.2.1** is brought against an Authority-Indemnified Person and it gives notice to the Lessee of the commencement of such Proceeding, the Lessee will, unless the claim involves taxes or a matter described in **Section 11.5** hereof, be required to assume the defense of such Proceeding with counsel reasonably satisfactory to the Authority-Indemnified Person (unless the Lessee is also a party to such Proceeding and the Authority-Indemnified Person determines in good faith that joint representation would be inappropriate), and, after written notice from the Lessee to the Authority and the Authority-Indemnified Person that it has undertaken to assume

the defense of such Proceeding (the "**Assumption Notice**"), the Lessee will not, as long as it diligently conducts such defense, be liable to the Authority or the Authority-Indemnified Person under this **Article 11** for any fees of other counsel or any other expenses with respect to the defense of such Proceeding, in each case subsequently incurred by the Authority Indemnified Person in connection with the defense of such Proceeding, other than reasonable costs of investigation. After the Lessee delivers its Assumption Notice (i) it will be conclusively established for purposes of this Lease that the claims made in that Proceeding are within the scope of and subject to indemnification; (ii) no compromise or settlement of such claims may be effected by the Lessee without the Authority-Indemnified Person's consent unless (A) there is no finding or admission of any violation of Legal Requirements or any violation of the rights of any person and no effect on any other claims that may be made against an Authority-Indemnified Person, and (B) the sole relief provided is monetary damages that are paid in full by the Lessee; and (iii) the Authority-Indemnified Persons will have no liability with respect to any compromise or settlement of such claims effected without its consent. If notice is given to the Lessee of the commencement of any Proceeding and the Lessee does not, within ten days after the indemnified party's notice is given, deliver the Assumption Notice, the Lessee will be bound by any determination made in such Proceeding or any compromise or settlement effected by the Authority-Indemnified Person, including the payment of money damages.

11.2.3 Authority-Indemnified Person's Defense of Claims. Notwithstanding the foregoing, if the Authority-Indemnified Person determines in good faith that there is a reasonable probability that a Proceeding may adversely affect it or its Affiliates other than as a result of monetary damages for which it would be entitled to indemnification under this Lease, the Authority-Indemnified Person may, by notice to the Lessee, assume the exclusive right to defend, compromise, or settle such Proceeding, but the Lessee will not be bound by any determination of a Proceeding so defended or any compromise or settlement effected without its consent (which may not be unreasonably withheld).

11.2.4 Jurisdiction. The Lessee hereby consents to the nonexclusive jurisdiction of any court in which a Proceeding is brought against an Authority-Indemnified Person for purposes of any claim that the Authority may have under this Lease with respect to such Proceeding or the matters alleged therein, and agree that process may be served on the Lessee with respect to such a claim anywhere in the world.

11.3 Injunctive Relief.

The Lessee acknowledges that the rights conveyed by this Lease to the Authority are of a unique and special nature, and that if a violation of this Lease will result in immediate and irreparable harm to the Authority and any third-party beneficiaries of this Lease (including without limitation any Authority-Indemnified Person), and that the Authority shall be entitled as a matter of right to an injunction or a decree of specific performance without bond from any equity court of competent jurisdiction. The Lessee waives the right to assert the defense that such breach or violation can be compensated adequately in damages in an action at law.

11.4 Recourse to Security.

Any funds of the Lessee delivered to the Authority at any time during the term of this Lease to secure the obligations of the Lessee under this Lease shall at all times be available to the Authority to reimburse the Authority for any Damages sustained.

11.5 Indemnification and Payment of Damages by Authority.

To the extent permitted by Law and without causing the Authority to waive its rights of sovereign immunity (it being understood that the Authority does not hereby waive its rights of sovereign immunity, to the extent available to the Authority), Authority will indemnify, defend and hold harmless the Lessee and its officers, employees and agents, Board Members and attorneys (collectively, the "**Lessee-Indemnified Persons**") for, and will pay to the Lessee-Indemnified Persons the amount of Damages arising, directly or indirectly, from or in connection with:

- (i) any breach of any representation or warranty made by the Authority in this Lease or in any schedule or exhibit attached hereto or any other certificate or document delivered by the Authority to the Lessee pursuant to this Lease;
- (ii) any breach by Authority of any covenant or obligation of Authority in this Lease;
- (iii) any breach (or alleged breach) by the Authority of any legal duty or obligation it may have, except as otherwise specified or delegated herein; and
- (iv) the negligence or willful misconduct of the Authority, its agents, employees, or representatives.

If the Authority fails to make any payment of any sums payable by the Authority to the Lessee-Indemnified Persons on the date due, which failure shall continue for thirty (30) days, then Authority shall pay, together with such payment, a late charge of five percent (5%) of the amount of such payment, and such payment shall bear interest at the Default Rate.

ARTICLE 12.  
INSURANCE – CONDEMNATION – RESTORATION

12.1 Insurance.

12.1.1 Maintenance of Insurance. Throughout the Lease Term the Lessee shall maintain and/or shall cause the Leased Premises to be insured, at the sole cost and expense of the Lessee, against (i) loss due to fire and other casualties included in broad form property insurance policies, with an agreed amount endorsement and replacement cost coverage, exclusive of excavations, footings and foundations; the Authority shall be named as "loss payee" on all fire and casualty insurance policies maintained with respect to the Leased Premises; (ii) "All Risk" property insurance covering all present and future personal property of the Lessee (including

coverage for earthquake, if available, and flood, to the extent available under the National Flood Insurance Program) to a limit of not less than the full replacement cost thereof including any costs which may be required to comply with applicable governmental requirements; (iii) commercial general liability insurance and liquor liability insurance including a contractual liability endorsement and personal injury liability endorsement in respect of the Leased Premises and conduct and operation of business therein, (iv) boiler and machinery insurance; and (v) business interruption insurance in such amounts as the Authority deems reasonable, which insurance shall cover, among other things, disruptions due to strikes, lockouts and other work stoppages and (vi) such additional insurance as may be reasonably required pursuant to the terms of the Grant Agreement. Such insurance shall provide coverage against all claims against the Lessee, the Authority, the City and the County for bodily injury (including death) and property damage resulting directly or indirectly from the control and operation of the Leased Premises by the Lessee, and any act, omission or activities (in connection with the Leased Premises) of the Lessee, the Authority, the City or County or any other person acting for the Lessee, the Authority, the City or County or under their respective control or direction in each case, with a company or companies licensed to do business in the Commonwealth and with a rating by Best's Insurance Reports or any successor publication of comparable standing of A - VII or better. All of the foregoing insurance coverages shall be obtained by the Lessee as primary insurance and shall name the Authority, the City and the County as additional insureds and loss payees. Such commercial general liability insurance and boiler and machinery insurance shall initially be in minimum amounts of twenty million dollars (\$20,000,000) combined single limit for injury to persons, and twenty million dollars (\$20,000,000) combined single limit for damage to property, and shall be for a minimum term of one (1) year. Certificates of insurance and receipts evidencing payment of the premiums for such insurance shall be delivered by the Lessee to the Authority on or before the date of execution of this Lease and annually thereafter. The Lessee shall cause each such policy to contain an endorsement prohibiting cancellation or reduction of coverage without first giving the Authority at least thirty (30) days' prior written notice of such proposed action. The amounts of coverage required under this Section will be reviewed by the parties periodically, not less often than every four (4) years, and will be increased following such review to amounts determined by the Authority to be then commercially reasonable.

12.1.2 Waiver and Release. The Lessee hereby waives and releases the Authority from any and all liabilities, claims and losses on account of damage to the Lessee's personal property or trade fixtures. Each party hereto shall secure waiver of subrogation endorsements from their respective insurance carriers or if such waiver shall be unobtainable or unenforceable, (a) an express agreement that such policy shall not be invalidated if the assured waives the right of recovery against any party responsible for a casualty covered by the policy before the casualty, or (b) any other form of permission for the release of the other party. Nothing herein shall be deemed to relieve either party of any duty imposed elsewhere in this Lease to repair, restore or rebuild the Leased Premises following a casualty.

12.1.3 No Violation. The Lessee shall not violate, or permit the violation of, any condition imposed by any insurance policy then issued in respect of the Leased Premises and shall not do, or permit anything to be done, or keep or permit anything to be kept in the Leased Premises, which would increase any insurance rate in respect of the Leased Premises over the rate which would otherwise then be in effect or which would result in insurance companies of good standing refusing to insure the Leased Premises in amounts reasonable satisfactory to the

Authority, or which would result in the cancellation of, or the assertion of any defense by the insurer in whole or in part to claims under, any policy of insurance in respect to the Leased Premises.

12.1.4 Authority Rights. If the Lessee shall not at any time comply with the terms of this Section, irrespective of the passage of any grace period, the Authority may cure such noncompliance and may purchase such insurance as it may elect. Costs incurred by the Authority, together with interest at the Default Rate computed from the date such premium is paid by the Authority, shall be reimbursed by the Lessee on demand. Any actions by the Authority under this Section shall not constitute a waiver of any non-compliance with the terms of this Lease.

12.1.5 Duty of the Lessee to Restore Premises. Notwithstanding anything contained elsewhere in this Article, the Lessee shall at its cost, and regardless of the adequacy or availability of insurance proceeds, promptly repair any damage sustained by the Leased Premises as the result of any fire or other casualty to a condition comparable to that previously existing, in compliance with Applicable Laws, and with the standards set forth in **Section 13.4**.

12.2 Rights of Authority to Insurance Proceeds.

All insurance proceeds arising out of any casualty to the Leased Premises costing in excess of the sum of \$3,000,000 to restore, as such sum may be increased during the Term, based upon CPI Increases, shall be payable, under the provisions of the insurance policy, into a joint account/restoration fund ("**Restoration Fund**") to be established as a trust fund with PNC Bank, National Association as restoration fund trustee (the "**Restoration Fund Trustee**"). The interest or income, if any, received on all deposits or investments of any moneys in the Restoration Fund shall be added to the Restoration Fund. If the Authority consents to the deposit of such funds in an interest-bearing account or otherwise consents to the investment of such funds, neither the Authority nor the Restoration Fund Trustee shall be liable or accountable for any loss resulting from any such deposit or investment or for any withdrawal, redemption or sale of deposits or investments. The Authority and the Restoration Fund Trustee may impose reasonable charges for services performed in managing the Restoration Fund and may deduct such charges therefrom. Such insurance proceeds shall be held in trust solely for the renovation of the Leased Premises and shall be disbursed pursuant to **Section 12.4**. All proceeds of insurance payable with respect to any casualty costing less than \$3,000,000 to repair, as such sum may be increased during the Term, based upon CPI Increases, shall be disbursed directly to the Lessee, which shall promptly restore the Leased Premises to a condition comparable to that previously existing, subject to such plans and specifications, and pursuant to such contracts, as are approved the Authority, in the manner applicable to Alterations under **Article 10** above.

12.3 Condemnation.

If, at any time during the Lease Term, a taking of all or any portion of the Leased Premises occurs, and the proceeds of condemnation are less than \$3,000,000, as such sum may be adjusted during the Lease Term based upon CPI Increases, the proceeds of condemnation will be payable to the Lessee, which will promptly restore the Leased Premises to a condition comparable to that previously existing, subject to such plans and specifications, and pursuant to

such contracts, as are approved by the Authority in the manner applicable to Alterations under **Article 10** above. If the proceeds of taking exceed the sum of \$3,000,000, as such sum may be increased during the Term, based upon CPI Increases, such proceeds will be payable to the Authority and deposited initially into the Restoration Fund established under **Section 12.2**. Any proceeds of condemnation paid to either the Lessee or the Authority under this Section, and not required to be utilized to restore the Leased Premises, will be paid to the Authority. The Lessee will have no claim for damages arising out of taking of any portion of the Leased Premises, except for any items of personal property of the Lessee that are taken, and relocation payments otherwise payable to a tenant under lease pursuant to Pennsylvania law. Notwithstanding the foregoing, the parties hereto covenant that they shall agree to reasonable modifications to this Section 12.3 to the extent reasonably required by lenders to facilitate the initial financings in connection with the development of the Stadium.

12.4 Restoration.

Restoration shall be performed only in accordance with the following conditions:

- (a) prior to the commencement of restoration and from time to time during restoration, the Authority and the Lessee shall have approved a budget and cost breakdown for the restoration, together with a disbursement schedule;
- (b) prior to the commencement of restoration, the contracts, contractors, plans and specification for the restoration shall have been approved by the Authority, and all Governmental Authority having jurisdiction, and the Authority shall be provided with satisfactory surety bonds insuring satisfactory completion of the restoration and the payment of all subcontractors and materialmen;
- (c) all restoration work shall be done in compliance with Applicable Laws;
- (d) at the time of any disbursement, an Event of Default or any event or conditions which with the passage of time or the giving of notice, or both, would constitute an Event of Default shall not have occurred, and no mechanics' or materialmen's liens shall have been filed and remain undischarged;
- (e) disbursements from the Restoration Fund shall be made from time to time, but not more than twice each calendar month, for completed work under the aforesaid contracts (subject to retainage) and for other costs associated therewith and approved by the Authority upon receipt of evidence satisfactory to the Authority of the stage of completion and of performance of the work in a good and workmanlike manner in accordance with the contracts, plans and specifications as approved by the Authority;
- (f) the cost of the Authority's inspecting architect or engineer and the cost of any attorneys' fees and disbursements incurred by the Authority in connection with such restoration will be paid from the Restoration Fund; and
- (g) the Authority shall have the option to hold retainage up to five percent (5%) of the cost of all work.



If, within a reasonable period of time after the occurrence of any loss or damage to the Leased Premises, the Lessee shall not have submitted to the Authority and received the Authority's approval of plans and specifications for the repair, restoration or rebuilding of such loss or damage or shall not have obtained approval of such plans and specifications from all Governmental Authorities whose approval is required or if, after such plans and specifications are approved by the Authority and by all Governmental Authorities, the Lessee shall fail to commence promptly such repair, restoration or rebuilding or if thereafter the Lessee fails to carry out diligently such repair, restoration or rebuilding or is delinquent in the payment to mechanics, materialmen or others of the costs incurred in connection with such work or if any other condition of this paragraph is not satisfied within a reasonable period of time after the occurrence of any such loss or damage, then the Authority, in addition to all other rights herein set forth, and after giving the Lessee fifteen (15) days written notice of the non-fulfillment of one or more of the foregoing conditions, may, failing the Lessee's fulfillment of said conditions within said fifteen (15) day period, at the Authority's option, perform or cause to be performed such repair, restoration or rebuilding and may take such other steps as the Authority may elect to carry out such repair, restoration or rebuilding and may enter upon the Leased Premises for any of the foregoing purposes, and the Lessee hereby waives, for itself and all others holding under it, any claim against the Authority, its directors, officers, agents and employees (other than claims based upon gross negligence or intentional misconduct) arising out of anything done by them or any of them pursuant to this paragraph and the Authority may, in its discretion, apply any insurance or condemnation proceeds held by it or the Restoration Fund Trustee to reimburse itself for all amounts expended or incurred by it in connection with the performance of such work, including any excess costs for which the Lessee is liable, and the Lessee's obligation to pay such excess costs shall bear interest at the Default Rate until paid.

ARTICLE 13.  
ENVIRONMENTAL MATTERS

13.1 Authority's Representations.

(a) As of July 7, 1999, there were no Regulated Substances present on, in, under, at or emanating to or from the Site in violation of Environmental Laws.

(b) As of July 7, 1999, no activity of the Authority at the Leased Premises was being or has been conducted in violation of any Environmental Law and, to the Authority's actual knowledge, no activity of any prior owner, operator or occupant of the Leased Premises was conducted in violation of Environmental Laws.

(c) The Authority has complied with the environmental provisions contained in the Development Agreement.

13.2 Lessee's Covenants.

The Lessee hereby covenants and agrees for itself, and for its subtenants, licensees, concessionaires, agents, officers, directors, independent contractors, servants and employees, invitees and their respective successors and assigns (all of which are collectively called the "Lessee Agents"), that from and after July 7, 1999 (except with respect to matters that arise from

a breach of the Authority's representations in **Section 13.1** hereof), the Lessee shall, and shall cause Lessee's Agents to:

- (a) cause all Required Environmental Permits to be obtained and maintained in full force and effect and the Lessee shall comply with the terms and conditions thereof. The Lessee shall submit to all Governmental Authorities and/or maintain, as appropriate, all Required Environmental Reports;
- (b) not permit, and shall take reasonable precautions against, the presence of Contamination, except to the extent specifically authorized by Governmental Authorities, any Required Environmental Permit or pursuant to Environmental Laws, on the Leased Premises;
- (c) not permit, and shall take reasonable precautions against, the imposition of any lien or other encumbrance authorized by Environmental Laws to be imposed against or attached to the Leased Premises;
- (d) comply with applicable Environmental Laws relating to the construction, completion, use, maintenance, operation and/or occupancy of the Leased Premises;
- (e) at their sole cost and expense, perform in compliance with and to the extent required by applicable Environmental Laws, Required Environmental Permits or by Governmental Authorities, all Response Actions required to address the presence of Contamination (i) at, in, on, under, or emanating from the Leased Premises as a result of the Lessee's, the Lessee Agents' and/or PSSI's use and occupancy of the Leased Premises or (ii) which emanates to the Leased Premises after the Lessee takes possession of the Leased Premises;
- (f) take all reasonable precautions against and shall not permit the Leased Premises to be used to generate, manufacture, refine, treat, handle, collect, label, distribute, store, dispose of, produce, process, recycle, transport or otherwise use or manage Regulated Substances except for those Regulated Substances present on the Leased Premises in compliance with Environmental Laws or Required Environmental Permits which are used in the ordinary course of the business of the Lessee or PSSI; and
- (g) immediately, upon obtaining actual knowledge of any of the following, notify the Authority in writing, including a detailed description of: (i) the presence of Contamination; (ii) the receipt by the Lessee, the Lessee Agents or PSSI of an actual or threatened Environmental Complaint; (iii) the imposition or attachment against the Leased Premises of a lien or other encumbrance authorized under Environmental Laws; (iv) the inability to obtain or renew any Required Environmental Permit or a notice from a Governmental Authority that it has, will or intends to revoke or suspend, in whole or in part, a Required Environmental Permit; (v) any violation of Environmental Laws or Required Environmental Permits.

**13.3 Lessee's Indemnity of Authority.**

13.3.1 The Lessee as the Indemnitor shall, at its sole cost and expense, protect, defend, indemnify, release and hold harmless the Authority-Indemnified Persons from and against any and all claims, suits, liabilities (including without limitation strict liabilities), actions, proceedings, obligations, debts, damages, losses, costs, expenses, diminution in value, fines,

penalties, charges, fees, expenses, judgments, awards, amounts paid in settlement, encumbrances, liens, punitive damages, costs and expenses of investigation and defense of any claim, whether or not such claim is ultimately defeated, all of whatever kind or nature, contingent or otherwise, including but not limited to reasonable attorneys and expert fees (collectively, "**Authority Environmental Losses**") directly imposed upon, threatened against, incurred by, awarded or asserted against the Authority-Indemnified Persons, and arising out of, from or in any way relating to:

(a) The failure of the Lessee and/or Lessee Agents to comply with any terms, conditions or provisions of **Section 13.2** of this Lease or any environmental terms, conditions or provisions of the Related Agreements, including without limitation, any breach of any of the Lessee's representations, warranties or covenants contained in this Lease or the Related Agreements;

(b) Any actual or alleged violation of, or actual or alleged non-compliance with, Environmental Laws or Required Environmental Permits with respect to operations of the Lessee and/or Lessee Agents or with respect to the Leased Premises;

(c) The presence, caused by the violation by the Lessee or the Lessee Agents of applicable Environmental Laws or Required Environmental Permits, of any Regulated Substance on, in, at or under the Leased Premises (or any portion thereof) or the migration of any Regulated Substances to any surrounding areas or other property;

(d) Environmental Complaints based on or relating or pertaining to Contamination at, under or about the Premises caused by the Lessee or the Lessee Agents;

(e) Any damages to the Premises or any surrounding areas or other property caused by or resulting from a Response Action performed by or on behalf of the Lessee or the Lessee Agents; or

(f) The enforcement of this **Article 13** to the extent the Authority is the prevailing party.

13.3.2 The Lessee's obligation under this Section shall be in effect and enforceable regardless of whether such obligation arises before or after expiration of the Lease Term or the Authority-Indemnified Persons taking title to or possession of all or any portion of the Leased Premises; provided, however, that the Lessee shall have no obligation to indemnify, defend, protect, save and hold harmless the Authority-Indemnified Persons for any (i) Authority Environmental Losses to the extent proportionately caused by the willful misconduct or negligence of any Authority-Indemnified Person; (ii) costs, damages, or liabilities arising pursuant to **Section 13.2(e)(ii)** if the Authority provides notice of such liabilities after the Expiration Date; or (iii) breach of **Section 13.1**.

13.3.3 The Authority Indemnitee, after the receipt (whether after termination of this Lease or otherwise) of a written notice of any demand or claim or the commencement of any suit, action or proceeding concerning the Lessee, the Leased Premises or the Authority-Indemnified Persons, shall provide the Lessee with written notice of the same. However, the failure of the Authority-Indemnified Persons to provide such notice shall not relieve the Lessee

of any liability to the Authority Indemnitee hereunder, except to the extent such failure actually prejudices the rights and remedies of the Lessee.

13.4 The Authority's Indemnity of the Lessee.

13.4.1 The Authority shall, at its sole cost and expense, protect, defend, indemnify, release and hold harmless Lessee Indemnified Persons from and against any and all claims, suits, liabilities (including without limitation strict liabilities), actions, proceedings, obligations, debts, damages, losses, costs, expenses, diminution in value, fines, penalties, charges, fees, expenses, judgments, awards, amounts paid in settlement, encumbrances, liens, consequential damages, lost profits or punitive damages, costs and expenses of investigation and defense of any claim, whether or not such claim is ultimately defeated, all of whatever kind or nature, contingent or otherwise, including but not limited to reasonable attorneys and expert fees (collectively, "**Lessee Environmental Losses**") directly imposed upon, threatened against, incurred by, awarded or asserted against Lessee Indemnified Persons, and arising out of, from or in any way relating to:

- (a) The breach of or any false, inaccurate or misleading representations warranties, or covenants contained in **Section 13.1** of this Lease; or
- (b) Any violation of Required Environmental Permits (issued to or held by or for the Authority for the development of the Premises) or Environmental Laws caused by the fault of the Authority, and affecting the Premises; or
- (c) Any Response Action performed by or on behalf of Authority; or
- (d) Environmental Complaints based on or relating or pertaining to Contamination at the Premises existing prior to the date of delivery of possession of the Premises to the Lessee pursuant to the Development Agreement; or
- (e) Failure of the Authority to comply with the environmental terms, conditions or provisions of the Development Agreement or any other Related Agreement, including, without limitation, any breach of the Authority's environmental representations, warranties, or covenants contained in the Related Agreements; or
- (f) The enforcement of this **Article 13** to the extent the Lessee is the prevailing party.

13.4.2 The Authority's obligation under this Section shall be in effect and enforceable regardless of whether such obligation arises before or after expiration of the Lease Term; provided, however, that the Authority shall have no obligation to indemnify, defend, protect, save and hold harmless Lessee Indemnified Persons for any Lessee Environmental Losses to the extent proportionately caused by the negligence, willful misconduct or gross negligence of the Lessee Indemnified Persons or Lessee Agents, or for any matter for which the Authority may seek indemnification from the Lessee pursuant to **Section 13.3** of this Lease.

13.4.3 Lessee Indemnified Persons, after the receipt (whether after termination of this Lease or otherwise) of a written notice of any demand or claim or the commencement of

any suit, action or proceeding concerning the Authority, the Premises or Lessee Indemnified Persons, and related in any manner to the matters set forth in this **Article 13**, shall provide the Authority with written notice of the same. However, the failure of Lessee Indemnified Persons to provide such notice shall not relieve the Authority of any liability to any Lessee Indemnified Persons hereunder except to the extent such failure actually prejudices the rights and remedies of the Authority.

ARTICLE 14.  
DEFAULT

14.1 Events of Default by Lessee.

Each of the following shall constitute an "**Event of Default**" by the Lessee under this Lease:

14.1.1 The Lessee shall fail to pay when due any payment due under this Lease, where such failure to pay is not cured within thirty (30) days following the Lessee's receipt of written notice that the payment was not made when due;

14.1.2 The Lessee shall vacate or abandon the Leased Premises, at any time during the Lease Term;

14.1.3 The Lessee or PSSI shall at any time fail to occupy the Leased Premises, and/or PSSI shall fail to play all of its regularly scheduled regular season National Football League home games in the Stadium during the Lease Term, as required by **Section 8.1** hereof, or the Lessee and/or PSSI shall otherwise violate **Article 8** of this Lease;

14.1.4 (i) The Lessee, PSSI or any Affiliate directly involved in the professional football operations of either of the foregoing shall institute voluntary proceedings in Bankruptcy, (ii) involuntary proceedings in Bankruptcy shall be instituted against the Lessee, or any Affiliate thereof, which are not discharged within ninety (90) days thereafter, (iii) any proceedings shall be instituted by or against the Lessee, PSSI or any Affiliate related to the professional football operations of either of the foregoing under any law relating to insolvency or reorganization, and in the case of an involuntary proceeding, which is not discharged within ninety (90) days after filing, (iv) a trustee or receiver shall be appointed for the Lessee, PSSI or any Affiliate related to the professional football operations of either of the foregoing by any court of competent jurisdiction, (v) the Lessee, PSSI or any Affiliate related to the professional football operations of either of the foregoing shall make a general assignment for the benefit of its creditors; (vi) a final, non-appealable judgment is entered against the Lessee for an amount in excess of \$1,000,000, which final judgment is not bonded or satisfied within thirty (30) days of having become final, or (vii) the Lessee shall dissolve or liquidate, or shall otherwise cease to exist as a Pennsylvania corporation;

14.1.5 The Lessee's violation or failure to perform or observe any other covenant or condition of this Lease, which failure or violation shall continue for thirty (30) days after receipt of written notice to the Lessee by the Authority identifying with particularity the failure or violation; provided that if such failure or violation is susceptible to cure but is not capable of being cured within such thirty (30) day period, there shall exist no Event of Default

provided that the Lessee promptly advises the Authority of the Lessee's intention duly to institute all steps necessary to cure such default and the Lessee promptly commences cure of such failure or violation, and diligently pursues such cure to completion;

14.1.6 The Lessee's violation or failure to perform or observe any material covenant or condition in any of the Related Agreements, which failure or violation shall continue beyond the grace period, if any, set forth therein or the occurrence of any "default" or "event of default" in any of the Related Agreements (it being understood that any such default or event of default shall be an additional Event of Default hereunder and shall not be construed to be in substitution of any other Events of Default);

14.1.7 Any representation or warranty made by the Lessee herein, or in any Related Agreement shall prove to be false in any material respect when made;

14.1.8 The occurrence of any other event or condition defined as an "Event of Default" in this Lease; or

14.1.9 The NFL franchise held by the PSSI is terminated, restricted or otherwise limited in a manner different than other NFL franchises or the PSSI receives notice of the intent of the NFL to do the same.

#### 14.2 No Notice Required for Certain Defaults.

Upon the occurrence of any Event of Default under **Sections 14.1.2, 14.1.3, 14.1.4 and 14.1.9** above, the Authority shall not be required to deliver notice of default to the Lessee, and the Authority shall, upon the occurrence of such Event of Default, have the right to take such action under this Lease, including without limitation, at its sole option, the right to terminate this Lease immediately, as hereinafter provided, or to take or institute such actions, as are available to authority at law or in equity, as the Authority in its sole discretion may determine desirable or necessary to protect the interest of the City, County, the Authority and general public in the subject matter of this Lease.

#### 14.3 Remedies.

14.3.1 Following the occurrence of an Event of Default, other than a Relocation, and after the expiration of any applicable grace or cure period, and subject to **Sections 14.8.1 and 14.8.2**, the Authority shall have the right, at its election and without further notice, (i) to terminate this Lease upon giving written notice thereby to the Lessee, and in such event, this Lease and the term and estate hereby granted shall terminate upon delivery of notice, or (ii) to terminate the right of the Lessee to occupy the Leased Premises, leaving this Lease in effect, but in either case the Lessee shall remain liable for any sums owed hereunder for the balance of the Lease Term, and damages as provided herein or pursuant to law, or pursuant to any Related Agreement, or (iii) to assert such other right or exercise such other remedy as may be available to the Authority under Pennsylvania law. In addition, with or without terminating this Lease, the Authority, or the Authority's agents, may, solely through legal process, by summary proceedings or by any suitable judicial action or proceeding at law under and by virtue of the laws of the Commonwealth, reenter into or upon the Leased Premises or any part thereof, terminate the Lessee's right of possession and take possession of the Leased Premises. If the

Authority elects to terminate this Lease and/or the Authority elects to terminate the Lessee's right of possession, such election shall be made without prejudice to the Authority's right to recover from the Lessee all sums for which the Lessee is obligated under this Lease. Whether or not this Lease is terminated and/or the Authority elects to terminate the Lessee's right of possession, the Lessee nevertheless shall remain liable for any sums for which Lessee is obligated hereunder or damages which may be due or sustained by the Authority prior or subsequent to such default, including Statutory Rent, together with all costs, fees and expenses (including without limitation reasonable attorneys' fees, brokerage fees and expenses incurred in placing the Leased Premises in rentable condition) incurred by the Authority in pursuit of its remedies.

14.3.2 In addition, following the occurrence of an Event of Default, the Lessee shall be liable, at the Authority's election, to pay to the Authority the following:

(a) all sums, including without limitation, Statutory Rent, which would have become due during the remainder of the Lease Term, computed and payable in annual installments on the 31st day of each January following the Lessee's default and otherwise upon the due dates specified in this Lease, and shall continue until the date of expiration of the Lease Term; the sums owed will be payable based upon the sums payable for the last year of the Lease Term prior to default, adjusted annually based upon CPI Increases;

(b) an amount equal to the present value (as of the date of the occurrence of the Event of Default) of the sums owed which would have become due during the remainder of the Lease Term (for purposes of this clause (b) the amount of the sums owed for each Lease Year ending after such Event of Default shall be equal to the sums owed for the Lease Year immediately preceding the Lease Year in which such shall occur adjusted annually based upon CPI Increases). For purposes of this Section, "present value" shall be computed by discounting at a rate equal to two percent (2%) above the then current Prime Rate; and

14.3.3 The rights and remedies of the Authority in the event of a Relocation, or attempted Relocation, of the Lessee's NFL Franchise, are set forth in **Section 14.4** hereof and/or in the Related Agreements.

#### 14.4 Equitable Remedies.

In addition to the remedies set forth in **Section 14.3** above, the Authority shall, following the occurrence of an Event of Default, have the right to specific performance, injunction or other equitable relief and shall further have the right to the appointment of a receiver for the Lessee and the Leased Premises, which action may be instituted in the Court of Common Pleas of Allegheny County, Pennsylvania, and the Lessee agrees that that Court shall, unless otherwise specifically elected in writing by the Authority, have exclusive jurisdiction of matters instituted by the Authority under this **Section 14.4**.

#### 14.5 Late Charge.

If the Lessee fails to make any payment payable by the Lessee to the Authority on the date due, which failure shall continue for thirty (30) days, then the Lessee shall pay, together with such payment, a late charge of four percent (4%) of the amount of such payment and such payment shall bear interest at a rate per annum equal to the Default Rate, such rate of interest to

change from time to time upon changes in the Prime Rate, payable from the date such payment was due to the date of payment thereof.

14.6 Remedies Cumulative.

All of the Authority's rights and remedies set forth in this Lease are cumulative and in addition to the Authorities rights and remedies at law or in equity, or in the Related Agreements. Each exercise by the Authority of any such right or remedy shall not prevent the concurrent or subsequent exercise of any other right or remedy. The Authority's delay or failure to exercise or enforce any rights or remedies shall not constitute a waiver of any such rights, remedies or obligations. No party shall be deemed to have waived any default unless such waiver is expressly set forth in an instrument signed by such party. If a party waives in writing any default, then such waiver shall not be construed as a waiver of any covenant or condition set forth in this Lease except as to the specific circumstances described in such written waiver. Neither payment of a lesser amount than the sum due hereunder nor endorsement or statement on any check or letter accompanying such payment shall be deemed an accord and satisfaction, and the other party may accept the same without prejudice to the right to recover the balance of such sum or to pursue any other remedy. No act or thing done by the Authority or its agents shall be deemed an acceptance of surrender of the Leased Premises, and no agreement to accept such surrender shall be valid, unless in writing and signed by the Authority.

14.7 Waivers by Lessee.

If proceedings shall be commenced to recover possession of the Leased Premises either at the end of the Lease Term or sooner termination of this Lease, for non-payment of sums owed hereunder, or for any other reason, the Lessee specifically waives the right to the three (3) months' notice to quit and/or the fifteen (15) or thirty (30) days' notice to quit required by the Act of April 6, 1951, P.L. 69, as amended, and agrees that the notices required by this Lease shall be sufficient. The Lessee waives and surrenders all right and privilege that the Lessee might have under or by reason of any present or future law to redeem the Leased Premises or to have a continuance of this Lease after the Lessee is dispossessed or ejected therefrom by process of law or under the terms of this Lease or after any termination of this Lease.

14.8 Default by the Authority.

14.8.1 In the event the Authority fails to fund the Capital Reserve Fund or the North Shore Development Fund as required by this Lease, or by any Related Agreement, or otherwise fails to perform its obligations hereunder, and fails to cure any such default within thirty (30) days after written notice of default is delivered by the Lessee to the Authority (plus, as long as the default is one that cannot be cured by the payment of money, such additional time as may be reasonably necessary to cure such default, provided the Authority is proceeding diligently and in good faith to do so), then the Authority shall be deemed to be in default provided that the right of the Lessee to enforce a judgment against the Authority will be subject to (A) the limited recourse provisions set forth in **Section 14.8.2** below, and (B) such laws and procedures as may otherwise relate to the enforcement of a money judgment against a public authority of the Commonwealth.



14.8.2 Notwithstanding and prevailing over any contrary provision or implication of this Lease, or any of the Related Agreements, the rights and remedies of the Lessee against the Authority shall be limited to those rights and remedies that are set forth in this Lease or that are available under the laws of this Commonwealth, and no personal recourse may be had against any director, officer, employee or agent of the Authority. No property or assets of any officer, director, agent or employee of the Authority shall become subject to levy, execution, attachment, or other enforcement procedures for the satisfaction of the Lessee's remedies.

14.8.3 Notwithstanding anything set forth above or elsewhere the Lease to the contrary, and notwithstanding any default by the Authority of any of its obligations, representations or warranties hereunder, and notwithstanding any arbitrators' award, under no circumstances shall the Lessee have the right to (i) terminate the Lease, (ii) vacate the Leased Premises, (iii) or violate **Article 8** hereof unless the Lessee has obtained a final, non-appealable order from a court of competent jurisdiction, following a trial de novo, which expressly grants the Lessee such rights and the Authority fails to cure such default within two (2) years following the entry of such non-appealable order. The Lessee acknowledges that its agreements contained in this **Section 14.8** are material inducements to the Authority's, the City's, the County's and the Commonwealth's commitments of funds and other resources in furtherance of the Project.

14.9 Arbitration.

If a default by either party hereunder results in a claim exclusively for monetary relief which does not exceed the sum or value of \$500,000, as adjusted by CPI, exclusive of interest and costs, the non-defaulting party shall submit the claim to arbitration administered before three (3) arbitrators. In any arbitration, the parties shall be entitled to conduct discovery in accordance with the applicable rules of the Federal Rules of Civil Procedure, with such modifications thereto as may be mutually agreeable to the parties unless the arbitrators appointed to hear the case rule that discovery should be limited in light of the particular dispute. In the event the parties are unable to agree on the three arbitrators, the parties shall select the three arbitrators by striking alternatively (the first to strike being chosen by lot) from a list of thirteen arbitrators designated by the American Arbitration Association. Each of the parties to the arbitration shall bear the cost of the arbitration on such basis as the arbitrators of the matter shall determine. Notwithstanding the foregoing, nothing in this Lease shall preclude any party from filing any action in a court of competent jurisdiction seeking any temporary restraining order or preliminary injunction. Subject to **Section 14.8.1**, unless either party is restrained or enjoined by a court of competent jurisdiction, the decision of the arbitrators shall be conclusive and non-appealable except in case of fraud.

14.9.1 No Waiver of Sovereign Immunity. Nothing contained in this **Section 14.9** or elsewhere in the Lease to the contrary shall be in any manner whatsoever be construed as a waiver of rights of sovereign immunity possessed by the Authority as an instrumentality of the Commonwealth.

ARTICLE 15.  
REPRESENTATIONS AND WARRANTIES

15.1 Representations and Warranties of the Authority.

The Authority hereby represents and warrants to the Lessee, the following as of the date of execution of this Lease:

15.1.1 Authorization, Validity and Enforceability. The Authority has all requisite power and authority to enter into this Lease and to carry out the actions contemplated hereby. The execution, delivery, and performance by the Authority of this Lease have been duly authorized and approved by all necessary governmental action (other than the various government approvals, licenses and permits which are required for the development, construction, use and operation of the Stadium). The Authority Representative is the individual duly authorized to execute this Lease on behalf of the Authority and has so executed this Lease. This Lease and the Related Agreements, when executed, will constitute the valid and legally binding obligations of the Authority, enforceable against it in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws and subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

15.1.2 No Conflicts. The execution, delivery and performance of this Lease or the Related Agreements will not result in a violation of, in any material respect, any provision of any other agreements, instruments, contracts, judgments or decrees to which the Authority is a party.

15.1.3 No Violation of Laws. Except as otherwise previously disclosed in writing to the Lessee, the Authority has complied in all material respects with all applicable laws, statutes, rules, regulations or orders with respect to the Site or the transactions contemplated in and by this Lease and the Related Agreements; and the Authority is not in default with respect to any judgment, order, injunction or decree of any court, administrative agency, or other Governmental Authority which is in any respect material to the transactions contemplated in and by this Lease. Neither the execution, delivery, nor performance of this Lease by the Authority violates the Authority's charter, the enabling legislation governing the Authority, or any ordinance or resolution of the Authority.

15.1.4 Litigation. Except as otherwise disclosed to the Lessee in writing and as set forth in Schedule 15.1.4, to the actual knowledge of the Authority, there is no action, suit, proceeding or investigation at law or in equity or by or before any Governmental Authority now pending or threatened against the Authority seeking to restrain or prohibit, or seeking damages or other relief in connection with, the execution this Lease and the performance of the transactions contemplated herein or which might materially and adversely affect the use and operation of the Stadium as contemplated in and by this Lease.

15.2 Representations and Warranties of the Lessee.

The Lessee hereby represents and warrants to the Authority the following as of the date of execution of this Lease:

15.2.1 Organization and Authority. The Lessee is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania. PSSI is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania. During the Term of this Lease, the Lessee and PSSI shall continue to be Pennsylvania entities in good standing under the laws of the Commonwealth of Pennsylvania. The Lessee has all requisite power and authority to enter into this Lease and each of the Related Agreements to which it is a party.

15.2.2 Authorization, Validity and Enforceability. All corporate action necessary for the authorization, execution, delivery and performance of all obligations of the Lessee under this Lease and the Related Agreements has been taken. All consents and approvals of any Person required in connection with the execution of this Lease and the Related Agreements have been obtained. This Lease and the Related Agreements, when executed, shall constitute valid and legally binding obligations of the Lessee enforceable in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws and subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

15.2.3 No Conflicts. The execution, delivery and performance of this Lease and/or the Related Agreements will not result in a violation of, in any material respect, any provision of any other agreements, instruments, contracts, judgments or decrees to which the Lessee is a party or by which the Lessee or its assets may be bound or affected, including without limitation, the Lessee's Articles of Incorporation or Bylaws, the NFL Constitution or Bylaws and any written rule, regulation or policy of the NFL. Nor will the execution, delivery and performance of this Lease or the Related Agreements result in the breach of or constitute a default under any loan or credit agreement, or other agreement or instrument to which the Lessee is a party or by which the Lessee or its assets may be bound or affected.

15.2.4 No Violation of Laws. The Lessee has received no written notice as of the date of execution of this Lease asserting any noncompliance in any material respect by the Lessee with applicable statutes, rules and regulations of the United States of America, the Commonwealth of Pennsylvania, or of any other state or municipality or agency having jurisdiction over and with respect to the transactions contemplated in and by this Lease or the Related Agreements; and the Lessee is not in default with respect to any judgment, order, injunction or decree of any court, administrative agency, or other Governmental Authority which is in any respect material to the transactions contemplated in and by this Lease.

15.2.5 Ownership and Control. Schedule 15.2.5 sets forth a correct and complete list of the officers and directors of the Lessee. The issued and outstanding shares of the Lessee's capital stock have been duly authorized and validly issued and are fully paid and non-assessable.

15.2.6 Litigation. Except as otherwise disclosed to the Authority in writing, there is no action, suit, proceeding or investigation at law or in equity or by or before any Governmental Authority now pending or threatened against or which affects the Lessee which has been served upon or of which the Lessee has knowledge, which could have a material

adverse affect upon the Lessee's performance under this Lease or the financial condition or business of the Lessee. There are no outstanding judgments against the Lessee.

ARTICLE 16.  
MISCELLANEOUS

16.1 Form of Notices; Addresses.

All notices, demands or requests required under this Lease shall be in writing. All such notices, demands and requests required under this Lease shall be deemed to have been properly given if (i) served personally, or (ii) if sent by United States registered or certified mail, or (iii) if sent by overnight delivery service, to the parties as follows (or at such other address as a party may from time to time designate by notice given pursuant to this Article):

To the Lessee:	PSSI Stadium Corp. 300 Stadium Circle Pittsburgh, PA 15212
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To the Authority:	Sports & Exhibition Authority of Pittsburgh and Allegheny County Regional Resource Center Suite 1410, 425 6 <sup>th</sup> Avenue Pittsburgh, PA 15219
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16.2 Entire Lease.

This Lease, the documents which are Exhibits to this Lease and the Related Agreements contain the sole and entire Lease between the parties with respect to their subject matter and supersede any and all other prior written or oral agreements, and all contemporaneous oral agreements, between them with respect to such subject matter.

16.3 Amendment.

No amendment or modification of this Lease shall be valid unless in writing and duly executed by the party affected by the amendment or modification, and as to the Authority, to the extent required by Applicable Law.

16.4 Binding Effect.

This Lease shall be binding upon the Authority and the Lessee, and their respective successors and assigns, subject to the limitation on transfer in this Lease and/or in any Related Agreement.

16.5 Trial by Jury.

The Authority and the Lessee each waive trial by jury in any action in connection with this Lease.

16.6 Waiver.

Waiver by either party of any breach of any provision of this Lease shall not be considered as or constitute a continuing waiver or a waiver of any other breach of the same or any other provision of this Lease.

16.7 Captions.

The captions contained in this Lease are inserted only as a matter of convenience or reference and in no way define, limit, extend or describe the scope of this Lease or the intent of any of its provisions.

16.8 Construction.

In the construction of this Lease, whether or not so expressed, words used in the singular or in the plural, respectively, include both the plural and the singular and the masculine, feminine and neuter genders include all other genders.

16.9 Article and Exhibit References.

All references contained in this Lease to Articles and Exhibits shall be deemed to be references to Articles of, and Exhibits attached to, this Lease, except to the extent that any such reference specifically refers to another document. All references to Articles shall be deemed to also refer to all subsections of such Articles, if any. The definitions of terms defined in this Lease shall apply to the Exhibits, unless the context otherwise indicates.

16.10 Severability.

If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it was held invalid or unenforceable, shall not be affected thereby, and each term or provision of this Lease shall be valid and enforceable to the fullest extent permitted by Applicable Law.

16.11 Third Party Beneficiaries.

Nothing in this Lease, express or implied, is intended to (a) confer upon any entity or person other than the parties and their permitted successor(s) and assigns any rights or remedies under or by reason of this Lease as a third-party beneficiary or otherwise except as specifically provided in this Lease; or (b) authorize anyone not a party to this Lease to maintain an action pursuant to or based upon this Lease. Notwithstanding the foregoing, the City, County, Commonwealth, the Allegheny Regional Asset District and PSSI shall be and are intended third party beneficiaries of this Lease.

16.12 Other Documents.

The parties shall take all such actions and execute all such documents which may be reasonably necessary to carry out the purposes of this Lease, whether or not specifically provided

for in this Lease; provided that the parties further acknowledge that certain additional actions by the Authority may require approval, and to the extent such approval is required by Applicable Law, obtaining the approval shall be a condition to the Authority's obligations under this Article.

16.13 Governing Law.

This Lease and the interpretation of its terms shall be governed by the laws of the Commonwealth of Pennsylvania, without application of conflicts of law principles. Venue for any judicial, administrative or other action to enforce or construe any Lease Term or arising from or relating to this Lease shall lie exclusively in Pittsburgh, Allegheny County, Pennsylvania.

16.14 Counterparts.

This Lease may be executed and delivered in counterparts, each of which shall be deemed to be an original and both of which, taken together, shall be deemed to be one Lease.

16.15 Relationship of Parties.

It is agreed that nothing contained in this Lease shall be deemed or construed as creating a partnership or joint venture between the Authority and the Lessee, or between the Authority and any other party, or cause the Authority to be responsible in any way for the debts or obligations of the Lessee or any other party.

16.16 Authority Approval.

In each instance in this Lease where the approval or consent of the Authority may be sought or is required, such approval or consent shall be granted or denied on behalf of the Authority by its Board of Directors.

16.17 Nondiscrimination.

There shall be no discrimination against or segregation of any person, or group of persons, on account of sex, marital status, race, color, creed, religion, national origin, disability or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Leased Premises. Neither the Lessee nor any person claiming under or through it shall establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of licensees, sublicensees or vendors (if any), using or operating at Leased Premises or any portion thereof. The Authority, the City, County and Commonwealth shall be the beneficiaries of this provision and entitled to enforce it.

16.18 Required Contractual Nondiscrimination Clause.

The Lessee, for itself and its successors and assigns, shall cause the following clause to appear in all contracts, licenses or sublicenses concerning the Leased Premises: "Any supplier, contractor or lessee in performing under this contract shall not discriminate against any worker, employee or applicant, or any member of the public because of race, creed, ancestry, color, religion, sex, marital status, disability or national origin. The supplier, contractor or lessee shall ensure that applicants are employed, and that employees are dealt with during employment

without regard to their race, creed, color, ancestry, religion, sex, marital status, disability or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The supplier, contractor, or lessee further agrees that this clause will be incorporated in all subcontracts entered into with suppliers of materials or services, and all labor organizations furnishing skilled, unskilled and union labor, or who may perform any such labor or services in connection with this contract." The clause required by this Lease may be modified or deleted to conform to changes in Applicable Law and deleted when no longer required by Applicable Law.

16.19 Quiet Enjoyment.

The Authority covenants and warrants that the Authority is the true and lawful owner of the Leased Premises and the Authority has good right and full power to lease the same to Lessee pursuant to the provisions hereof. The Authority agrees that Lessee shall, subject to the terms of this Lease, quietly and peaceably hold, possess and enjoy the Leased Premises subject only to Permitted Encumbrances, provided that none of such Permitted Encumbrances shall materially interfere with Lessee's ability to use the Leased Premises for their intended purposes and to the matters set forth in this Lease for the full Term of this Lease. The Authority acknowledges that a material inducement to the Lessee entering into this Lease, is an assurance that the Lessee's employees, visitors and invitees shall have continuous access to the Leased Premises from the entries depicted on the site plan, and the Authority shall not cause any unreasonable interference therewith and shall act in good faith to attempt to prevent any other party from interfering therewith. The Authority shall not create any lien, encumbrance, easement, license, right-of-way, covenant, condition or restriction which would encumber the Leased Premises and materially diminish, impair or disturb the rights of the Lessee under this Lease or the use or operation of the Stadium by the Lessee.

16.20 Subordination, Nondisturbance and Attornment.

This Lease, and all rights of the Lessee hereunder shall be subject and subordinate to any mortgages which may encumber the Leased Premises that are granted in connection with any financing arrangement granted with respect to the development of the Leased Premises; provided, however, in the event the Authority elects to enter into a financing arrangement and in connection therewith grants a mortgage encumbering the Leased Premises, the net proceeds of such financing arrangement allocable to the Leased Premises shall be utilized by the Authority with respect to the Leased Premises. Notwithstanding anything to the contrary contained in this Article, with respect to any mortgage to which this Lease is subordinate, such subordination shall be contingent upon the Authority securing the agreement or acknowledgment of the mortgagee (which shall be obtained pursuant to a separate written agreement with the Lessee) that this Lease, the Lessee's rights hereunder and the Lessee's right to continue occupancy of the within leasehold estate shall not be affected or disturbed in the event of a default by the Authority (or any successor) under any mortgage and subsequent foreclosures or eviction. Such subordination shall also provide to the Lessee the right to elect to cure defaults under the mortgage. The Lessee agrees to execute and deliver its written agreement in favor of the mortgagee to attorn to and perform under this Agreement. If any mortgagee shall succeed to the rights of the Authority hereunder, whether through possession, foreclosure action or delivery of a new lease or deed, or

otherwise, then, at the request of such party ("**Successor Landlord**"), the Lessee shall attorn to, and recognize, each Successor Landlord as the Lessee's landlord under this Lease and shall execute and deliver any reasonable instrument such Successor Landlord may reasonably request to further evidence such attornment; provided, however, that the Lessee's attornment shall be subject to the condition that the Successor Landlord agrees to recognize the Lessee as the owner of the within leasehold estate and the possessory rights thereto, on and subject to all of the terms, conditions, obligations and benefits of this Lease. If a mortgagee shall so elect by notice to the Lessee, this Lease and the Lessee's rights hereunder shall be superior and prior in right to the mortgage of which such mortgagee has the benefit with the same force and effect as if this Lease has been executed, delivered and recorded prior to the execution, delivery and recording of such mortgage.

16.21 Estoppel Certificate.

The Lessee agrees, that at any time and from time to time upon not less than twenty (20) days' prior request by the Authority, it will execute, acknowledge and deliver to the Authority a statement in writing certifying (a) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that the same are in full force and effect as modified and identifying the modifications), (b) the date to which the rent and other charges have been paid, (c) that the Authority is not in default under any provisions of this Lease or, if there has been a default, the nature of said default, (d) that all work with respect to the Leased Premises to be performed by the Authority under this Lease or any Related Agreement has been performed, or if not so performed, specifying the work to be performed, and (e) any other matter that the Authority or such prospective mortgagee or other lender shall reasonably request. It is intended that any such statement may be relied upon by any person prospective mortgagee of, or assignee of any mortgage upon, such interest.

16.22 Option to Purchase in Favor of Commonwealth.

The parties acknowledge that, pursuant to Section 504(8) of the Capital Facilities Act, upon any sale of the Leased Premises, or upon termination of this Lease, the Commonwealth has the option to purchase a one-third (1/3) interest in the Leased Premises, for the consideration of the sum of One Dollar (\$1.00).

16.23 Amusement Tax.

The Authority acknowledges and agrees that the Lessee's consent of the imposition of the Ticket Surcharge is premised upon the City of Pittsburgh's amusement tax (the "**Amusement Tax**") being at a level of not more than 5%. In the event that the Amusement Tax is increased to a rate greater than 5% the Authority shall reimburse Lessee for any amounts of Amusement Tax paid by Lessee and/or any Affiliate of Lessee in excess of 5%. Such reimbursement shall be made only from the Authority's share of Non-Sporting Event Revenues and from any other Event Day Option Area Net Parking Revenues and Non-Event Day Option Area Net Parking Revenues which the Authority is not otherwise obligated to pay to Lessee or into the Steelers North Shore Development Fund pursuant to **Section 7.7** hereof.



16.24 Tax-Exempt Financing.

In the event the Authority determines that continued compliance with the provisions of this Lease could adversely affect the tax-exempt status of the interest on any bonds issued by the Authority to finance a portion of the costs of the [Renaissance projects/Steeler and Pirate stadia], the parties agree to amend such provisions to the extent necessary to preserve such tax-exempt status.

16.25 Applicability of Capital Facilities Act Provisions to PSSI.

To the extent required by Chapter 5 of the Capital Facilities Act, the provisions of this Lease shall apply to and be binding upon PSSI.

16.26 Rights of the Commonwealth.

The Lessee acknowledges that its rights and duties established in this Lease and the Related Agreements are of a unique and special nature. Any violation of Article 8 (including without limitation Sections 8.1 and 8.2), Section 4.3 or Section 7.1 of this Lease, or of any comparable provision in any Related Agreement, or any covenant of the Lessee hereunder, will result in immediate and irreparable harm to the Commonwealth, and in the event of any actual or threatened breach or violation of any of the provisions of Article 8 (including without limitation Sections 8.1 and 8.2), Section 4.3 or Section 7.1 of this Lease, or of any comparable provision of any Related Agreement prohibiting the relocation of the Franchise from the City during the Term, or any covenant or obligation of the Lessee under the Capital Facilities Act, the Commonwealth will be entitled as a matter of right to (i) an injunction or a decree of specific performance without bond from any court of competent jurisdiction, including without limitation the Commonwealth Court of Pennsylvania, (ii) such monetary damages as are authorized under Section 504 of the Capital Facilities Act, and (iii) such other and further relief as is available. Nothing contained in this Section 16.26 shall be construed to affect or limit in any manner any rights or remedies of the Authority under this Lease or any Related Agreement.

16.27 Restrictive Covenant Agreement.

The Authority and the Commonwealth will enter into a Restrictive Covenant Agreement as required by Section 26 of the Grant Agreement.

16.28 Independent Covenants.

Each covenant, agreement, obligation or other provision of this Lease to be performed by the Lessee is a separate and independent covenant of the Lessee, is and not dependent on any other provision of this Lease or any related Agreement.

16.29 Force Majeure.

If Lessee cannot perform any of its obligations (other than the payment of money) due to events beyond Lessee's reasonable control, the time provided for performing such obligations shall be extended by a period of time equal to the duration of such events. Events beyond Lessee's reasonable control include, but are not limited to, acts of God, war, civil commotion,

labor disputes, strikes, fire, flood or other casualty, shortages of labor or material, government regulation or restrictions, and weather conditions.

\* \* \* \*

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the first date above written.

**LESSEE:**

**PSSI STADIUM CORP.**

By: 

Title: \_\_\_\_\_

**AUTHORITY:**

**SPORTS & EXHIBITION AUTHORITY OF  
PITTSBURGH AND ALLEGHENY  
COUNTY**

By: 

Title: \_\_\_\_\_

**JOINDER**

Pittsburgh Steelers Sports, Inc. hereby joins in the execution of this Lease solely for the purpose of acknowledging that, to the extent required by Chapter 5 of the Capital Facilities Act, the provisions of this Lease apply to Pittsburgh Steelers Sports, Inc.

**PITTSBURGH STEELERS SPORTS, INC.**

By: 

Title: \_\_\_\_\_