INDEX TO CLOSING DOCUMENTS
CROSSROADS ARENA

CLOSED JUNE 2, 1995
DOCUMENTS RECORDED JUNE 5, 1995

PARTICIPANTS

City of Buffalo	("City")
County of Erie	("County")
Erie County Industrial Development Agency	("ECIDA")
New York State Urban Development Corporation	("UDC")
Niagara Frontier Hockey LP	("NFHLP" or "Sabres")
Niagara Frontier Hockey Management Corp.	("NFHMC")
Crossroads Arena LLC	("CALLC")
Buffalo Sabres Concessions LLC	("BSCLLC")
Marine Midland Bank	("Marine")
Key Bank of New York	("Key")
Fleet Bank	("Fleet")
Shawmut Bank, N.A.	("Shawmut")
New York Sportservice Inc.	("Sportservice")

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Doc. 33086

CONTRACT FOR

LEASE OF LAND FOR REDEVELOPMENT

BY AND AMONG

CITY OF BUFFALO URBAN RENEWAL AGENCY

AND

THE CITY OF BUFFALO

AND

CROSSROADS ARENA LLC

Dated as of May 10, 1995

PART I

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THIS **AGREEMENT**, consisting of this Part I, Part II and attached exhibits annexed hereto and made a part hereof ("Agreement"), made on or as of the 10th day of May, 1995, by and among the **CITY OF BUFFALO URBAN RENEWAL AGENCY**, a public benefit corporation ("Agency"), established pursuant to Article 15-A of the General Municipal Law of the State of New York (hereinafter called the "Urban Renewal Act") having its office at Room 920, City Hall, Buffalo, New York, in the City of Buffalo, State of New York, and the **CITY OF BUFFALO**, a municipal corporation of the State of New York, having its office at City Hall, Buffalo, New York 14202 ("City") and **CROSSROADS ARENA LLC**, a New York limited liability company having its office at 140 Main Street, Buffalo, New York 14202 ("Redeveloper");

W I T N E S S E T H :

WHEREAS, in furtherance of the objectives of the Urban Renewal Act, the City has prepared and approved an urban renewal plan , including amendments thereto, for the urban renewal project known as The Waterfront Redevelopment Project NYR-35 (the "Waterfront Urban Renewal Plan") to provide for the clearance, construction and rehabilitation of substandard, blighted and unsanitary properties within the project area encompassed by the Waterfront Urban Renewal Plan; and

WHEREAS, the Waterfront Urban Renewal Plan designates and empowers the Agency to undertake activities permitted under the

Urban Renewal Act to implement and enforce the Waterfront Urban Renewal Plan; and

WHEREAS, the Agency granted Arena, Inc. certain redeveloper status for certain property located within the project area of the Waterfront Urban Renewal Plan for the purpose of redeveloping such property by the construction of The Crossroads Arena in accordance with the uses specified in the Urban Renewal Plan and the provisions of this Agreement; and

WHEREAS, Redeveloper has assumed the contractual obligations of Arena, Inc. in effect on or prior to November 18, 1994 pursuant to the terms of an Assignment and Assumption Agreement by and between Redeveloper and Crossroads Arena Corporation dated November 18, 1994; and

WHEREAS, the Agency, the City, Arena, Inc., the County of Erie , the Erie County Industrial Development Agency and the New York State Urban Development Corporation have entered into a Memorandum of Understanding dated March 28, 1994 ("MOU") to provide for the design, development, financing, construction and operation of The Crossroads Arena; and

WHEREAS, pursuant to the MOU, the Agency, the City and the Redeveloper have entered into an Interim Development and Construction Agreement, dated as of March 11, 1994 and a First Amendment thereto dated October 27, 1994 (collectively the "Interim Development and Construction Agreement"), for certain interim development activities pending the finalization and execution of this Agreement; and

WHEREAS, pursuant to the MOU and the Interim Development and Construction Agreement, the Agency has acquired fee title to the portion of The Crossroads Site described in Exhibit E attached, , a substantial portion of which has been acquired by negotiated purchase and eminent domain and the Agency has expended substantial funds in furtherance thereof; and

NOW, THEREFORE, in consideration of the promises and mutual obligations of the parties hereto, each of them does hereby covenant and agree with the others as follows:

SECTION 1 DEFINITIONS

All capitalized terms used herein which are not otherwise defined in this text shall have the meanings stated on Exhibit A attached hereto.

SECTION 2 GROUND LEASE

(A) Subject to all the terms, covenants and conditions of this Agreement, the Agency, the County, the City, ECIDA, CALLC and NFHLP will enter into a series of leases of the property described in Exhibit E attached for the purpose of redeveloping The Crossroads Site and constructing The Crossroads Arena in conformance with the Waterfront Urban Renewal Plan, all as further described in the Development and Construction Agreement which Development and Construction Agreement is incorporated herein by reference as if fully set forth herein; provided however that such incorporation shall not deem the Development and Construction Agreement to be covenants running with the

property described in Exhibit E attached. The Redeveloper consents and agrees to all terms and conditions of this Agreement and has executed this Agreement for purposes of binding itself, its successors and assigns, for purposes of the transactions referenced in this Agreement and the Development and Construction Agreement. For purposes of Part II of this Agreement, (a) the term "conveyance" shall be deemed to be each conveyance of the leasehold estate by the Prior Leases, (b) the term "instrument of conveyance" shall be deemed to be each of the Prior Leases, and (c) "assigns" of the Redeveloper shall be deemed to include each lessee under each of the Prior Leases.

(B) **Conditions Precedent:** Redeveloper and Agency understand and agree that Agency shall enter into the Ground Lease with the County provided that:

(i) The Agency and the Common Council of the City of Buffalo have both approved this Agreement;

(ii) The Agency, the Redeveloper, the City, the ECIDA, the County, and UDC have entered into the Development and Construction Agreement and all conditions precedent to the validity and enforceability of the Development and Construction Agreement have been satisfied or waived.

(C) **Conditions Subsequent:** The leasehold estate conveyed by the Prime Building Lease shall be subject to (i) the conditions subsequent as provided for in Part II hereof, (ii) the Affirmative Action/Equal Opportunity Hiring Plan attached hereto as Exhibit B, and (iii) the CALLC Additional Covenants attached hereto as Exhibit C.

(D) **Time and Place for Delivery of Ground Lease:** The Agency shall execute and deliver the Ground Lease and possession of the property described in Exhibit E attached to the County concurrent with execution and delivery of all other Prior Leases.

(E) **Apportionment of Taxes:** City real property taxes, County real property taxes, sewer rents, water charges and pedestrian-transit mall special district service charges allocable to The Crossroads Site and the Improvements, if any, shall be adjusted as of the date of delivery of the Prior Leases in accordance with Section 520 of the New York Real Property Tax Law and Section 555 of the New York General Municipal Law and shall be paid by Redeveloper on such date.

(F) **Recordation of Contract and Memorandum of Lease:** The Agency shall file this Agreement for recordation among the land records of the Erie County Clerk. Redeveloper shall pay all costs for so recording this Agreement.

SECTION 3 CONSTRUCTION PLANS:

Redeveloper has submitted and the Agency has approved Redeveloper's Plans and Specifications as defined in the Financing Participants Agreement ("Plans and Specifications") as the "Construction Plans" in satisfaction of the requirements of Section 301 of Part II of this Agreement.

SECTION 4 TIME FOR COMMENCEMENT AND COMPLETION OF IMPROVEMENTS:

The construction of The Crossroads Arena as provided for in the Development and Construction Agreement shall constitute the

Improvements as provided for in Section 301 of Part II hereof. Construction of the Improvements has commenced prior to execution of this Agreement, and, except as otherwise provided in this Agreement or the Financing Participants Agreement, shall be completed no later than June 30, 1997 in accordance with the terms and conditions of the Development and Construction Agreement. Redeveloper agrees that it shall not use or permit The Crossroads Site or the Improvements to be used for any purpose other than construction and operation of The Crossroads Arena as provided for in and pursuant to the terms and conditions of the Development and Construction Agreement and the Operating Agreement.

SECTION 5 EXTENSIONS OF PERFORMANCE TIME:

Any extension of the time which the Redeveloper reasonably requires to fulfill its obligations under this Agreement shall be governed by the Development and Construction Agreement and the Financing Participants Agreement.

SECTION 6 EVENTS OF DEFAULT

Subject to the terms and conditions of the Financing Participants Agreement, any event of default by Redeveloper under the Development and Construction Agreement, the Prime Building Lease, the Operating Agreement or the Sabres Lease shall constitute an event of default by Redeveloper under this Agreement.

SECTION 7 TERM OF AGREEMENT:

The term of this Agreement shall commence upon execution hereof and shall expire upon vesting of title to The Crossroads Arena in the City as provided in the Prior Leases.

SECTION 8 GUARANTY BY REDEVELOPER

Notwithstanding any participation by the City, County or ECIDA in the Prior Leases, Redeveloper shall be fully and personally liable for performance of the duties and responsibilities of Redeveloper under this Agreement, including without limitation, the covenants and agreements set forth in Exhibits B and C attached hereto.

SECTION 9 CONDITION OF THE PROPERTY

Redeveloper has inspected The Crossroads Site and acknowledges that, except as specifically set forth herein and absent fraud or willful misrepresentation, neither the Agency nor the City, nor any of their respective officers, agents and employees, is liable for or bound in any manner by any express or implied warranties, guarantees, promises, statements, inducements, or representation of information pertaining to The Crossroads Site. Redeveloper will accept The Crossroads Site under the Prime Building Lease "AS IS" including all improvements made or caused to have been made by the Redeveloper under the Interim Development Agreement. Redeveloper has undertaken all environmental inspections and tests of, on, under or adjacent to The Crossroads Site necessary to determine (i) the adequacy of

The Crossroads Site for the intended uses and (ii) the presence of any Hazardous Substances on, under or adjacent to The Crossroads Site. Redeveloper agrees, commencing upon the date of the Interim Development and Construction Agreement and extending through the Term of this Agreement, without limitation and at no cost to the Agency, The Buffalo Enterprise Development Corporation ("BEDC"), or the City to defend, indemnify and hold harmless the Agency, the City, and BEDC and their respective officers, employees and agents and Redeveloper hereby releases the Agency, the City and BEDC from and against any and all damages, claims, liabilities, suits, actions, liens, costs of remediation and other costs (including attorney, expert witness and testing fees), in law or equity of whatsoever kind or nature, resulting from, arising out or relating to the environmental condition of The Crossroads Site now existing or which may exist in the future including, but not limited to, the presence, migration, use, generation, storage, deposit on, onto or from The Crossroads Site, the groundwater under The Crossroads Site or the Improvements of any Hazardous Substances.

SECTION 10 PROHIBITION AGAINST ASSIGNMENT OF AGREEMENT

Notwithstanding anything to the contrary contained in this Agreement, Redeveloper shall not assign this Agreement in whole or in part to any other party, person, corporation, partnership or other legal entity without the express prior written approval of the Agency and the City except as collateral for the financing contemplated by the Financing Participants Agreement.

SECTION 11 REPRESENTATIONS AND WARRANTIES

(A) The Agency hereby represents and warrants that:

(i) It is a duly organized and validly existing public benefit corporation of the State of New York;

(ii) Subject to the approval of this Agreement by the Common Council of the City of Buffalo, it has full power and authority to execute this Agreement, consummate the transactions provided for herein and perform its obligations hereunder in a full and timely manner.

(iii) Subject to the approval of this Agreement by the Common Council of the City of Buffalo, the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by its members and this Agreement constitutes a valid, legal and binding obligation of the Agency, enforceable according to its terms, except as enforceability may be limited by applicable bankruptcy and insolvency laws affecting creditors' rights generally and general principles of equity.

(iv) There are no orders, judgments and decrees outstanding or any claim, action, suit or legal, administrative, arbitration or other proceeding or governmental investigation pending or, to the best of the Agency's knowledge, threatened against or affecting the Agency or which would prevent the consummation of the transactions contemplated by this Agreement or materially impair the Agency's ability to perform under this Agreement.

(B) Redeveloper represents and warrants that:

(i) It is a limited liability company duly organized and validly existing under the laws of the State of New York, and has made all required filings to effect and maintain its status.

(ii) It has full power and authority to execute this Agreement, consummate the transactions provided for herein, perform its obligations hereunder in a full and timely manner, and no consent of any other person or entity and no license, permit, approval, authorization, exemption, notice, report, registration, filing or declaration is required by any governmental authority in connection with this Agreement and/or Redeveloper's performance hereunder.

(iii) The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary company or other action on the part of Redeveloper, and this Agreement constitutes a valid, legal and binding obligation of Redeveloper, enforceable according to its terms, except as enforceability may be limited

by applicable bankruptcy and insolvency laws affecting creditors' rights generally and general principles of equity.

(iv) The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not conflict with or result in a breach of, or default or loss of any benefit under any provision of Redeveloper's certificate of organization, operating agreement or other governing documents, or any material agreement, instrument or obligations to which Redeveloper is bound which would have an adverse effect upon or give any other party the right to terminate or modify the rights or benefits granted to Redeveloper pursuant to this Agreement.

(v) There are no orders, judgments, liens or decrees outstanding or any claim, action, suits or legal, administrative, arbitration or other proceedings or governmental investigations pending or, to the best of Redeveloper's knowledge, threatened, against or affecting Redeveloper which would prevent the consummation of the transactions contemplated by this Agreement, or materially impair Redeveloper's ability to perform under this Agreement.

(C) These representations and warranties of and by Redeveloper are a material inducement to the Agency to enter into this Agreement and but for said representations and warranties, the Agency would not enter into this Agreement. Said parties are materially relying on said representations and warranties and in reliance thereon the Agency has not fully investigated the legal status or financial condition of Redeveloper or any other matter relating to said representations and warranties of the

Redeveloper. Redeveloper agrees that the Agency has no duty to conduct any additional investigation and may rely solely on the representations and warranties made herein. The representations and warranties made herein shall survive the execution and delivery of this Agreement and shall continue in full force and effect for the duration of the covenant on use as provided in Section 6 of this Part I.

SECTION 12 COUNTERPARTS:

This Agreement is executed in two (2) or more counterparts, each of which shall constitute one and the same instrument.

SECTION 13 NOTICES AND DEMANDS:

A notice, demand, or other communication under this Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, and

(i) in the case of Redeveloper, is addressed to or delivered personally to Redeveloper at 140 Main Street, Buffalo, New York 14202, Attention: Executive Vice-President and with a copy to Cohen, Swados, Wright, Hanifin, Bradford & Brett, 70 Niagara Street, Buffalo, New York 14202 or

(ii) in the case of the Agency, is addressed to or delivered personally to the Agency at City of Buffalo Urban Renewal Agency, Room 920 City Hall, 65 Niagara Square, Buffalo, New York 14202, Attention: Vice-Chairman, with a copy to Agency

Counsel, Room 9210 City Hall, 65 Niagara Square, Buffalo, New York 14202, or

(iii) in the case of the City, is addressed to or delivered personally to the Mayor, City of Buffalo, City Hall, Buffalo, New York 14202, with a copy to the Corporation Counsel, Room 1101, City Hall, Buffalo, New York 14202 and to the City Clerk, Room 1308, City Hall, Buffalo, New York 14202, or

(iv) at such other address with respect to either party as that party may, from time to time, designate in writing and forward to the other as provided in this Section. Copies of all such notices, demands or other communications shall be contemporaneously delivered by the party sending such notice, demand or other communication to each Financing Participant to the address provided in the Financing Participants Agreement.

SECTION 14 FINANCING PARTICIPANTS AGREEMENT:

Notwithstanding anything herein to the contrary, the rights and obligations of the parties hereto with respect to all matters addressed in the Financing Participants Agreement shall be as governed by the Financing Participants Agreement. Any conflict between the terms and conditions of this Agreement and the Financing Participants Agreement shall be resolved in favor of the Financing Participants Agreement.

IN WITNESS WHEREOF, the Agency, the City and the Redeveloper have caused this Agreement to be duly executed in its name and behalf by their respective officers indicated below and

for their respective seals to be hereunto duly affixed, on or as of the day first above written.

(SEAL)

APPROVED AS TO FORM ONLY

MAY 22 1995

MICHAEL L. McCARTHY
LEGAL COUNSEL

CITY OF BUFFALO URBAN RENEWAL AGENCY

BY: _____
ANTHONY M. MASIELLO
Chairman

CITY OF BUFFALO

By: _____
ANTHONY M. MASIELLO
Mayor

CROSSROADS ARENA LLC

BY: _____

_____
Title

Approved as to Form

_____
Edward D. Peace
Corporation Counsel

for their respective seals to be hereunto duly affixed, on or as of the day first above written.

(SEAL) CITY OF BUFFALO URBAN RENEWAL AGENCY

BY:_____
ANTHONY M. MASIELLO
Chairman

CITY OF BUFFALO

By:_____
ANTHONY M. MASIELLO
Mayor

CROSSROADS ARENA LLC

BY:_____
Title

Approved as to Form

_____
Edward D. Peace
Corporation Counsel

STATE OF NEW YORK :
COUNTY OF ERIE : SS
CITY OF BUFFALO :

On the 23rd day of May, 1995, before me personally came ANTHONY M. MASIELLO, to me known, who being by me duly sworn, did depose and say that he resides at 111 Penhurst Park, Buffalo, New York 14222, that he is the Chairman, of the corporation described in and which executed the foregoing instrument; ~~that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the members of said corporation;~~ and that he signed his name thereto ~~by like order.~~

NOTARY PUBLIC/COMMISSIONER OF DEEDS

EDWARD D. PEACE
Notary Public, State of New York
Qualified in Erie County
My Commission Expires May 4, 19 97

STATE OF NEW YORK :
COUNTY OF ERIE : SS
CITY OF BUFFALO :

On the 23rd day of May, 1995, before me personally came ANTHONY M. MASIELLO, to me known, who being by me duly sworn, did depose and say that he resides at 111 Penhurst Park, Buffalo, New York 14222, that he is the Mayor of the municipal corporation described in and which executed the foregoing instrument; ~~that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed after approval of the Common Council of the foregoing instrument~~; and that he signed his name thereto ~~by like approval.~~

NOTARY PUBLIC/COMMISSIONER OF DEEDS

EDWARD D. PEACE
Notary Public, State of New York
Qualified in Erie County
My Commission Expires May 4, 19 97

STATE OF NEW YORK :
COUNTY OF ERIE : SS
CITY OF BUFFALO :

On the 24th day of May, 1995, before me personally came LAWRENCE QUINN, to me known, who being by me duly sworn, did depose and say that he resides at 21 St. Catherine's Court, Buffalo, New York 14222, that he is the Executive Vice President, of the limited liability company described in and which executed the foregoing instrument and that he signed his name thereto by order of the members of said company.

Diane W Capicotto

NOTARY PUBLIC/COMMISSIONER OF DEEDS

DIANE W. CAPICOTTO
Notary Public, State of New York
Qualified in Niagara County
My Commission Expires May 31, 1995

LBpo/249470

TERMS & CONDITIONS

PART II

OF

CONTRACT FOR

LEASE OF LAND FOR REDEVELOPMENT

By and Among

CITY OF BUFFALO URBAN RENEWAL AGENCY

and

THE CITY OF BUFFALO

and

CROSSROADS ARENA LLC

Dated as of May 10, 1995

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ARTICLE I
PREPARATION OF PROPERTY FOR REDEVELOPMENT

SECTION 101. Expenses, Income, and Salvage. All expenses relating to preparation of The Crossroads Site necessary or incidental to the Improvements, including, but not limited to, current taxes, if any, relating to buildings or other structures demolished or to be demolished shall be borne by, and all income or salvage received as a result of the demolition of such buildings or structures shall belong to, the Redeveloper.

SECTION 102. Waiver of Claims and Joining in Petitions by Redeveloper. The Redeveloper hereby waives any and all claims to awards of damages, if any, to compensate for the closing, vacating , or change of grade of any street, alley, or other public right-of-way within or fronting or abutting on, or adjacent to, The Crossroads Site which is to be closed or vacated, or the grade of which is to be changed, in furtherance of the objectives of the Waterfront Urban Renewal Plan, and any amendments thereto, and shall upon the request of the Agency subscribe to and join with, the Agency in any petition or proceeding required for such vacation, dedication, change of grade, and, to the extent necessary, rezoning, and execute any waiver or other document in respect thereof.

ARTICLE II
RIGHTS OF ACCESS TO PROPERTY

SECTION 201. Right of Entry for Utility Service. The Agency reserves, during the term of this Agreement, for itself, the City, and any public utility company, as may be appropriate, the unqualified right to enter upon the Premises at all reasonable times and with minimal interruption of the use of the Premises, to the extent practicable, for the purpose of inspecting, reconstructing, maintaining, repairing, or servicing the public utilities located within the Property boundary lines and provided for in the easements described or referred to in Exhibit B of the Development and Construction Agreement.

SECTION 202. Redeveloper Not to Construct Over Utility Easements. The Redeveloper shall not construct any building or other structure or improvement other than as shown in the Plans and Specifications on, over, or within the boundary lines of any easement for public utilities described or referred to in Exhibit B of the Development and Construction Agreement, unless such construction is provided for in such easement or has been approved by the Agency, which approval shall not be unreasonably withheld or delayed.

SECTION 203. Access to Property. After the conveyance of The Crossroads Site by the Prior Leases, the Redeveloper shall permit the representatives of the Agency access to the Property at all reasonable times which the Agency deems necessary for the

purpose of the Agreement, including, but not limited to, inspection of all work being performed in connection with the construction of the Improvements, all as provided in Section 8.04 of the Development and Construction Agreement provided that such entry by the Agency shall not interfere with the use and operation of The Crossroads Site or The Crossroads. No compensation shall be payable nor shall any charge be made in any form by any party for the access provided for in this section.

ARTICLE III
CONSTRUCTION PLANS; CONSTRUCTION OF IMPROVEMENTS; CERTIFICATE OF COMPLETION

SECTION 301. Plans for Construction of Improvements. The construction of the Improvements thereon shall be in conformity with the Waterfront Urban Renewal Plan, this Agreement, the Development and Construction Agreement and Laws. The term "Improvements," as used in this Agreement, shall be deemed to have reference to the improvements as provided and specified in the Plans and Specifications as so approved.

SECTION 302. Commencement and Completion of Improvements. Subject to the Financing Participants Agreement, the Redeveloper agrees for itself, its successor and assigns, and every successor in interest to The Crossroads Site, or any part thereof, and the Prime Building Lease shall contain covenants on the part of the Redeveloper for itself and its successors and assigns, that the Redeveloper, and its successors and assigns, shall promptly begin and diligently prosecute to completion the redevelopment of The Crossroads Site through the construction of the Improvements thereon, and that such construction shall in any event be begun within the period specified in Part I hereof and be completed within the period specified therein. It is intended and agreed, and the instrument of conveyance shall so expressly provide, that such agreements and covenants shall be covenants running with the land described in Exhibit E attached and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in this Agreement itself, be, to the fullest extent permitted by law and equity, binding for the benefit of the Agency and enforceable by the Agency against the Redeveloper and its successors and assigns to or of The Crossroads Site or any part thereof or any interest therein.

SECTION 303. Certificate of Completion.

(a) Promptly after completion of the Improvements in accordance with those provisions of the Development and Construction Agreement relating solely to the obligations of the Redeveloper to construct the Improvements (including the dates for beginning and

completion thereof), the Agency will furnish the Redeveloper with an appropriate instrument in the form of Exhibit D attached hereto so certifying such completion. Such certification by the Agency shall be (and it shall be so provided in the instrument of conveyance and in the certification itself) a conclusive determination of satisfaction and termination of the agreements and covenants in this Agreement and in the instrument of conveyance with respect to the obligations of the Redeveloper, and its successors and assigns, to construct the Improvements and the dates for the beginning and completion thereof. Such certification and such determination shall not constitute evidence of compliance with or satisfaction of any obligation of the Redeveloper to any holder of a mortgage, or any insurer of a mortgage, securing money loaned to finance the Improvements, or any part thereof, or of the satisfaction or termination of any other agreement contained in this Agreement or the instrument of conveyance or of compliance with any building code, building permit or similar requirements.

(b) Such certification provided for in this section shall be in such form as will enable it to be recorded in the Office of the Erie County Clerk for the recordation of deeds and other instruments pertaining to the Property. If the Agency shall refuse or fail to provide any certification in accordance with the provisions of this section, the Agency shall, within thirty (30) days after written request by the Redeveloper, provide the Redeveloper with a written statement, indicating in adequate detail in what respects the Redeveloper has failed to complete the Improvements in accordance with the provisions of the Agreement, or is otherwise in default, and what measures or acts it will be necessary, in the opinion of the Agency, for the Redeveloper to take or perform in order to obtain such certification.

ARTICLE IV
RESTRICTIONS UPON USE OF PROPERTY

SECTION 401. Restrictions on Use. The Redeveloper agrees for itself, and its successors and assigns, and every successor in interest to the Premises, or any part thereof, and the instrument of conveyance shall contain covenants on the part of the Redeveloper for itself, and such successors and assigns, that the Redeveloper, and such successors and assigns, shall:

(a) Devote the Premises to, and only to and in accordance with, the uses specified in the Waterfront Urban Renewal Plan and this Agreement; and

(b) Not discriminate upon the basis of race, color, creed, age, sex, disability, marital status or national origin in the sale, lease, or rental or in the use or occupancy of the Premises erected or to be erected thereon, or any part thereof.

SECTION 402. Covenants: Binding Upon Successors in Interest; Period of Duration. It is intended and agreed, and each and every Prior Lease shall so expressly provide, that the agreements and covenants provided in Section 401 hereto shall be covenants running with the land described in Exhibit E attached and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in the Agreement, be binding, to the fullest extent permitted by law and equity, for the benefit and in favor of, and enforceable by, the Agency, its successors and assigns, and any successor in interest to The Crossroads Site, or any part thereof, and with respect to Subdivision (a) of Section 401 hereof, the owner of any other land (or of any interest in such land) in the Project Area which is the subject to the land use requirements and restrictions of the Waterfront Urban Renewal Plan, against the Redeveloper, its successors and assigns and every successor in interest to The Crossroads Site, or any part thereof or any interest therein, and any party in possession or occupancy of the Premises or any part thereof. It is further intended and agreed that this agreement and covenant provided in Subdivision (a) of Section 401 hereof shall remain in effect for the Term of this Agreement (at which time such agreement and covenant shall terminate) and that the agreements and covenants provided in Subdivision (b) of Section 401 hereof shall remain in effect without limitation as to time. Provided, that such agreements and covenants shall be binding on the Redeveloper itself, each successor in interest to the Property, and every part thereof, and each party in possession or occupancy, respectively, only for such period as such successor or party shall have title to, or an interest in, or possession or occupancy of, the Premises or any part thereof. The terms "uses specified in the Urban Renewal Plan" and "land use" referring to provisions of the Urban Renewal Plan, or similar language, in this Agreement shall include the land and all building, housing and other requirements or restrictions of the Waterfront Urban Renewal Plan and this Agreement to The Crossroads Site.

SECTION 403. Agency Rights to Enforce. In amplification, and not in restriction, of the provisions of the preceding section, it is intended and agreed that the Agency and its successors and assigns shall be deemed beneficiaries of the agreements and covenants provided in Section 401 hereof, both for and in its own right and also for the purposes of protecting the interests of the community and other parties, public or private, in whose favor or for whose benefit such agreements and covenants have been provided. Such agreements and covenants shall (and the instrument of conveyance shall so state) run in favor of the Agency for the entire period during which such agreements and

covenants shall be in force and effect, without regard to whether the Agency has at any time been, remains, or is an owner of any land or interest therein to or in favor of which such agreements and covenants relate. The Agency shall have the right, in the event of any breach of any such agreement or covenant, to exercise all the rights and remedies, and to maintain any actions or suits at law or in equity or other property proceedings, to enforce the curing of such breach of agreement or covenant, to which it or any other beneficiaries of such agreement or covenant may be entitled.

ARTICLE V
PROHIBITIONS AGAINST ASSIGNMENT AND TRANSFER

SECTION 501. Representations as to Redevelopment. The Redeveloper represents and agrees that its occupancy of The Crossroads Site, and its other undertakings pursuant to this Agreement, are, and will be used, solely for the purpose of redevelopment of Property and not, without limitation, for speculation in land holding. The Redeveloper further recognizes that, in view of:

(a) the importance of the redevelopment of the Property to the general welfare of the community;

(b) the substantial financing and other public aids that have been made available by law and by the Agency or the City for the purpose of making such redevelopment possible; and

(c) the fact that a transfer of the stock interests in the Redeveloper or of a substantial part thereof, or any other act or transaction involving or resulting in significant change in the ownership, or with respect to the identity of the parties in control, of the Redeveloper or the degree thereof, is for practical purposes a transfer or disposition of the interests in the Property then owned by the Redeveloper,

the qualifications and identity of the Redeveloper, and its members, are of particular concern to the community and the Agency. The Redeveloper further recognizes that it is because of such qualifications and identity that the Agency is entering into the Agreement with the Redeveloper, and in so doing, is further willing to accept and rely on the obligations of the Redeveloper for the faithful performance of all undertakings and covenants in this Agreement.

SECTION 502. Prohibition Against Transfer of Shares of Stock; Binding upon Stockholders Individually. For the foregoing reasons, and in consideration thereof, the Redeveloper represents and agrees for itself, its members and any successor in interest of itself and its members (set forth in Section 501 above),

respectively, that: Prior to completion of the Improvements as certified by the Agency, (a) there shall be no transfer by any party owning (or parties in the aggregate owning) (ten) (10) percent or more of the membership interests in the Redeveloper (which term shall be deemed for the purposes of this and related provisions to include successors in interest of such membership interest or any part thereof of interest therein), (b) nor shall any such owner suffer any such transfer(s) to be made, (c) nor shall there be or be suffered to be by the Redeveloper, or by any owner (or owner in the aggregate) of ten (10) percent or more of the membership interest, any other similarly significant change in the ownership of such membership interest or in the relative distribution thereof, or with respect to the identity of the parties in control of the Redeveloper or the degree thereof, by any other method or means, whether by increased capitalization, merger with another company, or other amendments, issuance of additional or memberships, or otherwise creation of additional membership units or interests. With respect to this provision, the Redeveloper and the parties signing this Agreement on behalf of the Redeveloper represent that they have the authority of all of its existing members to agree to this provision on their behalf and to bind them with respect thereto. As used herein "transfer" shall include, without limitation, any pledge, assignment, mortgage, lien or other transfer, whether voluntary or by operation of law, and including so-called "step transactions".

SECTION 503. Prohibition Against Transfer of the Premises and Assignment of Agreement. Also, for the foregoing reasons, and in consideration thereof, the Redeveloper represents and agrees for itself, and its successors and assigns, that:

(a) Except only

(1) by way of security for, and only for, (i) the purpose of obtaining financing necessary to enable the Redeveloper or any successor in interest to the Premises, or any part thereof, to perform its obligations with respect to making the Improvements under this Agreement, or

(2) as specifically permitted by Part I of this Agreement, the Development and Construction Agreement, the Operating Agreement or the Financing Participants Agreement

the Redeveloper (except as so authorized) has not made or created, or suffered to be made or created, and that it will not, prior to the proper completion of the Improvements as certified by the Agency, make or create, or suffer to be made or created, any total or partial sale, assignment, conveyance, or lease, or any trust or power, or transfer in any other mode or form of or with respect to this Agreement or the Redeveloper's interest in the Premises, or any part thereof, or any contract or agreement

to do any of the same, without the prior written approval of the Agency, which approval may be withheld in the sole discretion of the Agency.

Provided, that in the absence of specific written agreement by the Agency to the contrary, no such transfer or approval by the Agency thereof shall be deemed to relieve the Redeveloper, or any other party bound in any way by this Agreement or otherwise with respect to the construction of the Improvements, from any of its obligations or liabilities with respect thereto, whether retrospective or prospective.

SECTION 504. Information as to Members. In order to assist in the effectuation of the purposes of this Article and the statutory objectives generally, the Redeveloper agrees that during the period between execution of this Agreement and completion of the Improvements as certified by the Agency, (a) the Redeveloper will promptly notify the Agency of any and all of the following, whether proposed, intended or executed: any and all changes whatsoever in the ownership of membership interests (general or limited), legal or beneficial of the Redeveloper, or of any other act or transaction involving or resulting in any change in the ownership of such membership interests or in the relative distribution thereof, or with respect to the identity of the parties in control of the Redeveloper or the degree thereof, of which it or any of its officers have been notified or otherwise have knowledge or information; and (b) the Redeveloper shall, at such time or times as the Agency may request, furnish the Agency with a complete statement, subscribed and sworn to by the President or other executive officer of the Redeveloper, setting forth all the names and addresses of the members, both general and limited, of the Redeveloper and the extent of their respective holdings, and officers and directors, and in the event any other parties have a beneficial interest in such membership interests their names and the extent of such interest, all as determined or indicated by the records of the Redeveloper, by specific inquiry made by any such officer of all parties who on the basis of such records own ten (10) percent or more of the membership interests in the Redeveloper, and by such other knowledge or information as such officer shall have. Such lists, data and information shall in any event be furnished the Agency by the Redeveloper prior to the conveyance of the Property by the Agency and as a condition precedent thereto, and annually thereafter on the anniversary of the date of the conveyance until the issuance of a certificate of completion for all the Property.

ARTICLE VI
MORTGAGE FINANCING; RIGHTS OF MORTGAGEES

SECTION 601. Limitation Upon Encumbrance of Property or Improvements. Neither the Redeveloper, the County, ECIDA nor any successor in interest to the Property or any part thereof, or any interest therein shall engage in any financing or any other transaction creating any mortgage or other encumbrance or lien upon The Crossroads Site or the Improvements, whether by express agreement or operation of law, or suffer any encumbrance or lien to be made on or attach to the estate conveyed by the instrument of conveyance or the Improvements except as specifically permitted by the Development and Construction Agreement, the Operating Agreement and the Financing Participants Agreement.

ARTICLE VII
REMEDIES

SECTION 701. In General. Except as otherwise provided in this Agreement or the Financing Participants Agreement, in the event of any default in or breach of this Agreement, or any of its terms or conditions, by either party hereto, or any successor to or assigns of such party, such party (or successor or assign) shall, upon written notice from the other, proceed immediately to cure or remedy such default or breach, and, in any event, within thirty (30) days after receipt of such notice. In case such action is not taken or not diligently pursued after receipt of such notice, or the default or breach shall not be cured or remedied within a reasonable time, the aggrieved party may institute such proceedings as may be necessary or desirable in its option to cure and remedy such default or breach, including, but not limited to, proceedings to compel specific performance by the party in default or breach of its obligations.

SECTION 702. Other Rights and Remedies of Agency; No Waiver by Delay. Subject to the Financing Participants Agreement, the Agency shall have the right to institute such actions or proceedings as and when it may deem desirable for effectuating the purposes of this Article VII.

SECTION 703. Enforced Delay in Performance for Causes Beyond Control of Party. For the purposes of any of the provisions of this Agreement, neither the Agency, the City nor the Redeveloper, as the case may be, nor any successor in interest, shall be considered in breach of, or default in, its obligations with respect to the preparation of The Crossroads Site for redevelopment, or the beginning and completion of construction of the Improvements, or progress in respect thereto, in the event of enforced delay in the performance of such obligations due to the unforeseeable causes beyond its control and without its fault or negligence, including, but not restricted to, acts of God, acts

of public enemy, acts of the Federal Government, fires, floods, epidemics, quarantine restrictions, strikes, freight, embargoes, and unusually severe weather, or delays of subcontractors due to such causes; it being the purpose and intent of this provision that in the event of the occurrence of any such enforced delay, the time or times for performance of the obligations of the Agency with respect to the preparation of The Crossroads Site for redevelopment or of the Redeveloper with respect to construction of the Improvements, as the case may be, shall be extended for the period of the enforced delay as determined by the Agency. Provided, that the party seeking the benefit of the provisions of this section shall, within ten (10) days after the beginning of any such enforced delay, have first notified the other party thereof in writing, and of the cause or causes thereof, and requested an extension for the period of the enforced delay.

SECTION 704. Rights and Remedies Cumulative. The rights and remedies of the parties to this Agreement, whether provided by law or by this Agreement, shall be cumulative, and the exercise by either party of any one or more of such remedies shall not preclude the exercise by it, at the same or different times, of any other such remedies for the same default or breach or of any of its remedies for any other default or breach by the other party. No waiver made by either such party with respect to the performance, or manner or time thereof, or any obligation of the other party or any condition to its own obligation under this Agreement shall be considered a waiver of any rights of the party making the waiver with respect to the particular obligation of the other party or condition to its own obligation beyond those expressly waived in writing and to the extent thereof, or a waiver in any respect in regard to any other rights of the party making the waiver or any other obligations of the other party.

SECTION 705. Party in Position of Surety With Respect to Obligations. The Redeveloper, for itself and its successors and assigns, and for all other persons who are or who shall become, whether by express or implied assumption or otherwise, liable upon or subject to any obligation or burden under this Agreement, hereby waives, to the fullest extent permitted by law and equity, any and all claims or defenses otherwise available on the ground of its (or their) being or having become a person in the position of a surety, whether real or personal, or otherwise or whether by agreement or operation of law, including, without limitation on the generality of the foregoing, any and all claims and defenses based upon extension of time, indulgence, or modification of terms of contract.

ARTICLE VIII
MISCELLANEOUS

SECTION 801. Agency Representatives Not Individually Liable. No member, official, agent, representative or employee of the Agency or the City shall be personally liable to Redeveloper, or any successor in interest, in the event of any default or breach by the Agency or the City or for any amount which may become due to the Redeveloper or successor or on any obligations under the terms of this Agreement.

SECTION 802. Equal Employment Opportunity. The Redeveloper, for itself and its successors and assigns, agrees that during the construction and operation of the Improvements provided for in the Agreement it will comply with the Affirmative Action/Equal Opportunity Plan attached hereto as Exhibit D.

SECTION 803. Provisions Not Merged With Conveyance. None of the provisions of this Agreement are intended to or shall be merged by reason of any conveyance of The Crossroads Site from the Agency or the City pursuant to the Prior Leases and any such conveyance shall not be deemed to affect or impair the provisions and covenants of the Agreement.

SECTION 804. Titles of Articles and Sections. Any titles of the several Parts, Articles, and Sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

SECTION 805. Jurisdiction and Governing law. Each party hereby consents to the jurisdiction of the Courts of the State of New York and/or the United States District Court for the Western District of New York in any action or proceeding pursuant to this Agreement. Each party hereby consents and selects the City of Buffalo as the venue for any action or proceeding pursuant to this Agreement. The parties further agree that all matters with respect to the validity, construction or interpretation of this Agreement shall be governed by the internal law of the State of New York without reference to any conflicts of law provision.

SECTION 806. Waivers. No waiver of any breach or potential breach of any party shall be effective unless set forth in writing and duly executed by the waiving party, and no waiver of any breach on any occasion shall constitute a waiver of a breach of the same or any other matter on any subsequent occasion.

SECTION 807. Amendment. This Agreement may not be amended or modified other than by a writing specifying the intent to amend or change this Agreement which is duly executed by both parties.

SECTION 808. Severability. If any portion of this Agreement is adjudicated invalid, unenforceable or void, the rest shall remain in full force and effect.

SECTION 809. Entire Agreement. This Agreement and the exhibits thereto are the product of substantial and extensive negotiations between the parties and constitutes the final entire agreement among the parties with respect to the matters addressed herein. All memoranda, understandings, conversations and communications, oral or written, relating to such matters are hereby merged into and superseded by this Agreement except as to the extent that documents are incorporated by specific reference herein.

SCHEDULE OF EXHIBITS

Exhibit A -	Definitions
Exhibit B-	Affirmative Action/Equal Opportunity Hiring Plan
Exhibit C	Additional CALLC Covenants
Exhibit D	Certificate of Completion
Exhibit E	Property Description

EXHIBIT A

DEFINITIONS

"**Accrued Ground Rent**" means any portion of the Ground Rent of which payment has been deferred pursuant to the Land Disposition Agreement.

"**Arena**" means The Crossroads.

"**Arena, Inc.**" is a New York Corporation formerly known as Crossroads Arena Corporation.

"**CALLC**" means Crossroads Arena LLC, a New York limited liability company.

"**City-County Sublease**" means the Sublease for The Crossroads Site between the City and the County dated as of May 10, 1995.

"**Construction Lenders**" means Marine Midland Bank, Key Bank of New York and any future lenders or participants.

"**Construction Loan**" means the $35,000,000.00 credit facility to be provided to CALLC by the Construction lenders, and all extensions, modifications, renewals and replacements thereof.

"**Concession Lenders**" means Fleet Bank and Shawmut Bank NA and any future lenders or participants.

"**NDAA**" means the non-disturbance and attornment agreement entered into by the parties to the Prior Leases, the Construction Lenders, the Concession Lenders, CALLC and others requiring the non-disturbance by the lessors and attornment by the lessees in each of the lessor-lessee relationships established by the Prior Leases and the Operating Leases in the event that any of the Ground Leases or Operating Leases is terminated.

"**Operating Leases**" means certain leases and subleases relating to the operation of the Premises.

"**County**" means the County of Erie, New York, a municipal corporation of the State of New York.

"**County-City Sublease**" means the Sublease for the Crossroads Site between the County and the City dated as of May 10, 1995.

"**County-ECIDA Lease**" means the Lease dated as of May 10, 1995 for The Crossroads between the County and ECIDA.

"**(The) Crossroads**" means the sports and entertainment complex to be built on The Crossroads Site, including any physical improvements on The Crossroads Site which is more particularly described in Section 2.01 of the Development and Construction Agreement.

"**(The) Crossroads Site**" means the real property located within the boundaries indicated on the map appended as Exhibit B to the Development and Construction Agreement.

"**Development and Construction Agreement**" means the Development and Construction Agreement dated as of May 10, 1995 by and among CALLC and the New York State Urban Development Corporation.

"**ECIDA**" means the Erie County Industrial Development Agency, a public benefit corporation created pursuant to Article 18-A of the General Municipal Law.

"**Financing Participants Agreement**" means the agreement among CALLC, the Private Financing Participants and the Public Sector Participants dated as of May 10, 1995.

"**Ground Lease**" means the lease of The Crossroads Site dated as of May 10, 1995 from BURA to the County.

"**Ground Rent**" means an annual payment from CALLC to the City of $500,000 pursuant to the Land Disposition Agreement.

"**Hazardous Substance(s)**" means, without limitation, any flammable materials, explosives, radon, radioactive materials, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum and petroleum-based products, methane, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials, as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Appx. Section 9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Appx. Section 1801, et seq.), the Toxic Substances Control Act, as amended (15 U.S.C. Section 2601, et. seq.), Articles 15 and 27 of the New York State Environmental Conservation law and any other applicable Environmental Law and regulations adopted and publications promulgated thereunder.

"**Land Disposition Agreement**" means the Contract for Lease of Land for Redevelopment by and among CALLC, the City and BURA dated as of May 10, 1995.

"**Law**" means any statute, ordinance, regulation, rule, interpretation ,decision, guideline or other requirement enacted or issued by any court, agency or other governmental authority.

"Operating Agreement" shall mean that Agreement between the Public Sector Participants and CALLC dated as of May 10, 1995, which sets forth the rights and obligations of the parties with respect to operation of The Crossroads.

"Premises" means The Crossroads and The Crossroads Site.

"Prime Building Lease" means the sublease of The Crossroads between ECIDA and CALLC dated as of May 10, 1995.

"Prior Leases" means the Ground Lease, the County-City Sublease, the City-County Sublease, the County-ECIDA Sublease and the Prime Building Lease.

"Project Revenue" means (i) Sabres Lease rental payments, (ii) lease rents and use payments from events other than the Sabres games, (iii) the 2.0% Portion of the Ticket Surcharge, (iv) advertising and sponsorship revenue related to promotional advertising at The Crossroads and The Crossroads Site other than advertising at concession stands directly related to the sale of goods by the Concessionaire, (v) naming rights to The Crossroads, and (vi) any other revenue, income or interest of whatsoever kind or nature earned or credited to CALLC from or relating to the operation of The Crossroads, which shall specifically exclude (1) any Sabres Exclusive Revenue, (2) the .25% portion of the Ticket Surcharge, and (3) the Transmission Fee.

"Transmission Fee" shall have the meaning assigned to that term at Section 9.02 of the Operating Agreement.

EXHIBIT B

BUFFALO SABRES

October 17, 1994

RECEIVED

OCT 18 1994

DEPT. OF LAW
BUFFALO

CHARGED

Edward Peace, Esq.
Corporation Counsel
City of Buffalo
65 Niagara Street
City Hall - Room 110
Buffalo, New York 14202

Re: Affirmative Action Plan

Dear Mr. Peace:

This letter is being written at your request to confirm the Buffalo Sabres' agreement to implement, in accordance with its terms, the Affirmative Action/Equal Employment Opportunity Hiring Plan which was negotiated with the City (State and County) and which is fully set forth in the Affirmative Action/Equal Opportunity Hiring Plan filed with the City on October 14, 1994.

Very truly yours,

Robert O. Swados

Robert O. Swados
Vice Chairman and Counsel

ROS:etm

CROSSROADS ARENA CORPORATION

AFFIRMATIVE ACTION/EQUAL OPPORTUNITY HIRING PLAN

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I. Policy

It is the policy of the Crossroads Arena Corporation ("CAC"), consistent with applicable law, that equal opportunity be provided to minority group members, women, minority-owned business enterprises ("MBEs") and women-owned business enterprises ("WBEs") to participate in the business opportunities generated by the Crossroads Arena Project ("Project").

This Affirmative Action/Equal Opportunity Hiring Plan ("Plan") has been adopted to ensure equal employment opportunities for minority group members and women and the opportunity for meaningful participation of MBEs and WBEs in connection with the Construction of the Crossroads Arena and the Operation of the Crossroads Arena so that the recipients of the benefits of the business opportunities generated by the Project will reflect the diversity of the City of Buffalo.

In order to achieve these objectives, CAC has adopted a plan of equal employment opportunities and good faith efforts to achieve participation by minority group members and women. MBE and WBE participation goals are expressed as a percentage of the total dollar value of all expenditures, barters, trades-in-kind and offsets made in connection with the Project including, without limitation, all Contracts awarded in connection with the Construction of the Crossroads Arena and all Contracts for the furnishing of labor, services, materials, supplies, equipment, fixtures, and furnishings, and in connection with the Operation of the Crossroads Arena. The participation goals are 20% participation by MBEs, 5% participation by WBEs and 25% combined minority and women work force participation. These participation percentages are numerical objectives to be pursued by good faith efforts. The achievement of the above stated numerical objectives shall not be assumed to be compliance with the Plan nor shall the failure to achieve the above stated numerical objectives be assumed to be noncompliance with the Plan.

II. Definitions

For purposes of this Plan, the following terms shall have the meaning set forth below:

1. "Minority group member" shall mean a United States citizen or permanent resident alien who is and can demonstrate membership in one of the following groups:

(a) Black persons having origins in any of the Black African racial groups;

(b) Hispanic persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American descent of either Indian or Hispanic origin, regardless of race;

(c) Native American or Alaskan native persons having origins in any of the original peoples of North America; and

(d) Asian and Pacific Islander persons having origins in any of the Far East countries, South East Asia, the Indian subcontinent or the Pacific Islands.

2. "Minority-owned business enterprise" shall mean a business enterprise, including a sole proprietorship, partnership or corporation that is:

(a) At least fifty-one percent owned by one or more minority group members;

(b) An enterprise in which such minority ownership is real, substantial and continuing;

(c) An enterprise in which such minority ownership has and exercises the authority to control and operate, independently, the day-to-day business decisions of the enterprise; and

(d) An enterprise authorized to do business in the State of New York and is independently owned and operated.

(e) An enterprise certified as a MBE by the New York State Department of Economic Development, the County or the City.

3. "Women-owned business enterprise" shall mean a business enterprise, including a sole proprietorship, partnership or corporation that is:

(a) At least fifty-one percent owned by one or more citizens or permanent resident aliens who are women;

(b) An enterprise in which the ownership interest of such women is real, substantial and continuing;

(c) An enterprise in which such women ownership has and exercises the authority to control and operate, independently, the day-to-day business decisions of the enterprise; and

(d) An enterprise authorized to do business in the State of New York and which is independently owned and operated.

(e) An enterprise certified as a WBE by the New York State Department of Economic Development, the County or the City.

4. "Contractor" shall mean any individual or business enterprise, including, without limitation, a sole proprietorship, partnership, corporation or not-for-profit corporation which has a Contract with CAC in connection with the Construction of the Crossroads Arena or Operation of the Crossroads Arena, but not a Customer.

5. "Contract" shall mean an agreement providing for a total value in excess of twenty-five thousand dollars with respect to the Construction of the Crossroads Arena or Operation of the Crossroads Arena.

6. "Subcontract" shall mean (a) in the case of a Contract in excess of fifty thousand dollars, an agreement providing for a total expenditure of twenty-five thousand dollars in which a portion of a Contractor's obligation with respect to a Contract is undertaken or assumed by a third party or (b) in the case of a Contract of fifty thousand dollars or less, an agreement providing for a total expenditure of ten thousand dollars in which a portion of a Contractor's obligation with respect to a Contract is undertaken or assumed by a third party.

7. "UDC" shall mean the New York State Urban Development Corporation or its designee.

8. "City" shall mean the City of Buffalo, New York or its designee.

9. "County" shall mean the County of Erie, New York or its designee.

10. "CAC" shall mean a wholly owned subsidiary of the Sabres (or a limited partnership to be formed of which CAC will be the sole managing partner and in which the Sabres will hold substantially all of the limited partnership interests).

11. "Sabres" shall mean Niagara Frontier Hockey, L.P., a Delaware limited partnership whose sole managing general partner is Niagara Frontier Hockey Management Corporation, a New York corporation.

12. "Construction of the Crossroads Arena" shall mean the construction, demolition, replacement, repair, renovation, planning or design of real property or improvements thereon for a state-of-the-art community entertainment center, referred to herein as "the Crossroads Arena".

13. "Operation of the Crossroads Arena" shall mean the functioning of a state-of-the-art community entertainment center, referred to herein as "the Crossroads Arena", but which do not include those activities set forth in the definition of "Construction of the Crossroads Arena".

14. "Customer" shall mean a Person (including but not limited an individual, firm, corporation or partnership) which leases or purchases commodities or services from CAC or the Sabres, regardless of whether such lease, acquisition or purchase satisfies the definition of a Contract. For example and by way of illustration but not limitation, Customers of CAC or the Sabres include advertisers, ticketholders, suite holders, premium seat club holders, performers, sports teams or franchises other than those owned by the Sabres, and entertainers. A Person is not a Customer when such Person is a supplier of commodities or services.

III. Construction of the Crossroads Arena

The provisions of this Section III shall apply during the Construction of the Crossroads Arena. Copies of Section I, II, and III of this Plan shall be provided to each Contractor or subcontractor in connection with the Construction of the Crossroads Arena.

A. Equal Employment Opportunity for Minority Group Members and Women.

CAC shall and shall require each Contractor to specifically agree that:

1. It will not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status, and will undertake or continue existing programs to ensure that minority group members and women are afforded equal employment opportunities without discrimination.

2. It shall request each employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding, to furnish a written statement that such employment agency, labor union or authorized representative will not discriminate on the basis of race, creed, color, national origin, sex, age, disability or marital status and that such employment agency, labor union or authorized representative will affirmatively cooperate in the implementation of the Contractor's obligations herein.

3. It shall state in all solicitations or advertisements for employees that, in the performance of the Contract, all qualified applicants will be afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status.

4. It shall include the provisions of this Section III in every Subcontract in such a manner that the provisions will be binding upon each subcontractor with respect to all of its work in connection with the Construction of the Crossroads Arena.

5. It shall, and shall cause its subcontractors to, make every effort to achieve meaningful participation of minorities and women in its workforce, and shall, and shall require each of its subcontractors, to demonstrate good faith efforts in connection with the Construction of the Crossroads Arena at least as extensive as the following to achieve same:

(a) Ensure and maintain a working environment free of harassment, intimidation and coercion at the Project site(s) and in all facilities at which employees are assigned to work in connection with the Construction of the Crossroads Arena. Foremen, superintendents and/or other supervisory personnel shall be made aware of the obligation to maintain such a working environment.

(b) Establish and maintain a current list of recruitment, training and employment sources for minorities and women, provide written notification to these sources when employment opportunities become available, and provide a reasonable opportunity for such source's response. Such list shall include all employment, recruitment and training sources recommended by CAC and/or UDC.

(c) Maintain a current file of each off-the-street application from minorities or women which includes the name, address and telephone number thereof and the name, address and telephone number of each referral from a union or a recruitment, training or employment source for minorities or women and of the action taken with respect to each individual.

(d) Disseminate the affirmative action/nondiscrimination obligations under this Plan to employment agencies, labor unions or authorized representatives and requesting their cooperation in assisting the Contractor in meeting its obligations, by including a statement that the Contractor is an equal opportunity employer in publications referring to the Contractor and any advertising related to the Contract, including but not limited to any notices of available jobs, and by informing subcontractors of the obligations under this Plan.

(e) Review, before the commencement of construction work at the Project site(s) and at least quarterly thereafter, the affirmative action/nondiscrimination obligations under this Plan with all employees having any responsibility for hiring, assignment, layoff, termination or other employment decisions,

including on-site supervisory personnel such as superintendents and general foremen. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and actions taken.

(f) Direct its recruitment efforts, both oral and written, to community organizations representing the interests of minorities and/or women, to schools with minority students, and to employment, recruitment and training organizations serving minorities and/or women in the Contractor's recruitment area. Such notification shall describe the openings, screening procedures and tests to be used in the selection of workers, apprentices or trainees for work in connection with the Construction of the Crossroads Arena.

(g) Encourage minority and women employees to recruit other minority and women workers and, where reasonable, provide after-school, summer and vacation employment to minority and women students.

(h) Ensure that seniority practices, job classifications, work assignments, collective bargaining agreements and other personnel practices do not have a discriminatory effect by monitoring all personnel and employment related activities to ensure that the affirmative action/nondiscrimination obligations under this Plan are being carried out.

(i) Conduct a review, at least quarterly, of adherence to and performance pursuant to this Plan.

(j) Maintain written documentation of all activities pursuant to this Section III.A. in such form as will enable CAC or UDC to verify compliance therewith. Such documentation shall be retained for a period of one year after completion of the Contract and shall be available to CAC or UDC or their representatives during regular business hours.

B. MBE/WBE Participation.

CAC shall, and shall require each Contractor and subcontractor to, take the following good faith efforts to achieve MBE and WBE participation herein:

1. Actively and affirmatively solicit bids for Subcontracts from qualified MBEs or WBEs, including circulation of solicitations to minority and women contractor associations.

2. Ensure that plans, specifications, requests for proposals and other documents used to secure proposals for the performance of work or supply of materials will be made available in sufficient time for review by prospective MBEs or WBEs.

3. Where economically and technically feasible, divide the work into smaller portions to enhance participation by MBEs and WBEs.

4. Encourage, where economically and technically feasible, the formation of joint ventures, partnerships or other similar arrangements among contractors to enhance participation by MBEs and WBEs.

5. Consult with and use the services of governmental agencies, their consultants, and contractor associations in connection with efforts to fulfill participation goals.

6. Place timely advertisements in appropriate general circulation, trade and minority and women-oriented publications.

7. Make written solicitations in a timely fashion of MBEs and WBEs.

8. Document and maintain a record of all bid solicitations, including solicitations to MBEs and WBEs, and the results thereof.

9. Take such other reasonable measures as CAC or UDC shall direct.

C. Training.

Each Contractor (and CAC, if it engages in construction related activity) shall provide and maintain an on-site training program for the purpose of educating unskilled individuals, occupying entry level positions in specific construction trade procedures and skills required in connection with the Contract. Such training programs shall be initiated upon commencement of the

Contractor's work and continue through the completion of the Contract.

If the Contractor (or CAC, if it engages in construction related activity), in its sole discretion, implements on-site supervisory or management training programs, such Contractor (or CAC as the case may be) shall use its best efforts to include minorities and women in such training programs.

Prior to initiation of any training program, each Contractor shall submit to CAC a detailed written description of the specific components of the training program for CAC's approval and shall receive same prior to commencing the program. CAC shall forward to UDC a copy of all programs it approves within ten (10) days of such approval.

D. Compliance.

1. CAC, if applicable, shall submit to UDC or its designated agent, and Contractor shall submit to CAC or its designated agent, with copies to the UDC, compliance reports as approved by UDC. Each compliance report shall include but not be limited to the following information:

(a) The name, address and telephone number of each MBE and WBE being used or intended to be used to comply with the participation goals;

(b) A brief description of the Contract scope of work to be performed by each MBE and WBE and the scheduled dates for performance;

(c) A statement of whether there is a written agreement with each MBE and WBE being used or intended to be used and, if requested, copies of such agreements;

(d) The actual total cost of each Contract, the work performed and the materials provided, and the scope of work to be performed by each MBE and WBE for each Contract;

(e) The actual amounts of any payments made to each MBE and WBE as of the date the compliance report was submitted; and

(f) The percentage of total MBE and WBE contractors, subcontractors, vendors and suppliers utilized for the Construction of the Crossroads Arena and total contract value such percentages constitute.

2. During the initial construction of the Crossroads Arena, CAC or UDC may conduct a semi-annual audit and compliance review at such time and in such manner as it deems necessary in order to review compliance with this Plan. Thereafter, CAC or UDC may annually conduct an audit and compliance review in order to review compliance with this Plan.

3. Contractor will incorporate or cause to be incorporated the requirements of this Plan in all of its Subcontracts entered into in connection with the Construction of the Crossroads Arena in such manner as will require each subcontractor to comply with this Plan.

4. For purposes of determining the contract value of work performed by MBEs and WBEs, all contracts, whether awarded directly by CAC, by a Contractor, or awarded by the subcontractor of a Contractor, shall be considered. The following standards shall apply in determining the dollar value of any contract involving an MBE or WBE:

(a) Where the MBE or WBE is the Contractor or where the Contractor is a joint venture consisting entirely of MBEs or WBEs, the value shall be 100% of the contract price.

(b) Where the Contractor is a joint venture including one or more MBEs or WBEs as joint venturer(s), the value shall be the contract price multiplied by the percentage which represents the interest of the MBEs or WBEs in the venture.

(c) Where the MBE or WBE is a Contractor which subcontracts work to a party not an MBE or WBE, the value shall be the excess, if any, of the contract price of the work contracted by the MBE or WBE over the contract price of the work subcontracted by such MBE or WBE.

(d) Where the MBE or WBE is a bona fide supplier, the value shall be the price of the materials purchased, provided that if the MBE or WBE acts as a supplier or distributor of goods

manufactured or produced by a party which is not an MBE or WBE, the price paid by the MBE or WBE to the manufacturer or supplier shall be deducted from the price of the materials purchased.

5. In the event CAC or a Contractor is unable to achieve the above-noted MBE and/or WBE participation numerical objectives:

(a) CAC and each Contractor will maintain detailed records of the good faith actions that it and its contractors and subcontractors have taken to achieve the participation goals in such form as will enable CAC or the UDC to determine that Contractor has indeed made such good faith efforts in accordance with this Plan. Records shall include, but not be limited to, those set forth in Sections III.A. and III.B. above.

(b) The Contractor may apply to CAC or its designee (or, if applicable, CAC may apply to UDC or its designee) for a waiver or modification of the Plan's requirements by the submission of a written request for a waiver or modification documenting good faith efforts by the Contractor (or CAC, if applicable) to meet the participation goals of the Plan, which waiver or modification may be granted after careful consideration of the following factors:

(i) The names of general circulation, trade association and minority and women-oriented publications in which bids were solicited;

(ii) The dates bid solicitations for MBE and WBE participation were published in any of the publications identified pursuant to paragraph (i) and the text of the bid solicitation;

(iii) A list of MBEs and WBEs which were solicited in writing to provide bids;

(iv) Proof of dates on which such solicitations were made in writing and copies of solicitations made, or a sample copy of the solicitation if an identical solicitation was made of all MBEs and WBEs;

(v) Copies of responses made by MBEs and WBEs to solicitations made by (CAC or) the Contractor;

(vi) A description of any contract documents, plans, or specifications made available to MBEs and WBEs for purposes of soliciting their bids, and the dates and manner in which these documents were made available;

(vii) Documentation of any negotiations between CAC or the Contractor and MBEs and WBEs;

(viii) With respect to the recruitment efforts undertaken to identify and hire supervisory employees, evidence of good faith efforts may include, but not be limited to, CAC's, the Contractor's and each subcontractor's participation at women and minority job fairs, each party's utilization of employment and job placement agencies, each party's encouragement of its women and minority supervisory personnel to solicit other employees, and, the number of interviews granted to qualified applicants;

(ix) Any other information determined relevant by CAC or the Contractor; and

(x) A statement setting forth CAC's or the Contractor's bases for requesting a waiver or modification.

6. Each Subcontract entered into for the Construction of the Crossroads Arena shall include a provision that CAC and UDC shall be deemed third-party beneficiaries of the provisions included in such Subcontract pursuant to this Plan and shall have the full right of enforcement thereof. Nothing contained in this Plan shall be construed to create any third party beneficiary right in any party other than as expressly provided herein.

E. Sanctions.

In the event Contractor fails to comply with the provisions of this Plan, CAC may withhold payment of any amounts due, suspend, cancel or terminate any Contract without incurring any penalty or damage on account of such action and without any further liability.

IV. Operation of the Crossroads Arena

The provisions of this Section IV shall apply during the Operation of the Crossroads Arena. Copies of Section I, II and IV of this Plan shall be provided to each Contractor or subcontractor in connection with the Operation of the Crossroads Arena.

A. Equal Employment Opportunity for Minority Group Members and Women.

1. CAC shall and shall require the Sabres and each Contractor to specifically agree that:

(a) It will not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status, and will undertake or continue existing programs to ensure that minority group members and women are afforded equal employment opportunities without discrimination.

(b) It shall request each employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding, to furnish a written statement that such employment agency, labor union or authorized representative will not discriminate on the basis of race, creed, color, national origin, sex, age, disability or marital status and that such employment agency, labor union or authorized representative will affirmatively cooperate in the implementation of the obligations herein.

(c) It shall state in all solicitations or advertisements for employees that all qualified applicants will be afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status.

2. Each Contractor will include the provisions of this Section IV in every Subcontract in such a manner that the provisions will be binding upon each subcontractor with respect to all of its work in connection with a Contract.

3. CAC, the Sabres (except as to hockey players, scouts and coaches, the hockey general manager, assistant general manager and

trainers of the Sabres), and each Contractor and subcontractor shall make every effort to achieve meaningful participation of minorities and women in its work force, and will demonstrate good faith efforts at least as extensive as the following to achieve same:

(a) Ensure and maintain a working environment free of harassment, intimidation and coercion in all facilities at which employees are assigned to work and ensure that all supervisory personnel are aware of and carry out the obligation to maintain such a working environment with specific attention to minorities and women working at such site(s) or in such facilities.

(b) Establish and maintain a current list of recruitment, training and employment sources for minorities and women, provide written notification to these sources when employment opportunities become available, and provide a reasonable opportunity for such source's response. Such list shall include all employment, recruitment and training sources recommended by CAC and/or UDC.

(c) Maintain a current file of each off-the-street application from minorities or women which includes the name, address and telephone number thereof and the name, address and telephone number of each referral from a union or a recruitment, training or employment source for minorities or women and of the action taken with respect to each individual.

(d) Disseminate the affirmative action/nondiscrimination obligations under this Plan to employment agencies, labor unions or authorized representatives and requesting their cooperation and assistance in meeting the obligations under this Plan, by including a statement that it is an equal opportunity employer in advertising and notices of available jobs with CAC, the Sabres or the Contractor, and by informing subcontractors of the obligations under this Plan.

(e) Review, at least annually, the affirmative action/nondiscrimination obligations under this Plan with all employees having any responsibility for hiring, assignment, layoff, termination or other employment decisions, including on-site supervisory personnel such as superintendents and general foremen. A written record shall be made and maintained identifying the time

and place of these meetings, persons attending, subject matter discussed, and actions taken.

(f) Direct recruitment efforts, both oral and written, to community organizations representing the interests of minorities and/or women, to schools with minority students, and to employment, recruitment and training organizations serving minorities and/or women in the Western New York area. Written notification may include a description of the openings, screening procedures and tests to be used in the selection of workers, apprentices or trainees.

(g) Encourage minority and women employees to recruit other minority and women workers and, where reasonable, provide afterschool, summer and vacation employment to minority and women students.

(h) Ensure that seniority practices, job classifications, work assignments, collective bargaining agreements and other personnel practices do not have a discriminatory effect by monitoring all personnel and employment related activities to ensure that the affirmative action/nondiscrimination obligations under this Plan are being carried out.

(i) Conduct periodic reviews, of adherence to and performance pursuant to this Plan.

(j) Maintain written documentation of all activities pursuant to this Section IV.A. in such form as will enable verification of compliance therewith. Such documentation shall be retained for a period of one year and shall be available to CAC, UDC or their designees during regular business hours.

B. MBE/WBE Participation.

1. With respect to the Operation of the Crossroads Arena, CAC will, and will require its Contractors and subcontractors (other than the Sabres) to, take the following good faith efforts to achieve MBE and WBE participation herein:

(a) Actively and affirmatively solicit bids for Contracts and Subcontracts from qualified MBEs or WBEs, including circulation of solicitations to minority and women contractor associations.

(b) Ensure that plans, specifications, requests for proposals and other documents used to secure proposals for the performance of work or supply of materials will be made available in sufficient time for review by prospective MBEs or WBEs.

(c) Where economically and technically feasible, divide the work into smaller portions to enhance participation by MBEs and WBEs.

(d) Encourage, where economically and technically feasible, the formation of joint ventures, partnerships or other similar arrangements to enhance participation by MBEs and WBEs.

(e) Consult with governmental agencies, their consultants and contractor associations in connection with efforts to fulfill participation goals.

(f) Place timely advertisements in appropriate general circulation, trade and minority and women-oriented publications.

(g) Make written solicitations in a timely fashion of MBEs and WBEs.

(h) Document and maintain a record of all Contract solicitations, including solicitations to MBEs and WBEs, and the results thereof.

2. The Sabres shall develop and periodically update a list of qualified MBEs and WBEs to which it shall refer, prior to purchasing supplies or materials, in order to create business opportunities for such firms, and to provide such list to CAC. The Sabres may seek the assistance of the City, County and New York State in the development of such list of qualified MBEs and WBEs.

C. Training.

With respect to the Operation of the Crossroads Arena, CAC, if appropriate and applicable, and each Contractor shall provide and maintain an on-site program for the purpose of educating unskilled individuals occupying entry level positions in specific skills required in connection with the Contract. Each Contractor shall submit to CAC and, if applicable, CAC shall submit to UDC a detailed written description of the specific components of the

training plan for CAC's and/or UDC's approval and shall receive same prior to commencing the program. CAC shall forward to UDC, or its designee, a copy of all programs it approves within ten (10) days of such approval.

If the labor market is not providing qualified minority or women candidates for supervisory positions, training programs which are funded by the federal, state, county or city government or other public or private agencies may be implemented.

If a Contractor (or CAC, if appropriate and applicable), in its sole discretion, implements on-site supervisory or management training programs, such Contractor (or CAC) shall use its best efforts to include minorities and women in such training programs.

D. Compliance.

1. CAC or UDC may annually conduct an audit and compliance review of CAC or the Sabres at such time and in such manner as it deems necessary in order to review compliance with this Plan.

2. CAC and each Contractor shall incorporate or cause to be incorporated the requirements of this Plan in all of its Contracts or Subcontracts entered into in connection with a Contract in such manner as will require each subcontractor to comply with this Plan.

3. Contractors and the Sabres will submit to CAC, and CAC, if applicable, to UDC, compliance reports which shall describe all steps which have been taken to comply with this Plan, including, where applicable:

(a) The name, address and telephone number of each MBE and WBE which CAC or Contractor is using or intends to use to comply with the participation goals;

(b) A brief description of the Contract scope of work to be performed for CAC or Contractor by each MBE and WBE and the scheduled dates for performance;

(c) A statement of whether CAC, the Sabres or Contractor have a written agreement with any MBE and WBE which CAC, the Sabres or Contractor is using or intends to use and, if requested, copies of such agreements;

(d) The actual total cost of any Contract or Subcontract, the work performed and the materials provided, and the scope of work to be performed by each MBE and WBE for each Contract or Subcontract;

(e) The actual amounts of any payments made to each MBE and WBE as of the date the compliance report was submitted; and

(f) A report detailing compliance with the Equal Employment Opportunity provisions of this Section IV.

4. For purposes of determining the contract value of work performed by MBEs and WBEs, all contracts, whether awarded directly by CAC or by Contractors or subcontractors, shall be considered. The following standards shall apply in determining the dollar value of any contract involving an MBE or WBE:

(a) Where the MBE or WBE is the Contractor or where the Contractor is a joint venture consisting entirely of MBEs or WBEs, the value shall be 100% of the contract price.

(b) Where the Contractor is a joint venture including one or more MBEs or WBEs as joint venturer(s), the value shall be the contract price multiplied by the percentage which represents the interest of the MBEs or WBEs in the venture.

(c) Where the MBE or WBE is a Contractor which subcontracts work to a party not an MBE or WBE, the value shall be the excess, if any, of the contract price of the work contracted by the MBE or WBE over the contract price of the work subcontracted by such MBE or WBE.

(d) Where the MBE or WBE is a bona fide supplier, the value shall be the price of the materials purchased, provided that if the MBE or WBE acts as a supplier or distributor of goods manufactured or produced by a party which is not an MBE or WBE, the price paid by the MBE or WBE to the manufacturer or supplier shall be deducted from the price of the materials purchased.

5. In the event CAC, the Sabres or a Contractor is unable to achieve the above-noted equal employment opportunity or MBE/WBE participation numerical objectives:

(a) Detailed records of the good faith actions that it has undertaken to achieve the goals shall be maintained in such form as will enable CAC or the UDC to determine that such good faith efforts have been undertaken. Records shall include, but not be limited to, those set forth in Sections IV.A. and IV.B. above.

(b) The Contractor or the Sabres may apply to CAC, or in the case of CAC, it may apply to UDC, for a waiver or modification of the Plan's requirements by the submission of a written request for a waiver or modification stating the bases for such request and documenting good faith efforts to meet the goals of the Plan, which waiver or modification may be granted after careful consideration of the relevant following factors:

(i) The names of general circulation, trade association and minority and women-oriented publications in which employment opportunities were advertised or bids solicited.

(ii) The dates, employment opportunities or bid solicitations for MBE and WBE participation were published in any of the publications identified pursuant to paragraph (i) and its text.

(iii) A list of MBEs and WBEs which were solicited in writing to provide bids.

(iv) Proof of dates on which such solicitations were made in writing and copies of solicitations made, or a sample copy of the solicitation if an identical solicitation was made of all MBEs and WBEs.

(v) Copies of responses made by MBEs and WBEs to solicitations.

(vi) A description of any contract documents, plans, or specifications made available to MBEs and WBEs for purposes of soliciting their bids, and the dates and manner in which these documents were made available.

(vii) Documentation of any negotiations between CAC, the Sabres or Contractor with MBEs and WBEs.

(viii) The nature of all recruitment efforts undertaken to identify and hire management and other employees. Such efforts shall include, but not be limited to, CAC's, or the Sabres or the Contractor's the participation at women and minority job fairs, utilization of employment and job placement agencies, encouragement of their women and minority management personnel to solicit other management and non-management employees.

(ix) The number of job applications received by CAC, the Sabres and Contractor for all positions, both management and non-management. The number of interviews granted to such applicants.

(x) Any other relevant information.

6. Each Contract or Subcontract shall include a provision that CAC, UDC and the City shall be deemed third-party beneficiaries of the provisions included in such Contract or Subcontract pursuant to this Plan and shall have the full right of enforcement thereof. Nothing contained in this Plan shall be construed to create any third party beneficiary right in any party other than as expressly provided herein.

E. Failure to Comply.

In the event CAC or the Sabres is notified of its failure to meet the provisions of this Plan, CAC or the Sabres will take appropriate steps to correct such deficiencies and will notify the City (as the designee of UDC), in writing, of the steps taken to remedy such deficiencies. The City (as the designee of UDC) reserves the right to suggest reasonable steps to correct such deficiencies.

V. City, UDC and County Cooperation and Dissemination of the Objectives of this Plan

The City, County and UDC shall support CAC, Contractors, and the Sabres in working with applicable unions to obtain greater affirmative action and equal employment opportunities in accordance with this Plan. Similarly, CAC and the Sabres shall provide copies of Section I of this Plan or a similar policy statement to Customers.

VI. Modifications

This Plan shall not be altered without the written consent of the City (as the designee of UDC).

EXHIBIT C

CALLC ADDITIONAL COVENANTS

CALLC covenants and agrees to comply with the following conditions during its use and occupancy of the Premises. Subject to the provisions of the Financing Participants Agreement, these conditions shall be binding upon CALLC, any person claiming under or through CALLC, and their respective successors and assigns, including without limitation, any person succeeding to CALLC's interest in the Prime Building Lease as a result of a foreclosure of any mortgage which may now exist or hereafter be expected for which CALLC's right, title or interest in the Prime Building Lease, The Crossroads Site or The Crossroads Arena is specified as security, and to all renewals, modifications, consolidations, replacements or extension thereof. These conditions shall be effective immediately and shall continue in full force and effect for the Term of this Agreement, including any and all renewals, modifications, consolidations, replacements or extensions thereof.

1. **USE.**

CALLC shall use the Premises solely and exclusively for the construction, equipping, maintenance, repair, improvement, use and operation of The Crossroads Arena as a first-class sports and entertainment complex for the benefit and enjoyment of the general public. CALLC shall comply with all applicable conditions, covenants and agreements of the Lease Agreement by and between CALLC and Niagara Frontier Hockey LP ("NFHLP") of even date herewith and shall enforce all applicable provisions thereof against NFHLP.

2. **GROUND RENT.**

CALLC covenants and agrees to pay to the City as Ground Rent during the term of the Prime Building Lease, including any extension or renewal terms which are exercised by CALLC, the sum of Five Hundred Thousand Dollars ($500,000.00) per Fiscal Year as follows:

(a) Ground Rent shall be paid in quarterly installments of One Hundred and Twenty-Five Thousand Dollars ($125,000.00) each on the last day of each quarter of each Fiscal Year, during the term of the Prime Building Lease, provided however that the first quarter in which an installment of Ground Rent is due and payable is to be the quarter in which the Sabres Lease Commencement Date occurs and prior to such quarter no Ground Rent shall be due or accrue.

(b) The obligation of CALLC to pay Ground Rent to the City, shall be absolute and unconditional, irrespective of any defense or any rights of set-off (except as provided in Section 9.01 of the Operating Agreement or as provided in Section 9.3 of the Financing Participants Agreement) recoupment or counterclaim or deduction and without any rights of suspension, deferment, diminution or reduction CALLC might otherwise have against the City, as applicable, provided, however, that nothing contained herein shall be construed as a waiver of any right of CALLC to commence a separate action as a result of any breach of this Agreement by the City.

(c) Ground Rent and other sums to be paid by CALLC shall be payable in lawful money of the United States of America. Ground Rent and all other sums payable by CALLC shall be absolutely net to the City, free from all costs, expenses, charges and deductions to the City, of whatsoever kind or nature, foreseeable or unforeseeable, and whether required to be paid by the City by Law or otherwise. All payments of Ground Rent and any other amounts to be paid or remitted by CALLC to the City under this Agreement, any Prior Leases or the Operating Agreement shall be made by CALLC to the City without notice or demand, deduction or offset at City of Buffalo Office of Finance and Administration, City Hall, Buffalo, New York 14202 or at such other place at the City may designate by written notice to CALLC.

(d) CALLC may defer and accrue up to One Hundred Thousand Dollars ($100,000.00) of any fourth quarterly installment of Ground Rent and accrue no more than Five Hundred Thousand Dollars ($500,000.00) of deferred Ground Rent in the aggregate at any one time outstanding to the extent that the Project Revenues remaining at the end of a Fiscal Year after Operating Costs and Expenses, as defined in Section 7.06 of the Operating Agreement, are insufficient to fund payment of such fourth quarterly installment of Ground Rent in full. Such deferral shall be on the condition that the written certification of CALLC's chief financial officer that Project Revenues are insufficient to pay Ground Rent as provided in Section 7.06 of the Operating Agreement accompanied by financial statements upon which the officer has based his certification is submitted to the City's Commissioner of Administration and Finance at least ten (10) days prior to the day the applicable installment payment of Ground Rent is due. CALLC may also defer and accrue Ground Rent as provided in Section 9.01 of the Operating Agreement and Section 9.3 of the Financing Participants Agreement.

(e) Except as provided in Section 9.01 of the Operating Agreement or Section 9.3 of the Financing Participants Agreement, Accrued Ground Rent shall be paid

with the fourth quarterly installment of Ground Rent in the next Fiscal Year in which sufficient Operating Revenues are available to pay all or any portion of the Accrued Ground Rent as provided in Section 7.06 of the Operating Agreement. All Ground Rent payments shall be first applied to current Ground Rent and then to payment of Accrued Ground Rent. The outstanding balance of Accrued Ground Rent shall not exceed at any time the aggregate sum of Five Hundred Thousand Dollars ($500,000.00), provided, however, that during the Term of the Prime Building Lease the maximum amount of Accrued Ground Rent may be Five Hundred Thousand Dollars ($500,000.00) on more than one occasion. By way of example, if in years 1 through 5 the maximum amount of Accrued Ground Rent is reached ($100,000.00 per year for five years) and in 6 $200,000.00 of Accrued Ground Rent is paid to Landlord together with year 6 Ground Rent of $500,000.00 for a total of $700,000.00, in years 7 and 8 an additional $100,000.00 of Ground Rent may be deferred and accrued in each of those years as provided in this Section 2(e). Each payment by CALLC of Ground Rent shall be accompanied by the written certification of CALLC's chief financial officer of the status of Accrued Ground Rent and of the ability of CALLC to pay all or any part of Accrued Ground Rent.

(f) If the Term of the Prime Building Lease commences or ends, or there is to be a partial abatement of Ground Rent, or an end to such abatement effective on a date other than at the end or start of a month or a Fiscal Year, the Ground Rent for the calendar month or Fiscal Year shall be prorated on the basis of the actual days in the calendar month or Fiscal Year.

3. **Taxes, Governmental Impositions and Utilities.**

Subject to CALLC's rights as provided in the Operating Agreement and the Financing Participants Agreement, from and after the execution of this Agreement CALLC shall pay when due all taxes, governmental impositions and charges for utilities in connection with the Premises at no cost or expense to BURA.

4. **Maintenance, Repair and Improvement.**

Subject to and in accordance with the terms and conditions of the Prior Leases, the Operating Agreement and the Sabres Lease, from and after the execution of this Agreement CALLC shall be solely responsible for the maintenance, repair and improvement of the Premises at no cost or expense to BURA or the City.

5. **Termination of Prior Leases.**

The Crossroads Site and the Improvements including the Arena Shell and the Crossroads Improvements and all additions, alterations and improvements thereto or replacements thereof and all appurtenant furniture, fixtures, equipment and machinery installed or used therein shall become the property of the City, free and clear of all liens and encumbrances, except for such liens and encumbrances as are provided for in the Financing Participants Agreement, upon the later of: (a) expiration of the term, or earlier termination, of the Ground Lease or any lease in replacement or substitution thereof required by the NDAA, or (b) expiration of the term, or earlier termination, of the Prime Building Lease or any lease in replacement or substitution thereof required by the NDAA.

6. **Transmissions Fees**

CALLC shall pay or cause to be paid to the City the Transmissions Fee as provided in Section 9.02 of the Operating Agreement.

37272

CERTIFICATE OF COMPLETION

MADE this _____ day of _____, 1995 from the CITY OF BUFFALO URBAN RENEWAL AGENCY, a public body corporate, organized and existing under the laws of the State of New York, having its principal place of business in the City Hall, No. 65 Niagara Square, in the City of Buffalo, County of Erie and State of New York, (hereinafter referred to as the "Agency");

AND

_____, a corporation organized and existing under the laws of the State of New York and having an office for the transaction of business at _____ Street in the City of Buffalo, Count of Erie and State of New York, (hereinafter referred to as "Redeveloper").

WHEREAS, a Contract for Sale of Land for Private Redevelopment, dated _____, 19__ and recorded on _____, 19__ in Liber ____ of Deeds at Page __ in the Erie County Clerk's Office, was entered into between the Agency and Redeveloper; and

WHEREAS, pursuant to said Contract, the Agency conveyed to _____ _____ by Deed dated _____, 19__ and recorded in the Erie County Clerk's Office on _____, 19__ in Liber ____ of Deeds at Page ___ the land described in said Contract and Deed; and

WHEREAS, it is provided in said Contract that upon completion of the improvements in accordance with the provisions of said Contract, the Agency will provide to the Redeveloper a certificate of such completion for the improvements constructed on the premises conveyed by the aforementioned Deed; and

WHEREAS, the Redeveloper has completed improvements which are situate on the land described in said Contract and Deed and is more particularly described as follows:

ALL THAT TRACT OF PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of _____ _____

COMMENCING (INSERT LEGAL DESCRIPTION)

WHEREAS, the Redeveloper has agreed to certain covenants and conditions which are to remain in effect until the completion of said improvements; and

EXHIBIT D

WHEREAS, the Agency desires to certify that the improvements have been completed on the above described portion of said premises in accordance with the provisions of said Contract and Deed.

NOW, THEREFORE, the Agency does hereby certify to the Redeveloper that the Redeveloper has completed the improvements on the above described portion of said premises conveyed by the said Deed in accordance with the provisions of the Contract for Sale of Land for Private Redevelopment between the Agency and Redeveloper dated _____, 19__, recited hereinabove.

This certification shall constitute a conclusive determination of satisfaction and termination of the agreements and convenants contained in said Contract and Deed with respect to the obligation of the Redeveloper to construct the improvements and the dates for beginning and completion thereof on the above described portion of said premises described in the said Deed. This certification shall further mean:

1. That any party purchasing or leasing said premises or part thereof pursuant to the authorization contained in said Contract shall not (because of such purchase or lease) incur any obligation with respect to the construction of the improvements relating to said premises or part thereof; and

2. That neither the Agency nor any other party shall hereinafter have or be entitled to exercise with respect to the above described portion of said premises or any part thereof so sold (or in the case of a lease, with respect to the leasehold interest) any rights or remedies or controls that it may otherwise have or be entitled to exercise with respect to said premises as a result of default in or breach of any provision of said Contract or Deed with regard to the commencement and completion of construction of improvements as set forth in said Contract and Deed or any right, remedy or control relating to said covenants.

CITY OF BUFFALO URBAN RENEWAL AGENCY

(SEAL)

_____

, VICE CHAIRMAN

Policy No.: 5094-25301

EXHIBIT E

PARCEL I

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Outer Lots Nos. 76, 77 and 78, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) as it formerly existed and the easterly line of Main Street (99 feet wide); thence southerly along the easterly line of Main Street 328.76 feet to the north line of South Park Avenue (66 feet wide) as presently laid out; thence southeasterly along the said northerly line of South Park Avenue 285.87 feet to an angle point; thence continuing southeasterly at an interior angle of 161° 35' 40" along the said northerly line of South Park Avenue 503.54 feet to the intersection of the said northerly line of South Park Avenue and westerly line of Illinois Street (50 feet wide); thence northerly along the westerly line of Illinois Street 660.35 feet to the intersection of the westerly line of Illinois Street and the southerly line of Perry Street (66 feet wide) as presently laid out; thence westerly along the said southerly line of Perry Street and continuing along the southerly line of Perry Street as it formerly existed 704.93 feet to the point or place of beginning.

TOGETHER with all right, title and interest in Illinois Street to the centerline thereof.

PARCEL II

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Lot No. 75, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) and the easterly line of Mississippi Street (60 feet wide); running thence easterly along the southerly line of Perry Street 195.0 feet to the westerly line of Baltimore Street (40 feet wide); thence southerly along the westerly line of Baltimore Street 672.10 feet to the northerly line of South Park Avenue (66 feet wide); thence westerly along the northerly line of South Park Avenue 195.0 feet to the easterly line of Mississippi Street; thence northerly along the easterly line of Mississippi Street 672.47 feet to the point or place of beginning.

TOGETHER with all right, title and interest in Mississippi Street and Baltimore Street to the centerlines thereof.

PARCEL III

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Lots Nos. 74 and 75, bounded and

- CONTINUED -

Policy No.: 5094-25301

described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) and the easterly line of Baltimore Street (40 feet wide); thence easterly along the southerly line of Perry Street 113.68 feet to the westerly line of Columbia Street (50 feet wide); thence southerly along the westerly line of Columbia Street 531.8 feet more or less to the north line of lands of Consolidated Rail Corporation by deed recorded in the Erie County Clerk's Office in Liber 1056 of Deeds at page 293; thence westerly along the said north line of Consolidated Rail Corporation 113.68 feet to the easterly line of Baltimore Street; thence northerly along the easterly line of Baltimore Street 532.02 feet more or less to the southerly line of Perry Street and the point or place of beginning.

TOGETHER with all right, title and interest in Baltimore Street and Columbia Street to the centerlines thereof.

PARCEL IV

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Outer Lots Nos. 74 and 75, bounded and described as follows:

BEGINNING at a point in the westerly line of Columbia Street distant 140 feet northerly along said westerly line of Columbia Street from its intersection with the northerly line of South Park Avenue, which point is also the southeast corner of lands conveyed to Higgins Erectors & Haulers, Inc. by deed recorded in the Erie County Clerk's Office in Liber 8470 of Deeds at page 537; thence southerly along the westerly line of Columbia Street 140 feet to the north line of South Park Avenue; thence westerly along the northerly line of South Park Avenue 113.68 feet more or less to the easterly line of Baltimore Street; thence northerly along the easterly line of Baltimore Street 140 feet to the southwest corner of said lands conveyed to Higgins Erectors & Haulers, Inc. by deed aforesaid; thence easterly along the southerly line of said lands conveyed to Higgins Erectors & Haulers, Inc. 113.68 feet more or less to the point of beginning.

TOGETHER with all right, title and interest in Baltimore Street and Columbia Street to the centerlines thereof.

A1-39-65 to 67 et al

LICENSE AGREEMENT

THIS LICENSE AGREEMENT, dated as of the 10th day of May, 1995, is by and between ***THE CITY OF BUFFALO*** ("City") and ***CROSSROADS ARENA LLC*** ("CALLC").

WHEREAS, CALLC is constructing a sports and entertainment complex to be known as The Crossroads Arena to be located in the City of Buffalo ("The Crossroads Arena Project"); and

WHEREAS, The Crossroads Arena Project may encroach on certain property owned by the City, and CALLC has requested the City to authorize and approve such encroachments and has submitted the necessary documentation to the City for such approvals; and

WHEREAS, the City Common Council has by appropriate resolutions approved the various encroachments and the parties hereto are mutually desirous of entering into this License Agreement to set forth the terms and conditions with respect to the encroachments approved and license granted therefor;

NOW, THEREFORE, for valuable consideration the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Definitions. Any terms or phrases herein capitalized which are not otherwise defined herein shall have the meaning ascribed to such word or phrase in the Operating Agreement of even date herewith.

2. Grant of License and Right to Use. Subject to the terms and conditions set forth in this License Agreement, the City hereby grants to CALLC a license to encroach on and otherwise exclusively use the following city property ("Licensed Property") for the purposes described in Exhibit A; provided, however, that nothing contained herein shall be deemed to limit use of the Licensed Property for pedestrian traffic (except with respect to use of Baltimore Street for Event parking) or to limit the City's use of and access to the Licensed Property in the exercise of its governmental powers to protect public health, safety, and welfare:

(a) The north side of South Park Avenue between Main Street and Illinois Street from the curb to the Arena;

(b) Perry Street from the curb to the Crossroads Arena;

(c) Baltimore Street from Perry Street to South Park Avenue;

(d) Main Street in front of the Crossroads Arena from the curb to the Arena;

(e) Sidewalks bordering The Crossroads Arena Project from the curb to the Crossroads Arena or from the curb to other property constituting the Crossroads Site, including those on Main Street in front of the Crossroads Arena, Perry Street to Illinois

Street, and from Mississippi Street to Columbia Street, the west side of Illinois Street, and the east side of Mississippi Street and of Columbia Street, all between Perry and South Park.

3. Pavement and Maintenance of Baltimore Street. If the City elects to pave Baltimore Street with machine cut paving materials, then CALLC will make the installation and maintain Baltimore Street. If the City elects to pave Baltimore Street with original granite, then the City will make the installation and maintain Baltimore Street. If no election is made by August 1, 1995, the City will be deemed to have elected machine cut paving materials and CALLC will install and maintain Baltimore Street.

4. Limitation of Vendors Permits. During the term of the Prior Leases (as that term is defined in the Development and Construction Agreement among CALLC, the City, and other parties of even date herewith), the City shall not grant any vending permits to any party without the written consent of CALLC. Further, the City shall issue vending permits to CALLC, and its lessees or sublessees in the ordinary course, upon request by CALLC. All such vending permits issued shall be subject to normal permitting requirements, if any, and shall be limited only to the Licensed Property.

5. Duration. This License Agreement shall be coterminous with the Prior Leases (as that term is defined in the Development and Construction Agreement among CALLC, the City, and other parties of even date herewith) and irrevocable during such term.

6. No Fees. The City shall not be entitled to require the posting of any bond or any other fee or other charge with respect to the license provided in this License Agreement.

7. Additional Provisions.

(a) This License Agreement shall be binding upon and inure to the benefit of the successors, assigns, and any transferees of interest of the City and of CALLC provided that such conveyance by CALLC is pursuant to a transfer of its entire interest in The Crossroads or The Crossroads Arena Project.

(b) Insurance and Indemnification.

(i) *Insurance*. CALLC agrees to obtain and keep in full force and effect during the term of this License Agreement all insurance specified in Exhibit B. CALLC will procure such insurance from an insurance carrier or carriers which are rated A, Class X or better, or the equivalent thereof, according to Best's Key Rating Guide, and are duly registered with, and authorized to issue such policies by the Commissioner of the Insurance Department of the State of New York or, if not so rated or authorized, as otherwise accepted by the Public Sector Participants (such acceptance not to be unreasonably withheld). To the extent not paid by a contractor or other party pursuant to any agreement entered into by CALLC pursuant to the Operating Agreement, CALLC shall pay the premiums on the insurance specified in Exhibit B from the Project Revenue Account as an Operating Cost and Expense. At all times during the term of this License Agreement, CALLC shall provide to the City satisfactory evidence of payment of premiums with respect to all renewals and replacements of insurance policies required to be in force, together with certificates evidencing such required coverage, not less than ten (10) days prior to the expiration date of the then-current insurance; and deliver certified copies of all policies to the City within ninety (90) days after renewal thereof.

(ii) *Indemnification*. CALLC shall at all times defend, protect, and hold the City harmless of, from, and against any and all claims and demands made by any Person who is not a party to this License Agreement (whether in tort, contract, or otherwise) and all related costs, expenses (including attorney and expert witness fees), damages, losses, injury, and liabilities of every kind and nature and however caused, arising out of or as the result of or in connection with any occurrence upon The Crossroads Site including the Licensed Property or resulting from or related to The Crossroads Site including the Licensed Property or the Project including the Licensed Property or any part thereof or the operation thereof. The City shall not have any liability whatsoever for any damage or injury to the person or property of CALLC or its directors, officers, members, employees, agents, or servants, or Persons under the control or supervision of CALLC, or any other Person who may be on The Crossroads Site including the Licensed Property, or otherwise in connection with the Project due to any act or negligence of any Person, other than such liability which is finally determined to be the result of gross negligence or willful misconduct directly attributable to the City. CALLC shall not be obligated to indemnify the City with respect to liabilities which are finally determined to be the direct result of (A) the gross negligence or willful misconduct of the City, or (B) claims arising as a result of a Civic Event of which the City is a sponsor, and which are not attributable to the action or inaction of CALLC as operator of The Crossroads including the Licensed Property.

The indemnifications and protections set forth in this section shall be extended with respect to the City, to its members, directors, officers, employees, agents, and servants and persons under the City's control or supervision. To effectuate this section, CALLC will provide for and insure, in the liability policies specified in Exhibit B, not only its own liability with respect to the matters mentioned in subsection (b)(i) of this section but also the matters mentioned pursuant to this subsection (b)(ii) of this section which shall remain in full

force and effect after the termination of this License Agreement until the later of (1) the expiration of the period stated in the applicable statute of limitations during which a claim or cause of action may be brought, and (2) payment in full or the satisfaction of such claim or cause of action and of all expenses and charges incurred by the City. For the purposes of this Section 7(b)(i) and (ii), CALLC shall not be deemed an employee, agent, or servant of the City or a person under the control and/or supervision of the City.

(c) All notices, requests, and other communications hereunder shall be in writing and shall be delivered personally or deposited in the U.S. Mails, postage prepaid, return receipt requested, for express or "next day" delivery, together with a contemporaneous telefax transmission to the addressee, addressed as follows:

If to the City:	Mayor 201 City Hall Buffalo, New York 14202 Telefax: (716) 851-4360
With a copy to:	Corporation Counsel 1101 City Hall Buffalo, New York 14202 Telefax: (716) 851-4105
If to CALLC:	Crossroads Arena LLC 140 Main Street Buffalo, New York 14202 Telefax: (716) 856-7351
With a copy to:	Cohen Swados Wright Hanifin Bradford & Brett 70 Niagara Street Buffalo, New York 14202 Telefax: (716) 856-2950

or to such other address as a party may have furnished to the others by written notice in the manner provided in this section. Any such notice, request, consent, or other communication shall be deemed received at such time as it is personally delivered or actually received, as the case may be.

(d) Except as provided elsewhere in this License Agreement, if any term or provision of this License Agreement or the application thereof to any person or circumstance shall to any extent be held to be invalid or unenforceable, the remainder of this License Agreement and the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term or provision of this License Agreement shall be valid and enforceable to the fullest extent permitted by law.

(e) This License Agreement may not be modified, amended or terminated except by the written agreement of the parties or any of their successors.

IN WITNESS WHEREOF, the parties hereto have executed this License Agreement as of the 10th day of May, 1995.

THE CITY OF BUFFALO

By: _____
Anthony M. Masiello, Mayor

CROSSROADS ARENA LLC
By Arena Inc., Its Member

By: _____
Lawrence Quinn,
Executive Vice President

Approved As To Form

_____
Edward D. Peace, Corporation Counsel

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shall be deemed received at such time as it is personally delivered or actually received, as the case may be.

(d) Except as provided elsewhere in this License Agreement, if any term or provision of this License Agreement or the application thereof to any person or circumstance shall to any extent be held to be invalid or unenforceable, the remainder of this License Agreement and the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term or provision of this License Agreement shall be valid and enforceable to the fullest extent permitted by law.

(e) This License Agreement may not be modified, amended or terminated except by the written agreement of the parties or any of their successors.

IN WITNESS WHEREOF, the parties hereto have executed this License Agreement as of the 10th day of May, 1995.

THE CITY OF BUFFALO

By: _____
Anthony M. Masiello, Mayor

CROSSROADS ARENA LLC
By Arena Inc., Its Member

By: _____
Lawrence Quinn,
Executive Vice President

STATE OF NEW YORK)
COUNTY OF ERIE) SS.:
CITY OF BUFFALO)

On this 23rd day of May, 1995, before me, the subscriber, personally appeared ANTHONY M. MASIELLO, to me known, who, being by me duly sworn, did depose and say that he resides in the City of Buffalo, New York; that he is the Mayor of the City of Buffalo, the corporation described in and which executed the within instrument; ~~that he knows the seal of said City; that the seal affixed to said instrument is such corporate seal; that it was so affixed pursuant to Resolution No. _____ of the Common Council Proceedings of _____;~~ and that he signed his name thereto ~~pursuant to said resolution.~~

EDWARD D. PEACE
Notary Public, State of New York
Qualified in Erie County
My Commission Expires May 4, 19 97

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STATE OF NEW YORK)
COUNTY OF ERIE) SS.:
CITY OF BUFFALO)

On this 24th day of May, 1995, before me, the subscriber, personally appeared LAWRENCE QUINN, to me known, who, being by me duly sworn, did depose and say that he resides in the City of Buffalo, New York; that he is the Executive Vice President of Niagara Frontier Hockey Management Corp., the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by the order of the Board of Directors of said corporation; and that he signed his name thereto by like order.

Diane W. Capicotto

DIANE W. CAPICOTTO
Notary Public, State of New York
Qualified in Niagara County
My Commission Expires May 31, 1995

EXHIBIT A

Description of Encroachments and Property

1. Construct, install, and maintain on the north side of South Park Avenue between Main Street and Illinois Street all landscaping which shall be in accordance with plans submitted and approved by the Department of Public Works, Division of Buildings, including, without limitation, a wall to mitigate wind and hide utilities.

2. Construct, install, and maintain three (3) awnings on The Crossroads Arena on Perry Street in accordance with plans submitted to and approved by the Department of Public Works, Division of Buildings.

3. Exclusive use of Baltimore Street from Perry Street to South Park Avenue for parking purposes during Events held at The Crossroads Arena.

4. Construct, install, and maintain a balcony on The Crossroads Arena (aka "crow's nest") on Main Street in accordance with plans submitted and approved by the Department of Public Works, Division of Buildings.

5. Use of the sidewalks generally for, consistent with, and in support of the operations of the Crossroads Arena; provided that CALLC will construct, repair, and maintain, including snowplowing, and repair such sidewalks including the curbs in accordance with the Development and Construction Agreement and the Operating Agreement.

EXHIBIT B

Insurance

1. Property damage insurance, including debris removal, insuring the buildings, structures, facilities, fixtures, machinery, equipment and other property constituting the Licensed Property, written on an "all risk" form (to the extent commercially available and as customarily provided; otherwise, written as closely approximate to "all risk" as feasible) and at all times in an amount equal to at least 100% of the actual replacement value exclusive of slab and foundation with an agreed amount endorsement waiving coinsurance. For the purposes of this Article, "actual replacement value" shall mean the replacement cost as commonly provided in commercial property insurance forms.

2. Commercial general liability insurance on an occurrence form to include all premises and operations liability, personal injury and advertising injury liability, contractual liability (covering CALLC's obligations of indemnity with respect to perils customarily insured under such form of policy), and products and completed operations liability with no "X" (explosion), "C" (collapse) and "U" (underground) exclusions. Policy limits shall be in amounts of not less than $1,000,000 per occurrence with a $2,000,000 products liability aggregate and a $2,000,000 general aggregate;

3. Workers' compensation insurance, employers' liability insurance, disability benefits insurance and such other forms of insurance which CALLC is required by law to provide, covering loss resulting from injury, sickness, disability or death of the employees of CALLC; and CALLC shall require that all contractors and subcontractors performing work with respect to The Crossroads shall maintain workers' compensation & employers' liability insurance, as well as any other form of insurance that may be appropriate for the exposures and risks of loss related to the services or work being performed;

4. During any period of subsequent construction, CALLC shall maintain "builder's risk" or similar insurance written on an "all risk", completed value form (to the extent commercially available and as customarily provided; otherwise, perils as closely approximate to "all risk" as feasible), insuring on a Replacement Cost basis against direct loss of property, work in progress, and including coverage for business interruption and extra expense.

5. Automobile liability insurance for all vehicles which CALLC owns, leases, hires or uses with a combined policy limit of at least $1,000,000 for bodily injury and property damage;

6. Employee dishonesty insurance with a policy limit of not less than $500,000 loss;

7. Excess or umbrella liability insurance, written on an occurrence basis, with a limit of at least $50,000,000 per occurrence and aggregate. This limit shall be applicable to The Crossroads and activities in, on or about The Crossroads and CALLC's business. The policy limits of the primary commercial general, automobile and employers' liability policies required above shall be not less than those stipulated as scheduled underlying limits of the umbrella policy;

8. Business interruption insurance, written on an actual loss sustained basis, and including loss of rents and extra expense insurance in connection with the property damage insurance; and

9. Flood and earthquake insurance in a minimum amount of $25,000,000.

BUFFALO URBAN RENEWAL
AGENCY-COUNTY GROUND LEASE

THIS BUFFALO URBAN RENEWAL AGENCY-COUNTY GROUND LEASE (the "Ground Lease") made on or as of the 10th day of May, 1995, by and between the **CITY OF BUFFALO URBAN RENEWAL AGENCY**, a public benefit corporation established pursuant to Article 15-A of the General Municipal Law of the State of New York (the "Landlord" or "BURA"), having its office at Room 920, City Hall, Buffalo, New York, in the City of Buffalo, State of New York 14202; and the **COUNTY OF ERIE**, a municipal corporation of the State of New York, with an office at 95 Franklin Street, Buffalo, New York 14202 (the "Tenant" or the "County").

W I T N E S S E T H:

WHEREAS, Landlord holds title to the properties described on Exhibit A attached hereto and made a part hereof, upon which a facility to be known as The Crossroads Sports and Entertainment Complex ("The Crossroads"), together with related parking lots and/or parking ramp(s) (collectively, the "Real Property") is to be constructed pursuant to a Development and Construction Agreement dated as of May 10, 1995 (the "Development and Construction Agreement") by and among Crossroads Arena LLC, ("CALLC"), a New York limited liability company; the New York State Urban Development Corporation ("UDC"), a public benefit corporation created by Chapter 174 of the laws of 1968; the City of Buffalo (the "City"), a municipal corporation of the State of New York; the Erie County Industrial Development Agency

("ECIDA"), a public benefit corporation created pursuant to Article 18-A of the General Municipal Law; Landlord and Tenant.

NOW, THEREFORE, for and in consideration of the mutual covenants, conditions and agreements herein provided and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord hereby demises, leases and lets the Real Property to Tenant, and Tenant hereby rents and takes the Real Property from Landlord, and Landlord and Tenant hereby covenant and agree as follows:

ARTICLE 1 - DEFINITIONS

All capitalized terms used herein which are not otherwise defined in the text shall have the meaning stated on Schedule A attached hereto.

ARTICLE 2 - CONTRACT FOR THIS GROUND LEASE

This Ground Lease (a) is made pursuant to a certain Contract for Lease of Land for Redevelopment by and between Landlord, City and CALLC dated as of May 10, 1995 (the "Land Disposition Agreement") and (b) is subject to the terms of the Land Disposition Agreement, the Development and Construction Agreement and the Operating Agreement, as applicable.

ARTICLE 3 - DEMISE, TERM AND COMMENCEMENT OF TERM

Section 3.1 Demise. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Real Property for the Term, upon the terms and conditions set forth herein.

Section 3.2 Term. The term of this Ground Lease ("Term") shall begin on May 10, 1995 (the "Commencement Date") and shall expire at midnight of the last day of the thirtieth (30th) Lease Year, unless such term is (a) extended as provided for below, or (b) earlier terminated as provided in the Land Disposition Agreement, this Ground Lease or by operation of law. The first Lease Year shall commence on October 1 following the Completion Date, unless the Completion Date is October 1, in which case the first Lease Year shall commence on the Completion Date. Upon a determination of the Completion Date under the Development and Construction Agreement and the Operating Agreement, the Tenant and the Landlord shall execute an amendment to this Ground Lease, confirming the occurrence of the Completion Date.

Provided that (i) the County Sublease #1, the City Sublease, the County Sublease #2, the Project Sublease and the Company/Sabres Lease are each in full force and effect, (ii) the Operating Agreement is in full force and effect and all payments thereunder due from inception of this Ground Lease have been paid in full as of the time of each such renewal, (iii) the Operating Agreement is simultaneously renewed upon the terms and conditions provided therein, and (iv) no event of default under Section 12.3

hereof shall then exist, the term of this Ground Lease shall automatically be extended on the same terms and conditions as provided herein for additional terms (the "Extension Term") each commencing on the expiration of the initial term or of the preceding Extension Term as follows:

(A) An additional term of five (5) Operating Years (the "First Extension Term"); provided, however, with respect to the first Operating Year of the First Extension Term, such Operating Year will be deemed to have commenced on October 1, notwithstanding the definition of Operating Year as contained in the Operating Agreement, but without changing the termination date thereof;

(B) A second additional term of five (5) Operating Years (the "Second Extension Term");

(C) A third additional term of five (5) Operating Years (the "Third Extension Term"); and

(D) A fourth additional term of three (3) Operating Years (the "Fourth Extension Term").

At the expiration of the full duration of the initial term of this Ground Lease, or if extended, the last exercised Extension Term, this Ground Lease and all rights of the Tenant hereunder and to the Real Property shall immediately expire and terminate and the Tenant and any sublessees (mediate and immediate) of the Tenant shall immediately quit the Real Property, leaving it in good condition, and the Landlord shall

have the right to re-enter the Real Property and remove all persons and property therefrom.

Notwithstanding the foregoing, the Tenant's interests as Tenant under this Ground Lease shall be assigned to the City on the earlier of (1) the scheduled original final thirty (30) year maturity of the County Bonds (notwithstanding any refinancing or refunding thereof from time to time), or (2) the final payment of the principal and interest on the County Bonds (including any final refinancing or refunding thereof from time to time) prior to the original scheduled final thirty (30) year maturity thereof, provided the Landlord and the City each consents in writing to the assignment, which consent will not be unreasonably withheld or delayed. On the date of such assignment, the Tenant shall be released from any obligations it may have under this Ground Lease. It is expressly agreed that the Tenant's leasehold estate created under this Ground Lease shall not merge with the Tenant's leasehold estate in the County Sublease #1 or the City Sublease, as a result of the foregoing described assignment.

Section 3.3

(a) Upon execution of this Ground Lease the Tenant shall accept possession of the Real Property and all improvements thereon "AS IS".

(b) NO WARRANTY OF CONDITION OR SUITABILITY. THE LANDLORD HAS MADE AND MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE

MERCHANTABILITY, CONDITION, ENVIRONMENTAL STATUS, FITNESS, DESIGN, OPERATION OR WORKMANSHIP OF ANY PART OF THE REAL PROPERTY OR THE IMPROVEMENTS THEREON, THEIR FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OR CAPACITY OF THE MATERIALS IN THE REAL PROPERTY, OR THE SUITABILITY OF THE REAL PROPERTY OR THE IMPROVEMENTS THEREON FOR THE PURPOSES OR NEEDS OF THE TENANT, THE ECIDA OR CALLC. THE LANDLORD SHALL NOT BE LIABLE IN ANY MANNER WHATSOEVER TO THE TENANT, THE ECIDA OR CALLC OR ANY OTHER PERSON FOR ANY LOSS, DAMAGE (INCLUDING, WITHOUT LIMITATION, CONSEQUENTIAL OR INCIDENTAL DAMAGES) OR EXPENSE OF ANY KIND OR NATURE CAUSED, DIRECTLY OR INDIRECTLY, BY THE USE OF OR OPERATION OF THE REAL PROPERTY OR THE MAINTENANCE THEREOF OR THE FAILURE OF MAINTENANCE OR OPERATION THEREOF, OR THE REPAIR, SERVICE, OR ADJUSTMENT THEREOF, OR BY ANY DELAY OR FAILURE TO PROVIDE ANY SUCH MAINTENANCE, REPAIRS, SERVICE OR ADJUSTMENT, OR BY ANY INTERRUPTION OF SERVICE OR LOSS OF USE THEREOF OR FOR ANY LOSS OF BUSINESS HOWSOEVER CAUSED.

ARTICLE 4 - USE OF REAL PROPERTY.

Section 4.1 Permitted Use of Real Property by Tenant. Tenant shall use the Real Property and improvements thereon owned by Tenant in accordance with the Land Disposition Agreement and the Development and Construction Agreement and for no other purpose.

Section 4.2 Lease Promises. Tenant shall cause the ECIDA to include in the Project Sublease the covenants and promises set forth in Schedule B attached hereto (collectively, the "Prior Lease Promises") and to provide that the Landlord shall be a third-party beneficiary of such covenants and promises. The Prior Lease Promises shall be deemed obligations of CALLC only, and not of the Tenant, and the Tenant shall have no liability for compliance therewith or the breach by CALLC thereof. The Prior Lease Promises shall not be deemed to be obligations and agreements of any officer, agent or employee of the Tenant in his or her individual capacity, and the legislators, officials, officers, agents and employees of the Tenant shall not be personally liable for the Prior Lease Promises or subject to any personal liability or accountability based upon or in respect thereof or of any transaction contemplated thereby.

ARTICLE 5 - RENT AND REIMBURSABLES

Section 5.1 Rent. Tenant shall pay to Landlord as rent the sum of One Dollar per year during the Term, payable in advance.

ARTICLE 6 - RESPONSIBILITIES AND PROVISION OF SERVICES

Section 6.1 Landlord's and Tenant's Responsibilities. Landlord and Tenant shall share responsibility for any incidents of ownership attendant to the Real Property (without any

predetermined percentage or allocation of such responsibility) provided however that (a) it is understood and agreed by Landlord and Tenant that such incidents of ownership including all services, maintenance, repair, improvements and utilities, shall be furnished and paid for by CALLC and/or NFHLP, or their successors and assigns, in accordance with the Project Sublease, the Company/Sabres Lease, the Development and Construction Agreement, the Operating Agreement and the Financing Participants Agreement, and (b) nothing contained in this Ground Lease shall give rise, or be deemed to give rise to, a claim by or liability to any party not a signatory to this Ground Lease.

ARTICLE 7 - INSURANCE

Section 7.1 Insurance Obligations. Subject to any contrary provision hereof, each party may obtain and pay the premiums for any casualty, liability or other insurance with respect to the Real Property, as such party shall determine in its sole and complete discretion. To the fullest extent permitted by law, each party may self-insure for any risk or loss with respect to the Real Property.

Section 7.2 Separate Insurance. Neither party shall carry separate insurance or additional insurance, concurrent in coverage or contributing in the event of loss, with any insurance referred to in this Article 7 if the effect would be to reduce the protection to the other party or the payment to be made under either party's insurance policies.

Section 7.3 Waiver of Subrogation. Landlord and Tenant each hereby release the other from any and all liability or responsibility to the other or anyone claiming through or under them by way of subrogation for any loss or damage to their respective property caused by fire or other casualty, even if such fire or other casualty shall have been caused by the fault or negligence of the other party, or anyone for whom such other party may be responsible. All insurance policies procured by either party with respect to the Real Property shall contain a clause or endorsement permitting a waiver of subrogation and stating that any such release shall not adversely affect or impair the policies or prejudice the rights of the releasor to recover thereunder.

ARTICLE 8 - FORCE MAJEURE

Without by implication creating or increasing any obligation of either party hereto, neither Landlord nor Tenant shall be deemed in default with respect to its failure to perform any of the covenants, terms or conditions of this Ground Lease if such failure is due to any matter or condition ("Force Majeure") beyond the reasonable control of such party, such as, but not limited to, strike, lockout or labor dispute (whether or not legal), inability to procure materials due to Force Majeure conditions affecting materialmen and supplies, governmental moratorium, civil disorder, riot, insurrection, war, unavoidable accident, fire, earthquake, unusually severe and abnormal weather

conditions not anticipatable, public emergency, casualty or fuel shortage, or any other cause beyond the reasonable control of the party obligated to perform. The non-performing party shall use its best efforts to overcome the Force Majeure condition, avoid delay or mitigate the effects thereof and notify the other within a reasonable time after discovering the Force Majeure event of the nature of the event, and estimate of the resulting delay. The extension of performance time required by the Force Majeure event shall be agreed to by the parties in writing commensurate with such interfering occurrence. Force Majeure shall not apply to: (a) payments required pursuant to this Ground Lease, (b) collection of amounts payable by third parties, including insurance policy proceeds, or (c) any other obligations of which the delay in performing subjects the other party to criminal or civil penalties, with respect to all of which time shall be of the essence.

ARTICLE 9 - INDEMNIFICATION-EXCULPATORY PROVISIONS

(a) Each party agrees to indemnify, defend and hold harmless the other party and its officers, agents and employees, of, from and against any and all claims and demands and all related costs, expenses, damages, losses, injury and liabilities of every kind and nature and however caused arising out of or as a result of its own gross negligence or willful misconduct with respect to the terms and conditions of this Ground Lease. The

provisions of this Section 9(a) shall survive any termination of this Ground Lease.

(b) All covenants, stipulations, promises, agreements and obligations of Landlord and Tenant contained in this Ground Lease shall be deemed to be covenants, stipulations, promises, agreements and obligations of Landlord and Tenant, respectively, and not of any member, director, officer, employee or agent of Landlord or Tenant respectively in his or her individual capacity, and no recourse shall be had for any claim hereunder against any member, director, officer, employee or agent of Landlord or Tenant respectively.

ARTICLE 10 - INTERPRETATION AND CONSTRUCTION

The language in all parts of this Ground Lease shall in all cases be construed as a whole according to its fair meaning and neither strictly for nor against Landlord or Tenant. In the event that a situation arises during the Term which is not specifically provided for in this Ground Lease, the parties hereto shall consult with each other, in good faith, and without any obligation to provide funding, to seek to resolve such situation in a manner consistent with the shared responsibilities (without any predetermined percentage or allocation of such responsibility) of Landlord and Tenant for the Real Property.

ARTICLE 11 - REPRESENTATIONS AND WARRANTIES

Section 11.1 Authority. The Landlord and the Tenant each represents and warrants to the other that each is duly organized and validly existing under the laws of the State of New York, has the power and authority to own its property and assets, to carry on its business as now being conducted by it and to execute, deliver and perform this Ground Lease.

ARTICLE 12 - EVENTS OF DEFAULT AND REMEDIES

Section 12.1 Events of Default by Landlord. The following constitute events of default by Landlord:

(a) Landlord's failure to perform any material agreement, term, covenant or condition pursuant to this Ground Lease which remains uncured for a period of sixty (60) days (or such longer period as may reasonably be necessary to cure such failure) following Landlord's receipt from Tenant of written notice thereof.

Section 12.2 Events of Default by Tenant. The following constitute events of default by Tenant:

(a) Tenant's failure to perform any material agreement, term, covenant or condition pursuant to this Ground Lease which remains uncured for a period of sixty (60) days (or such longer period as may reasonably be necessary to cure such failure) following Tenant's receipt from Landlord of written notice thereof.

Section 12.3 Event of Default by CALLC.

The failure of CALLC, subject to any rights to notice and/or cure, as may be provided in the Project Sublease or any of the other Transaction Documents, to comply with each and every Prior Lease Promise shall be an event of default hereunder.

Section 12.4 Remedies. In the event of a default as specified Sections 12.1 and 12.2 above, the nondefaulting party shall not have the right to terminate this Ground Lease but may exercise all other rights and remedies therefor as provided by applicable law.

Upon the occurrence of an event of default as specified in Section 12.3 above, neither Landlord nor Tenant shall have the right to terminate this Ground Lease, but agree to cooperate with each other in good faith in reaching a mutual decision concerning compliance by CALLC with the Prior Lease Promises and/or the enforcement of rights and remedies against CALLC in the event of noncompliance with the Prior Lease Promises, including but not limited to, and subject to the terms of the Financing Participant's Agreement and the Non-Disturbance Agreement, the right to dispossess CALLC and consent to the assignment to a new operator of CALLC's interest in the Project Sublease.

ARTICLE 13 - EMINENT DOMAIN

Section 13.1 Total Taking. In the event of the taking or condemnation by any competent authority for any public use or purpose of the whole or any part of the Real Property (a

"Taking") at any time during the Term, the following provisions shall apply:

Section 13.2 Awards. Subject to the provisions of any other agreement or writing binding on both of the parties hereto, Landlord and Tenant shall share any award (including interest from the date of the Taking to the date of payment) according to their respective interests in the Real Property or as the parties may otherwise agree.

Section 13.3 Termination of Ground Lease. If all or substantially all of the Real Property is the subject of the Taking, this Ground Lease shall terminate. If not all or substantially all of the Real Property is the subject of the Taking, this Ground Lease shall not be terminated solely by reason of such Taking.

Section 13.4 Restoration. If this Ground Lease is not terminated, then, as to the portion of the Real Property not taken in the condemnation proceeding, the parties shall use the award(s) from the Taking to make an adequate restoration, repair or reconstruction of the part of the Real Property not taken as may be required by the Development and Construction Agreement, the Operating Agreement or the Financing Participants Agreement.

ARTICLE 14 - QUIET ENJOYMENT

Subject to the terms and conditions of this Ground Lease, throughout the Term hereof, Landlord represents and warrants that Tenant shall, upon complying with all of the terms

and conditions hereof applicable to Tenant, lawfully and quietly hold, occupy and enjoy undisturbed possession of the Real Property pursuant to this Ground Lease and all rights granted to Tenant hereby without hindrance or molestation by Landlord or anyone claiming under or thorough Landlord; subject, however, to the Land Disposition Agreement the Development and Construction Agreement, the Operating Agreement and the Financing Participants Agreement and all applicable provisions of law.

ARTICLE 15 - MISCELLANEOUS

Section 15.1 Prohibition on Assignment. Except as contemplated in the Development and Construction Agreement, the Operating Agreement, the County Sublease #1, the City Sublease, the County Sublease #2, the Project Sublease, the Company/Sabres Lease, and the Financing Participants Agreement, neither Landlord nor Tenant shall sublet, assign, mortgage, pledge, encumber, or transfer this Ground Lease or any of its rights hereunder, without the express prior written consent of the other.

Section 15.2 Entire Agreement. Subject to the Land Disposition Agreement, the Development and Construction Agreement and the Operating Agreement, this Ground Lease, including any exhibits or schedules hereto, is the final, entire agreement between the parties with respect to the matters addressed herein.

Section 15.3 Parties In Interest. This Ground Lease shall be binding upon each of the parties hereto and their respective successors and assigns and shall inure to the benefit

of each of the parties hereto and the respective successors and permitted assigns.

Section 15.4 Jurisdiction And Governing Law. Each party hereby consents to the jurisdiction of the Courts of the State of New York and/or the United States District Court for the Western District of New York (with Buffalo, New York, as the venue for any action or proceeding) in any action or proceeding pursuant to this Ground Lease, and each agrees to service of process by certified mail, return receipt requested, postage prepaid, to its address as set forth in Article 16 or such other address as either may designate by written notice to the other party. Each party agrees not to institute suit against the other in a court in any jurisdiction, except as stated above, without the other party's prior written consent. The parties further agree that all matters with respect to the validity, construction or interpretation of this Ground Lease shall be governed by the internal law of the State of New York.

Section 15.5 Waivers. No waiver of any breach or potential breach by either party shall be effective unless set forth in writing and duly executed by the waiving party, and no waiver of any breach on any occasion shall constitute a waiver of a breach of the same or any other matter on any subsequent occasion.

Section 15.6 Amendment. This Ground Lease may not be amended or modified other than by a writing specifying the intent

to amend or change this Ground Lease, which writing is duly executed by and delivered to both parties.

Section 15.7 Counterparts. This Ground Lease may be executed in two or more counterparts, each of which shall be deemed to be an original instrument, but all such counterparts together shall constitute one and the same Lease.

Section 15.8 Headings. The headings in this Ground Lease are inserted for convenience of reference only, and shall not constitute part of this Ground Lease.

Section 15.9 Severability. If any portion of this Ground Lease is adjudged invalid, unenforceable or void, the rest shall remain in full force and effect.

Section 15.10 Memorandum of Lease. The parties hereto will cause a memorandum of this Ground Lease to be recorded in the Erie County Clerk's Office upon execution of this Ground Lease and such memorandum.

Section 15.11 Non-Disturbance Agreement. This Ground Lease and the rights of the Landlord and the Tenant hereunder, are subject to the terms of the Non-Disturbance Agreement.

ARTICLE 16 - NOTICES

All notices, demands or communications given under this Ground Lease shall be sent to the parties at the addresses set forth below or at such other addresses as the parties may designate by written notice and shall be telecopied to the number listed below and sent by prepaid registered or certified mail,

return receipt requested, and shall be deemed given on the date two (2) days after the date mailed:

(a) If to Landlord, to:

City of Buffalo Urban Renewal Agency
Room 920, City Hall
Buffalo, New York 14202
Attention: Vice Chairman
Telecopy Number: 854-0172
Telephone Number: 851-5016

with a simultaneous copy to:

General Counsel
Buffalo Urban Renewal Agency
Room 92, City Hall
Buffalo, New York 14202
Telecopy Number: 854-0172
Telephone Number: 851-5052

(b) If to Tenant, to:

County of Erie
95 Franklin Street
County Office Building
Buffalo, New York 14202
Attention: Commissioner - Department of Environment and Planning
Telecopy Number: (716) 858-6257
Telephone Number: (716) 858-6716

IN WITNESS WHEREOF, the parties hereto have executed this Ground Lease as of the first date hereinabove set forth.

CITY OF BUFFALO URBAN RENEWAL AGENCY

By: _____
Anthony M. Masiello
Chairman

COUNTY OF ERIE

By: _____
Dennis T. Gorski
County Executive

Approved As To Form

_____
County Attorney

Approved As To Content

_____
Commissioner, Erie County
Department of Environment
and Planning

IN WITNESS WHEREOF, the parties hereto have executed this Ground Lease as of the first date hereinabove set forth.

CITY OF BUFFALO URBAN RENEWAL AGENCY

By:_____
Anthony M. Masiello
Chairman

COUNTY OF ERIE

By:_____
Dennis T. Gorski
County Executive

Approved As To Form

_____
County Attorney

Approved As To Content

_____
Commissioner, Erie County
Department of Environment
and Planning

STATE OF NEW YORK)
) SS.:
COUNTY OF ERIE)

On the 22 day of May, 1995, before me personally came Anthony M. Masiello to me known, who being by me duly sworn, did depose and say that he resides at 111 Pentwurst Pk Bflo NY, that he is the Chairman, of the corporation described in and which executed the foregoing instrument; ~~that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the members~~ of ~~said corporation~~; and that he signed his name thereto by like order.

Joanne Cavalieri
Notary Public

JOANNE CAVALIERI
Notary Public, State of New York
Qualified in Erie County
My Commission Expires Jan. 31, 1997

STATE OF NEW YORK)
) SS.:
COUNTY OF ERIE)

On the ____ day of May, 1995, before me personally came Dennis T. Gorski, to me known, who being by me duly sworn, did depose and say that he is the County Executive of the County of Erie, the municipal corporation described in and which executed the above instrument; and that he signed his name thereto by authority of the Legislature and the County Executive of such municipal corporation in accordance with the County Charter.

Notary Public

STATE OF NEW YORK)
) SS.:
COUNTY OF ERIE)

On the _____ day of May, 1995, before me personally came Anthony M. Masiello to me known, who being by me duly sworn, did depose and say that he is the Chairman, of the corporation described in and which executed the foregoing instrument; and that he signed his name to said instrument by order of the members of said corporation.

_____
Notary Public

STATE OF NEW YORK)
) SS.:
COUNTY OF ERIE)

On the 22 day of May, 1995, before me personally came Dennis T. Gorski, to me known, who being by me duly sworn, did depose and say that he is the County Executive of the County of Erie, the municipal corporation described in and which executed the above instrument; and that he signed his name thereto by authority of the Legislature and the County Executive of such municipal corporation in accordance with the County Charter.

Whitney K. Reed
Notary Public

WHITNEY K. REED
Notary Public, State of New York
No. 01RE5002610
Qualified in Monroe County
Certificate Filed in Ontario County
Commission Expires Oct. 5, 1996

EXHIBIT "A"

Metes and Bounds Description of Real Property

PARCEL I

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie, State of New York, being part of Outer Lots Nos. 76, 77 and 78, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) as it formerly existed and the easterly line of Main Street (99 feet wide); thence southerly along the easterly line of Main Street 328.76 feet to the north line of South Park Avenue (66 feet wide) as presently laid out; thence southeasterly along the said northerly line of South Park Avenue 285.87 feet to an angle point; thence continuing southeasterly at an interior angle of 161° 35' 40" along the said northerly line of South Park Avenue 503.54 feet to the intersection of the said northerly line of South Park Avenue and westerly line of Illinois Street (50 feet wide); thence northerly along the westerly line of Illinois Street 660.35 feet to the intersection of the westerly line of Illinois Street and the southerly line of Perry Street (66 feet wide) as presently laid out; thence westerly along the said southerly line of Perry Street and continuing along the southerly line of Perry Street as it formerly existed 704.93 feet to the point or place of beginning.

TOGETHER with all right, title and interest in Illinois Street to the centerline thereof.

PARCEL II

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Lot No. 75, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) and the easterly line of Mississippi Street (60 feet wide); running thence easterly along the southerly line of Perry Street 195.0 feet to the westerly line of Baltimore Street (40 feet wide); thence southerly along the westerly line of Baltimore Street 672.10 feet to the northerly line of South Park Avenue (66 feet wide); thence westerly along the northerly line of South Park Avenue 195.0 feet to the easterly line of Mississippi Street; thence northerly along the easterly line of Mississippi Street 672.47 feet to the point or place of beginning.

TOGETHER with all right, title and interest in Mississippi Street and Baltimore Street to the centerlines thereof.

PARCEL III

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Lots Nos. 74 and 75, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) and the easterly line of Baltimore Street (40 feet wide); thence easterly along the southerly line of Perry Street 113.68 feet to the westerly line of Columbia Street (50 feet wide); thence southerly along the westerly line of Columbia Street 531.8 feet more or less to the north line of lands of Consolidated Rail Corporation by deed recorded in the Erie County Clerk's Office in Liber 1056 of Deeds at page 293; thence westerly along the said north line of Consolidated Rail Corporation 113.68 feet to the easterly line of Baltimore Street; thence northerly along the easterly line of Baltimore Street 532.02 feet more or less to the southerly line of Perry Street and the point or place of beginning.

TOGETHER with all right, title and interest in Baltimore Street and Columbia Street to the centerlines thereof.

PARCEL IV

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Outer Lots Nos. 74 and 75, bounded and described as follows:

BEGINNING at a point in the westerly line of Columbia Street distant 140 feet northerly along said westerly line of Columbia Street from its intersection with the northerly line of South Park Avenue, which point is also the southeast corner of lands conveyed to Higgins Erectors & Haulers, Inc. by deed recorded in the Erie County Clerk's Office in Liber 8470 of Deeds at page 537; thence southerly along the westerly line of Columbia Street 140 feet to the north line of South Park Avenue; thence westerly along the northerly line of South Park Avenue 113.68 feet more or less to the easterly line of Baltimore Street; thence northerly along the easterly line of Baltimore Street 140 feet to the southwest corner of said lands conveyed to Higgins Erectors & Haulers, Inc. by deed aforesaid; thence easterly along the southerly line of said lands conveyed to Higgins Erectors & Haulers, Inc. 113.68 feet more or less to the point of beginning.

TOGETHER with all right, title and interest in Baltimore Street and Columbia Street to the centerlines thereof.

SCHEDULE "A"

Schedule of Definitions

"Building Loan Agreement" shall mean that certain Building Loan Contract dated as of May 10, 1995, by and between CALLC, Marine Midland Bank and Key Bank of New York and together with any and all amendments thereto hereafter made.

"BURA's Reserved Rights" shall mean:

(1) the right of BURA in its own behalf to receive all opinions of counsel, reports, financial statements, certificates, insurance polices or insurance binders or certificates, or other notices of communications required to be delivered to BURA under the Ground Lease, the County Sublease #1, the City Sublease, the County Sublease #2 or the Project Sublease;

(2) the right of BURA to grant or withhold any consents or approvals required of BURA under the Ground Lease, the County Sublease #1, the City Sublease, the County Sublease #2 or the Project Sublease;

(3) the right of BURA to enforce or otherwise exercise on its own behalf all agreements of the Company with respect to ensuring that the Project shall always be operated as a multi-purpose sports and entertainment complex in accordance with the County Sublease #2, the Project Sublease and the Company/Sabres Lease and for no other purpose whatsoever;

(4) the right of BURA on its own behalf to declare an Event of Default under the Ground Lease, the County Sublease #1, the City Sublease, the County Sublease #2 or the Project Sublease, and to enforce any of its remedies as set forth therein;

(5) the right of BURA to receive any payment to which it may be entitled or to be indemnified pursuant to any indemnity or similar provision arising out of the construction, acquisition, equipping, operation or disposition of the Project, including without limitation, pursuant to any contract, agreement or documentation entered into with respect thereto from time to time;

(6) the rights of BURA pursuant to the Development and Construction Agreement, the Operating Agreement, the Financing Participants Agreement, the Coordinating Agreement, the Non-Relocation Agreement, and the Inter-Municipal Agreement; and

(7) the rights of BURA to commence or defend any judicial, administrative or arbitration proceeding in order to protect any of its rights, pecuniary or otherwise.

"City's Reserved Rights" shall mean:

(1) the right of the City in its own behalf to receive all opinions of counsel, reports, financial statements, certificates, insurance polices or insurance binders or certificates, or other notices of communications required to be delivered to the City under the Ground Lease, the County Sublease #1, the City Sublease, the County Sublease #2 or the Project Sublease;

(2) the right of the City to grant or withhold any consents or approvals required of the City under the Ground Lease, the County Sublease #1, the City Sublease, the County Sublease #2 or the Project Sublease;

(3) the right of the City to enforce or otherwise exercise on its own behalf all agreements of the Company with respect to ensuring that the Project shall always be operated as a multi-purpose sports and entertainment complex in accordance with the County Sublease #2, the Project Sublease and the Company/Sabres Lease and for no other purpose whatsoever;

(4) the right of the City on its own behalf to declare an Event of Default under the Ground Lease, the County Sublease #1, the City Sublease, the County Sublease #2 or the Project Sublease, and to enforce any of its remedies as set forth therein;

(5) the right of the City to receive any payment to which it may be entitled or to be indemnified pursuant to any indemnity or similar provision arising out of the construction, acquisition, equipping, operation or disposition of the Project, including without limitation, pursuant to any contract, agreement or documentation entered into with respect thereto from time to time;

(6) the rights of the City pursuant to the Development and Construction Agreement, the Operating Agreement, the Financing Participants Agreement, the Coordinating Agreement, the Non-Relocation Agreement, and the Inter-Municipal Agreement; and

(7) the rights of the City to commence or defend any judicial, administrative or arbitration proceeding in order to protect any of its rights, pecuniary or otherwise.

"City Sublease" shall mean the sublease agreement, dated as of May 10, 1995, between the City as landlord and the County as tenant.

"Company/Sabres Lease" shall mean the lease agreement, dated as of May 10, 1995, from CALLC as landlord to NFHLP as tenant.

"Completion Date" shall mean that date as defined in the Guaranteed Maximum Price Contract as enabling CALLC to take occupancy of the Crossroads.

"County Bonds" shall mean the notes and/or bonds in an amount not to exceed $24,500,000 issued by the County pursuant to the New York State Local Finance Law and a bond resolution duly adopted by the Legislature of the County on February 2, 1995 for the purpose of providing a portion of the funds necessary to pay the Development and Construction Costs and Expenses.

"**County's Reserved Rights**" shall mean:

(1) the right of the County in its own behalf to receive all opinions of counsel, reports, financial statements, certificates, insurance policies or insurance binders or certificates, or other notices of communications required to be delivered to the County under the Ground Lease, the County Sublease #1, the City Sublease, the County Sublease #2 or the Project Sublease;

(2) the right of the County to grant or withhold any consents or approvals required of the County under the Ground Lease, the County Sublease #1, the City Sublease, the County Sublease #2 or the Project Sublease;

(3) the right of the County to enforce or otherwise exercise on its own behalf all agreements of the Company with respect to ensuring that the Project shall always be operated as a multi purpose sports and entertainment complex in accordance with the County Sublease #2, the Project Sublease and the Company/Sabres Lease and for no other purpose whatsoever;

(4) the right of the County on its own behalf to declare an Event of Default under the Ground Lease, the County Sublease #1, the City Sublease, the County Sublease #2 or the Project Sublease, and to enforce any of its remedies as set forth therein;

(5) the right of the County to receive any payment to which it may be entitled or to be indemnified pursuant to any indemnity or similar provision arising out of the construction, acquisition, equipping, operation or disposition of the Project, including without limitation, pursuant to any contract, agreement or documentation entered into with respect thereto from time to time;

(6) the rights of the County pursuant to the Development and Construction Agreement, the Operating Agreement, the Financing Participants Agreement, the Coordinating Agreement, the Non-Relocation Agreement, and the Inter-Municipal Agreement; and

(7) the right of the County to commence or defend any judicial, administrative or arbitration proceeding in order to protect any of its rights, pecuniary or otherwise.

"County Sublease #1" shall mean the sublease agreement, dated as of May 10, 1995, between the County as landlord and the City as tenant.

"County Sublease #2" shall mean the sublease agreement, dated as of May 10, 1995, between the County as landlord and the ECIDA as tenant.

"Development and Construction Agreement" shall mean the Development and Construction Agreement dated as of May 10, 1995 by and among the Company and the Public Sector Participants, and together with any and all amendments thereto hereafter made.

"Event of Default" shall have the meaning specified in Article 12 hereof.

"Financing Participants Agreement" shall mean the agreement among CALLC, the Private Financing Participants, the Public Sector Participants, Sportservice Corporation and New York Sportservice, Inc., dated May 10, 1995.

"Ground Lease" shall mean that certain Buffalo Urban Renewal Agency-County Ground Lease agreement dated as of May 10, 1995 from BURA to the County, and together with any and all amendments thereto hereafter made.

"Inter-Municipal Agreement" shall mean the Inter-Municipal Agreement by and between the City and the County dated as of May 10, 1995, together with any and all amendments thereto hereafter made.

"Land Disposition Agreement" shall mean the Contract for Lease of Land for Redevelopment by and between BURA, the City and the Company dated as of May 10, 1995.

"Lease Year" shall mean, during the term of this Ground Lease, the period from October 1 in one year through and including September 30 in the following year.

"NFHLP" shall mean Niagara Frontier Hockey, L.P., a Delaware limited partnership.

"Non-Disturbance Agreement" shall mean the Non-Disturbance and Attornment Agreement among the Public Sector Participants, the Private Financing Participants, New York Sportservice, Inc., Sportservice Corporation, the Company, the Sabres and Buffalo Sabres Concessions LLC dated as of May 10, 1995.

"Operating Agreement" shall mean the agreement dated May 10, 1995, between the Public Sector Participants and CALLC.

"Parking Structure Improvements" shall mean that portion of the Improvements consisting of two parking structures with a total of not less than 1,125 spaces.

"Person" shall mean any individual, corporation, partnership, joint venture, association, limited liability company, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Prior Lease(s)" shall mean, collectively, the Land Disposition Agreement, the County Sublease #1, City Sublease and the County Sublease #2.

"Private Arena Debt" shall mean the indebtedness (including principal and interest) of CALLC and its affiliates (including Buffalo Sabres Concession LLC) to the Private Financing Participants evidenced by the Private Arena Debt Agreements, and permitted refinancings.

"Private Arena Debt Agreements" shall mean the loan agreements, promissory notes, security agreements, leasehold mortgages and other documents pertaining to the Private Arena Debt executed and delivered from time to time.

"Private Financing Participants" shall mean the Construction Lenders and the Concession Lenders.

"Project Sublease" shall mean the sublease agreement, dated as of May 10, 1995, between the ECIDA as landlord and CALLC as tenant.

"Public Sector Participants" shall mean the City, BURA, the County, ECIDA and/or UDC.

"Transaction Documents" shall mean the Private Arena Debt Agreements and the Master Agreement.

SCHEDULE "B"

Prior Lease Promises

1. The County and BURA expressly covenant and agree that the County's Reserved Rights shall run to the County and BURA's Reserved Rights shall run to BURA during the term of the Ground Lease and shall survive the termination of the Ground Lease and the foreclosure of any mortgage or security interest executed in connection with the Project from time to time. The terms of this paragraph shall be expressly incorporated into the County Sublease #2 and the Project Sublease. No amendment or modification of the County Sublease #2 or the Project Sublease will be permitted without approval of BURA, which approval shall not be unreasonably withheld.

2. The County agrees to cause the ECIDA to cause CALLC to accept responsibility for each and every obligation BURA may have to the County in connection with the Ground Lease. The parties thereto agree that this obligation shall be incorporated into the County Sublease #1, the City Sublease, the County Sublease #2 and the Project Sublease (collectively, the "Subsequent Public Party Leases") and survive the foreclosure of any mortgage or security interest executed in connection with the Project from time to time.

3. BURA hereby consents to the County entering into the County Sublease #1 and County Sublease #2 and consents to the construction of the Project in accordance with the terms of the County Sublease #2.

4. The County shall cause the ECIDA to cause CALLC and CALLC shall cause any other sublessee, licensee or occupant of the Real Property, to maintain and operate the Real Property in accordance with the terms and conditions of the Ground Lease and the Subsequent Public Party Leases, the Master Agreements and the Environmental Compliance and Indemnity Agreement.

5. BURA shall not be liable for any labor or materials furnished or to be furnished by others to the County, the ECIDA or CALLC as the ECIDA's agent, and no mechanic's, public improvement or other lien for any such labor or materials shall attach to or affect BURA or the Real Property. If any lien is filed by any contractor, subcontractor or materialman, or if any security agreement is filed against the improvements constructed on or about the Real Property, the County shall cause the ECIDA to cause CALLC to immediately take such action by bonding, deposit or payment as will remove the lien or security interest. If CALLC as sublessee of the ECIDA has not commenced

proceedings to remove the lien or security interest within thirty (30) days after notice to the ECIDA and CALLC or if CALLC does not diligently pursue such proceedings, BURA may pay the amount of the lien or security interest or discharge the same by bonding or deposit, and the amount so paid or deposited or the bond premiums, with interest thereon, shall be deemed additional rent under the Ground Lease. Such payment shall be without prejudice to CALLC's rights to challenge the validity of the claim or lien.

6. At all times, the County shall cause the ECIDA to cause CALLC to agree to comply with, and ensure compliance by all users of the Real Property with the provisions of the Environmental Compliance and Indemnity Agreement.

7. The County shall cause the ECIDA to cause CALLC and its subtenants to, at all times, be in compliance with all applicable federal, state and local laws or ordinances (including rules and regulations) relating to zoning, building, safety and environmental quality.

8. The County shall cause the ECIDA to cause CALLC to pay when due, all real property taxes and Impositions and other such charges with respect to the Real Property pursuant to the provisions of the Land Disposition Agreement, the Financing Participant's Agreement and the Operating Agreement. The County shall cause the ECIDA to cause CALLC to provide BURA with proof of payment of such charges within sixty (60) days after each payment.

9. (a) The County shall cause the ECIDA to cause CALLC and all sublessees to maintain all insurance coverage required under the Development and Construction Agreement and the Operating Agreement and as more fully set forth in the Project Sublease.

(b) Each of the policies or binders evidencing the insurance required above to be obtained shall:

(i) designate BURA, the City and the County (except with respect to workers compensation, disability benefits, employee dishonesty and auto liability insurance) as an additional named insured;

(ii) provide that there shall be no recourse against BURA, the City or the County for the payment of premiums or commissions or (if such policies or binders provide for the payment thereof) additional premiums or assessments;

(iii) provide that in respect of the respective interests of BURA, the City or the County in such

policies, the insurance shall not be invalidated by any action or inaction of CALLC or any other person and shall insure BURA or the City regardless of, and any losses shall be payable notwithstanding;

(A) any act or negligence, including any breach of any condition, declaration or warranty contained in any such policy of insurance by BURA, the City or the County (other than with respect to BURA or the City, losses arising from gross negligence or willful misconduct of BURA or the City, respectively), CALLC or any other person, or lapse, expiration or change;

(B) the occupation, operation or use of the Real Property for purposes more hazardous than permitted by the terms of the policy;

(iv) provide that such insurance shall be primary insurance without any right of contribution from any other insurance carried by BURA, the City or the County to the extent that such other insurance provides BURA or the City with contingent and/or excess liability insurance with respect to its respective interest as such in the Real Property, and shall expressly provide that all provisions thereof, except the limits of liability (which shall be applicable to all insureds as a group) and liability for premiums (which shall be solely a liability of CALLC) shall operate in the same manner as if there were a separate policy covering each insured;

(v) provide that if the insurers cancel such insurance for any reason whatsoever, or the same is allowed to lapse or expire, or there be any reduction in amount, or any material change is made in the coverage, such cancellation, lapse, expiration, reduction or change shall not be effective as to BURA, the City or the County until at least thirty (30) days after receipt by BURA and the City of written notice by such insurers of such cancellation;

(vi) waive any right of subrogation of the insurers thereunder against any person insured under such policy, and waive any right of the insurers to any setoff or counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of any person insured under such policy; and

(vii) contain only such other terms and provisions as any owner or operator of facilities similar to the Real Property would, in the prudent management of its properties, require to be contained in policies,

binders or interim insurance contracts with respect to facilities similar to the Real Property owned or operated by it.

(c) In addition to the insurance required pursuant to paragraph (a) above, the County shall cause the ECIDA to cause CALLC and all sublessees (i) to carry or cause to be carried in effect workers' compensation insurance, disability benefits insurance and such other forms of insurance which the ECIDA or CALLC is required by law to provide, covering loss resulting from injury, sickness, disability or death of the employees of CALLC, and (ii) to cause all contractors and subcontractors employed upon or with respect to the Real Property at the time of original construction or of any additions, remodeling, alterations, repair, restoration or reconstruction thereafter to maintain workers compensation insurance, disability benefits insurance and such other forms or types of insurance as are required by law, covering loss resulting from injury, sickness, disability or death of the employees of such contractor and subcontractor.

(d) On or before the Commencement Date, the County shall deliver or cause to be delivered to BURA and the City duplicate copies of insurance policies and/or binders or certificates of insurance evidencing compliance with the insurance requirements of this Section 9 of Schedule B. At least thirty (30) business days prior to the expiration of any such policy, the County shall furnish or cause to be furnished to BURA and the City with evidence that such policy has been renewed or replaced or is no longer required by this Agreement.

(e) The County shall cause the ECIDA to cause CALLC not to do any act, or suffer or permit any act to be done, whereby any insurance required by this Section 9 of Schedule B would or might be suspended or impaired.

(f) All casualty loss and property insurance proceeds received pursuant to the Ground Lease shall be allocated, deposited, disposed of and otherwise as required under the Financing Participants Agreement, the Development and Construction Agreement and the Operating Agreement, as applicable.

(g) The County shall cause the ECIDA to cause CALLC to require that all contractors, subcontractors, Sublessees and other occupants and users of the Real Property, to name BURA, the City and the County as insured on liability and casualty insurance policies carried by such contractors, subcontractors, sublessees and other occupants or users with respect to their operations at the Real Property.

(h) Within one hundred twenty (120) days after the end of each calendar year, the County shall cause the ECIDA to cause CALLC to file with BURA and the City a certificate of a representative of CALLC to the effect that the insurance it maintains with respect to the Real Property complies with the provisions of this paragraph 9 and that duplicate copies of all policies or certificates thereof have been filed with BURA and the City and are in full force and effect.

10. The County shall cause the ECIDA to cause CALLC to pay for all utility charges, including, but not limited to, gas, electricity, telephone, water and sewer.

11. In the event CALLC as sublessee of the ECIDA fails to take out or maintain the full insurance coverage required by the Ground Lease, fails to pay any taxes or Impositions required pursuant to Section 8 of this Schedule B at or prior to the time they are required to be paid or to perform or observe any of its other obligations under the Ground Lease BURA, after first notifying the County, the ECIDA and CALLC of any such failure on its part, may (but shall not be obligated to), and without waiver of any of the rights of BURA under the Ground Lease, take out the required policies of insurance and pay the premiums on the same or pay such taxes or Impositions and other charges or otherwise cure any failure by the County, the ECIDA or CALLC to perform and observe its other obligations contained in the Ground Lease. All amounts so advanced therefor by BURA shall become additional rent, which amounts, together with interest thereon at the rate of sixteen percent (16%) per annum, from the date advanced, the County will cause the ECIDA to cause CALLC to pay upon demand therefor by BURA directly to BURA. The foregoing obligation will be contained in any further lease or sublease of the Real Property. Any remedy available to BURA for the default by the County under the Ground Lease or the ECIDA under the County Sublease #2, or pursuant to the Master Agreements and any other agreements executed and delivered in connection with the development, construction or operation of the Project, shall also be available to BURA for the collection of all such amounts so advanced.

12. The County shall cause the ECIDA to cause CALLC to reimburse BURA for any and all loss, costs, damages, fees and expenses (including reasonable attorneys' fees) incurred by BURA by reason of BURA's involvement with the Project, directly or indirectly, including without limitation, any and all acts incurred in connection with BURA exercising its remedies of default.

13. (a) The County shall cause the ECIDA to cause CALLC to at all times defend, protect and hold each of BURA, the

County and the City harmless of, from and against any and all claims and demands made by any Person (whether in tort, contract or otherwise) and all related costs, expenses (including attorney and expert witness fees), damages, losses, injury and liabilities of every kind and nature and however caused, arising out of or as the result of or in connection with any occurrence upon the Real Property or resulting from or related to the Real Property or the Project or any part thereof or the operation thereof. Neither BURA, the County or the City shall have any liability whatsoever for any damage or injury to the person or property of CALLC or its directors, officers, members, employees, agents or servants, or Persons under the control or supervision of CALLC, or any other Person who may be on the Real Property, or otherwise in connection with the Project due to any act, or negligence of any Person, other than such liability which is finally determined to be the result of the gross negligence or willful misconduct directly attributable to BURA, the County or the City as the case may be. CALLC shall not be obligated to indemnify BURA, the City or the County with respect to liabilities which are finally determined to be the direct result of (i) the gross negligence or willful misconduct of BURA, the City or the County, as the case may be, or (ii) claims arising as a result of a Civic Event of which BURA, the City or the County, is a sponsor, and which are not attributable to the action or inaction of CALLC as operator of the Project.

(b) The indemnifications and protections set forth above shall be extended to each of its members, directors, officers, employees, agents and servants and persons under BURA's, the City's or the County's control or supervision.

(c) To effectuate the purposes of this Section 13 of Schedule B, the County shall cause the ECIDA to cause CALLC to provide for and insure, in the liability policies required in this Section 13 of Schedule B not only its own liability in respect of the matters therein mentioned but also the liability pursuant to this Section 13 of Schedule B.

14. BURA agrees, notwithstanding anything herein to the contrary, that the County will be deemed to have satisfied its obligations to cause the ECIDA and/or CALLC to comply with the terms and conditions set forth in the Ground Lease, provided (a) the County includes the applicable covenants and obligations of the ECIDA in the County Sublease #2 and the ECIDA includes the applicable covenants and obligations of CALLC in the Project Sublease and (b) BURA is made a third party beneficiary to the County Sublease #2 and the Project Sublease so that BURA is permitted to directly

enforce the obligations and covenants of CALLC under the County Sublease #2 and the Project Sublease. Without limiting the foregoing or being limited thereby, the obligations and covenants applicable to CALLC shall be deemed accepted and binding upon by CALLC whether or not said obligations and covenants are so incorporated into the County Sublease #2 or the Project Sublease.

Transcript Document No.

MEMORANDUM OF GROUND LEASE

The undersigned CITY OF BUFFALO URBAN RENEWAL AGENCY, a public benefit corporation, duly organized and existing under the laws of the State of New York, with offices at Room 920, City Hall, Buffalo, New York 14202, as Lessor (the "Agency"), and the COUNTY OF ERIE, a municipal corporation of the State of New York, having an office at 95 Franklin Street, County Office Building, Buffalo, New York 14202, as Lessee (the "County"), entered into a Ground Lease Agreement as of the 10th day of May, 1995 between the Agency and the County (the "Ground Lease").

The Ground Lease covers the premises described in Exhibit A attached hereto and made a part hereof.

The Ground Lease provides for the rental of the premises by the County for a term which shall commence May 10, 1995, and shall expire at midnight of the last day of the thirtieth (30th) Lease Year, unless such term is (a) earlier terminated as provided in the Land Disposition Agreement, the Ground Lease, or by operation of law or (b) provided that (i) the County Sublease #1, the City Sublease, the County Sublease #2, the Project Sublease and the Company/Sabres Lease are each in full force and effect, (ii) the Operating Agreement is in full force and effect and all payments thereunder due from inception of the Ground Lease have been paid in full as of the time of each such renewal, (iii) the Operating Agreement is simultaneously renewed upon the terms and conditions provided therein, and (iv) no event of default under Section 12.3 of the Ground Lease shall then exist, the term of the Ground Lease shall automatically be extended for additional terms (the "Extension Term") each commencing on the expiration of the initial term or of the preceding Extension Term as follows:

(A) An additional term of five (5) Operating Years (the "First Extension Term"); provided, however, with respect to the first Operating Year of the First Extension Term, such Operating Year will be deemed to have commenced on October 1, notwithstanding the definition of Operating Year as contained in the Operating Agreement;

(B) A second additional term of five (5) Operating Years (the "Second Extension Term");

(C) A third additional term of five (5) Operating Years (the "Third Extension Term"); and

(D) A fourth additional term of three (3) Operating Years (the "Fourth Extension Term").

The first Lease Year shall commence on October 1 following the Completion Date, unless the Completion Date is October 1, in which case the first Lease Year shall commence on the Completion Date.

The County has the obligation to rent the premises for one dollar ($1.00) per year for the duration of the Term.

The Ground Lease is available for inspection during normal business hours at the offices of the Agency indicated above.

IN WITNESS WHEREOF, the Agency and the County have caused this Memorandum of Ground Lease to be executed in their respective names as of the 10th day of May, 1995.

CITY OF BUFFALO URBAN RENEWAL AGENCY

By _____
Anthony M. Masiello
Its Chairman

Approved As To Form

_____
County Attorney

COUNTY OF ERIE

By _____
Dennis T. Gorski
Its County Executive

Approved As To Content

_____
Commissioner, Erie County
Department of Environment
and Planning

IN WITNESS WHEREOF, the Agency and the County have caused this Memorandum of Ground Lease to be executed in their respective names as of the 10th day of May, 1995.

CITY OF BUFFALO URBAN RENEWAL AGENCY

By_____
Anthony M. Masiello
Its Chairman

Approved As To Form

_____
County Attorney

COUNTY OF ERIE

By_____
Dennis T. Gorski
Its County Executive

Approved As To Content

_____
Commissioner, Erie County
Department of Environment
and Planning

STATE OF NEW YORK)
: ss.:
COUNTY OF ERIE)

On this 22 day of May, 1995, before me personally appeared Anthony M. Masiello, to me known, who, being by me duly sworn, did depose and say that he resides at 111 Penhurst Park, Buffalo, N.Y. ; that he is the Chairman of the CITY OF BUFFALO URBAN RENEWAL AGENCY, Erie County, New York, the public benefit corporation of the State of New York described in, and which executed, the within Memorandum of Ground Lease; and that he signed his name thereto by authority of the order of the members of said corporation.

Joanne Cavalieri
Notary Public

JOANNE CAVALIERI
Notary Public, State of New York
Qualified in Erie County
My Commission Expires Jan. 31, 1997

STATE OF NEW YORK)
: ss.:
COUNTY OF ERIE)

On this 22 day of May, 1995, before me personally appeared Dennis T. Gorski, to me known, who, being by me duly sworn, did depose and say that he is the County Executive of the COUNTY OF ERIE, the municipal corporation described in and which executed the within Memorandum of Ground Lease; and that he signed his name thereto by authority of the Legislature and the County Executive of such municipal corporation in accordance with the County Charter;

Whitney K. Reed
Notary Public

WHITNEY K. REED
Notary Public, State of New York
No. 01RE5002610
Qualified in Monroe County
Certificate Filed in Ontario County
Commission Expires Oct. 5, 19 96

EXHIBIT A

Legal Description of Real Property

PARCEL I

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie, State of New York, being part of Outer Lots Nos. 76, 77 and 78, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) as it formerly existed and the easterly line of Main Street (99 feet wide); thence southerly along the easterly line of Main Street 328.76 feet to the north line of South Park Avenue (66 feet wide) as presently laid out; thence southeasterly along the said northerly line of South Park Avenue 285.87 feet to an angle point; thence continuing southeasterly at an interior angle of 161° 35' 40" along the said northerly line of South Park Avenue 503.54 feet to the intersection of the said northerly line of South Park Avenue and westerly line of Illinois Street (50 feet wide); thence northerly along the westerly line of Illinois Street 660.35 feet to the intersection of the westerly line of Illinois Street and the southerly line of Perry Street (66 feet wide) as presently laid out; thence westerly along the said southerly line of Perry Street and continuing along the southerly line of Perry Street as it formerly existed 704.93 feet to the point or place of beginning.

TOGETHER with all right, title and interest in Illinois Street to the centerline thereof.

PARCEL II

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Lot No. 75, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) and the easterly line of Mississippi Street (60 feet wide); running thence easterly along the southerly line of Perry Street 195.0 feet to the westerly line of Baltimore Street (40 feet wide); thence southerly along the westerly line of Baltimore Street 672.10 feet to the northerly line of South Park Avenue (66 feet wide); thence westerly along the northerly line of South Park Avenue 195.0 feet to the easterly line of Mississippi Street; thence northerly along the easterly line of Mississippi Street 672.47 feet to the point or place of beginning.

TOGETHER with all right, title and interest in Mississippi Street and Baltimore Street to the centerlines thereof.

PARCEL III

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Lots Nos. 74 and 75, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) and the easterly line of Baltimore Street (40 feet wide); thence easterly along the southerly line of Perry Street 113.68 feet to the westerly line of Columbia Street (50 feet wide); thence southerly along the westerly line of Columbia Street 531.8 feet more or less to the north line of lands of Consolidated Rail Corporation by deed recorded in the Erie County Clerk's Office in Liber 1056 of Deeds at page 293; thence westerly along the said north line of Consolidated Rail Corporation 113.68 feet to the easterly line of Baltimore Street; thence northerly along the easterly line of Baltimore Street 532.02 feet more or less to the southerly line of Perry Street and the point or place of beginning.

TOGETHER with all right, title and interest in Baltimore Street and Columbia Street to the centerlines thereof.

PARCEL IV

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Outer Lots Nos. 74 and 75, bounded and described as follows:

BEGINNING at a point in the westerly line of Columbia Street distant 140 feet northerly along said westerly line of Columbia Street from its intersection with the northerly line of South Park Avenue, which point is also the southeast corner of lands conveyed to Higgins Erectors & Haulers, Inc. by deed recorded in the Erie County Clerk's Office in Liber 8470 of Deeds at page 537; thence southerly along the westerly line of Columbia Street 140 feet to the north line of South Park Avenue; thence westerly along the northerly line of South Park Avenue 113.68 feet more or less to the easterly line of Baltimore Street; thence northerly along the easterly line of Baltimore Street 140 feet to the southwest corner of said lands conveyed to Higgins Erectors & Haulers, Inc. by deed aforesaid; thence easterly along the southerly line of said lands conveyed to Higgins Erectors & Haulers, Inc. 113.68 feet more or less to the point of beginning.

TOGETHER with all right, title and interest in Baltimore Street and Columbia Street to the centerlines thereof.

COUNTY SUBLEASE #1

THIS COUNTY SUBLEASE #1 (the "County Sublease #1") is made on or as of the 10th day of May, 1995, by and between the **CITY OF BUFFALO**, a municipal corporation of the State of New York ("Tenant" or "City"), having its office at City Hall, Buffalo, New York, in the City of Buffalo, State of New York 14202; and the **COUNTY OF ERIE**, a municipal corporation of the State of New York, with an office at 95 Franklin Street, Buffalo, New York 14202 (the "Landlord" or "County").

W I T N E S S E T H:

WHEREAS, BUFFALO URBAN RENEWAL AGENCY, a public benefit corporation ("BURA") holds title to the properties described on Exhibit A attached hereto and made a part hereof, upon which a facility to be known as The Crossroads Sports and Entertainment Complex ("The Crossroads"), together with related parking lots and/or parking ramp(s) (collectively, the "Real Property") is to be constructed pursuant to a Development and Construction Agreement dated as of May 10, 1995 (the "Development and Construction Agreement") by and among Crossroads Arena LLC, ("CALLC"), a New York limited liability company; the New York State Urban Development Corporation ("UDC"), a public benefit corporation created by Chapter 174 of the laws of 1968; the Erie County Industrial Development Agency ("ECIDA"), a public benefit corporation created pursuant to Article 18-A of the General Municipal Law; BURA, Landlord and Tenant.

WHEREAS, the BURA has leased the Real Property to the Landlord pursuant to a certain Ground Lease dated as of the 10th day of May, 1995 (the "Ground Lease").

NOW, THEREFORE, for and in consideration of the mutual covenants, conditions and agreements herein provided and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord hereby demises, leases and lets the Real Property to Tenant, and Tenant hereby rents and takes the Real Property from Landlord, and Landlord and Tenant hereby covenant and agree as follows:

ARTICLE 1 - DEFINITIONS

All capitalized terms used herein which are not otherwise defined in the text shall have the meaning stated on Schedule A attached hereto.

ARTICLE 2 - CONTRACT FOR THIS COUNTY SUBLEASE #1

This County Sublease #1 (a) is made pursuant to a certain Contract for Lease of Land for Redevelopment by and between BURA, City and CALLC dated as of May 10, 1995 (the "Land Disposition Agreement") and the Ground Lease and (b) is subject to the terms of the Inter-Municipal Agreement, the Land Disposition Agreement, the Development and Construction Agreement and the Operating Agreement, as applicable.

ARTICLE 3 - DEMISE, TERM AND COMMENCEMENT OF TERM

Section 3.1 Demise. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Real Property for the Term, upon the terms and conditions set forth herein.

Section 3.2 Term. The term of this County Sublease #1 ("Term") shall begin on May 10, 1995 (the "Commencement Date") and shall expire at midnight of the last day of the thirtieth (30th) Lease Year, unless such term is (a) extended as provided for below, or (b) earlier terminated as provided in the Land Disposition Agreement, the Ground Lease, this County Sublease #1 or by operation of law. The first Lease Year shall commence on October 1 following the Completion Date, unless the Completion Date is October 1, in which case the first Lease Year shall commence on the Completion Date. Upon a determination of the Completion Date under the Development and Construction Agreement and the Operating Agreement, the Tenant and the Landlord shall execute an amendment to this County Sublease #1, confirming the occurrence of the Completion Date.

Provided that (i) the Ground Lease, the City Sublease, the County Sublease #2, the Project Sublease and the Company/Sabres Lease are each in full force and effect, (ii) the Operating Agreement is in full force and effect and all payments thereunder due from inception of this County Sublease #1 have been paid in full as of the time of each such renewal, (iii) the Operating Agreement is simultaneously renewed upon the terms and conditions provided therein, and (iv) no event of default under

Section 12.3 hereof shall then exist, the term of this County Sublease #1 shall automatically be extended on the same terms and conditions as provided herein for additional terms (the "Extension Term") each commencing on the expiration of the initial term or of the preceding Extension Term as follows:

(A) An additional term of five (5) Operating Years (the "First Extension Term"); provided, however, with respect to the first Operating Year of the First Extension Term, such Operating Year will be deemed to have commenced on October 1, notwithstanding the definition of Operating Year as contained in the Operating Agreement, but without changing the termination date thereof;

(B) A second additional term of five (5) Operating Years (the "Second Extension Term");

(C) A third additional term of five (5) Operating Years (the "Third Extension Term"); and

(D) A fourth additional term of three (3) Operating Years (the "Fourth Extension Term").

At the expiration of the full duration of the initial term of this County Sublease #1, or if extended, the last exercised Extension Term, this County Sublease #1 and all rights of the Tenant hereunder and to the Real Property shall immediately expire and terminate and the Tenant and any sublessees (mediate and immediate) of the Tenant shall immediately quit the Real Property, leaving it in good condition,

and the Landlord shall have the right to re-enter the Real Property and remove all persons and property therefrom.

Notwithstanding the foregoing, the Landlord's rights and interest as Landlord under this County Sublease #1 shall be assigned to the City on the earlier of (1) the scheduled original final thirty (30) year maturity of the County Bonds (notwithstanding any refinancing or refunding thereof from time to time), or (2) the final payment of the principal and interest on the County Bonds (including any final refinancing or refunding thereof from time to time) prior to the original scheduled final thirty (30) year maturity thereof, provided the Landlord and the City each consents in writing to the assignment, which consent will not be unreasonably withheld or delayed. On the date of such assignment, the Landlord shall be released from any obligations it may have under this County Sublease #1. It is expressly agreed that the Tenant's leasehold estate created under this County Sublease #1 shall not merge with the Tenant's leasehold estate in the County Sublease #1 or the City Sublease, as a result of the foregoing described assignment.

Section 3.3

(a) Upon execution of this County Sublease #1 the Tenant shall accept possession of the Real Property and all improvements thereon "AS IS".

(b) NO WARRANTY OF CONDITION OR SUITABILITY. THE LANDLORD HAS MADE AND MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE

MERCHANTABILITY, CONDITION, ENVIRONMENTAL STATUS, FITNESS, DESIGN, OPERATION OR WORKMANSHIP OF ANY PART OF THE REAL PROPERTY OR THE IMPROVEMENTS THEREON, THEIR FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OR CAPACITY OF THE MATERIALS IN THE REAL PROPERTY, OR THE SUITABILITY OF THE REAL PROPERTY OR THE IMPROVEMENTS THEREON FOR THE PURPOSES OR NEEDS OF THE TENANT, THE ECIDA OR CALLC. THE LANDLORD SHALL NOT BE LIABLE IN ANY MANNER WHATSOEVER TO THE TENANT, THE ECIDA OR CALLC OR ANY OTHER PERSON FOR ANY LOSS, DAMAGE (INCLUDING, WITHOUT LIMITATION, CONSEQUENTIAL OR INCIDENTAL DAMAGES) OR EXPENSE OF ANY KIND OR NATURE CAUSED, DIRECTLY OR INDIRECTLY, BY THE USE OF OR OPERATION OF THE REAL PROPERTY OR THE MAINTENANCE THEREOF OR THE FAILURE OF MAINTENANCE OR OPERATION THEREOF, OR THE REPAIR, SERVICE, OR ADJUSTMENT THEREOF, OR BY ANY DELAY OR FAILURE TO PROVIDE ANY SUCH MAINTENANCE, REPAIRS, SERVICE OR ADJUSTMENT, OR BY ANY INTERRUPTION OF SERVICE OR LOSS OF USE THEREOF OR FOR ANY LOSS OF BUSINESS HOWSOEVER CAUSED.

ARTICLE 4 - USE OF REAL PROPERTY.

Section 4.1 Permitted Use of Real Property by Tenant. Tenant shall use the Real Property and improvements thereon owned by Tenant in accordance with the Land Disposition Agreement and the Development and Construction Agreement and for no other purpose.

Section 4.2 Prior Lease Promises. Landlord shall cause the ECIDA to include in the Project Sublease the covenants and promises set forth in Schedule B attached hereto (collectively, the "Prior Lease Promises") and to provide that the Tenant shall be a third-party beneficiary of such covenants and promises. The Prior Lease Promises shall be deemed obligations of CALLC only, and not of the Tenant, and the Tenant shall have no liability for compliance therewith or the breach by CALLC thereof. The Prior Lease Promises shall not be deemed to be obligations and agreements of any officer, agent or employee of the Tenant in his or her individual capacity, and the legislators, officials, officers, agents and employees of the Tenant shall not be personally liable for the Prior Lease Promises or subject to any personal liability or accountability based upon or in respect thereof or of any transaction contemplated thereby.

ARTICLE 5 - RENT AND REIMBURSABLES

Section 5.1 Rent. Tenant shall pay to Landlord as rent the sum of One Dollar per year during the Term, payable in advance.

ARTICLE 6 - RESPONSIBILITIES AND PROVISION OF SERVICES

Section 6.1 Landlord's and Tenant's Responsibilities. Landlord and Tenant shall share responsibility for any incidents of ownership attendant to the Real Property (without any

predetermined percentage or allocation of such responsibility) provided however that (a) it is understood and agreed by Landlord and Tenant that such incidents of ownership including all services, maintenance, repair, improvements and utilities, shall be furnished and paid for by CALLC and/or NFHLP, or their successors and assigns, in accordance with the Project Sublease, the Company/Sabres Lease, the Development and Construction Agreement, the Operating Agreement and the Financing Participants Agreement, and (b) nothing contained in this County Sublease #1 shall give rise, or be deemed to give rise to, a claim by or liability to any party not a signatory to this County Sublease #1.

ARTICLE 7 - INSURANCE

Section 7.1 Insurance Obligations. Subject to any contrary provision hereof, each party may obtain and pay the premiums for any casualty, liability or other insurance with respect to the Real Property, as such party shall determine in its sole and complete discretion. To the fullest extent permitted by law, each party may self-insure for any risk or loss with respect to the Real Property.

Section 7.2 Separate Insurance. Neither party shall carry separate insurance or additional insurance, concurrent in coverage or contributing in the event of loss, with any insurance referred to in this Article 7 if the effect would be to reduce

the protection to the other party or the payment to be made under either party's insurance policies.

Section 7.3 Waiver of Subrogation. Landlord and Tenant each hereby release the other from any and all liability or responsibility to the other or anyone claiming through or under them by way of subrogation for any loss or damage to their respective property caused by fire or other casualty, even if such fire or other casualty shall have been caused by the fault or negligence of the other party, or anyone for whom such other party may be responsible. All insurance policies procured by either party with respect to the Real Property shall contain a clause or endorsement permitting a waiver of subrogation and stating that any such release shall not adversely affect or impair the policies or prejudice the rights of the releasor to recover thereunder.

ARTICLE 8 - FORCE MAJEURE

Without by implication creating or increasing any obligation of either party hereto, neither Landlord nor Tenant shall be deemed in default with respect to its failure to perform any of the covenants, terms or conditions of this County Sublease #1 if such failure is due to any matter or condition ("Force Majeure") beyond the reasonable control of such party, such as, but not limited to, strike, lockout or labor dispute (whether or not legal), inability to procure materials due to Force Majeure conditions affecting materialmen and supplies, governmental

moratorium, civil disorder, riot, insurrection, war, unavoidable accident, fire, earthquake, unusually severe and abnormal weather conditions not anticipatable, public emergency, casualty or fuel shortage, or any other cause beyond the reasonable control of the party obligated to perform. The non-performing party shall use its best efforts to overcome the Force Majeure condition, avoid delay or mitigate the effects thereof and notify the other within a reasonable time after discovering the Force Majeure event of the nature of the event, and estimate of the resulting delay. The extension of performance time required by the Force Majeure event shall be agreed to by the parties in writing commensurate with such interfering occurrence. Force Majeure shall not apply to: (a) payments required pursuant to this County Sublease #1, (b) collection of amounts payable by third parties, including insurance policy proceeds, or (c) any other obligations of which the delay in performing subjects the other party to criminal or civil penalties, with respect to all of which time shall be of the essence.

ARTICLE 9 - INDEMNIFICATION-EXCULPATORY PROVISIONS

(a) Each party agrees to indemnify, defend and hold harmless the other party and its officers, agents and employees, of, from and against any and all claims and demands and all related costs, expenses, damages, losses, injury and liabilities of every kind and nature and however caused arising out of or as a result of its own gross negligence or willful misconduct with

respect to the terms and conditions of this County Sublease #1. The provisions of this Section 9(a) shall survive any termination of this County Sublease #1.

(b) All covenants, stipulations, promises, agreements and obligations of Landlord and Tenant contained in this County Sublease #1 shall be deemed to be covenants, stipulations, promises, agreements and obligations of Landlord and Tenant, respectively, and not of any member, director, officer, employee or agent of Landlord or Tenant respectively in his or her individual capacity, and no recourse shall be had for any claim hereunder against any member, director, officer, employee or agent of Landlord or Tenant respectively.

ARTICLE 10 - INTERPRETATION AND CONSTRUCTION

The language in all parts of this County Sublease #1 shall in all cases be construed as a whole according to its fair meaning and neither strictly for nor against Landlord or Tenant. In the event that a situation arises during the Term which is not specifically provided for in this County Sublease #1, the parties hereto shall consult with each other, in good faith, and without any obligation to provide funding, to seek to resolve such situation in a manner consistent with the shared responsibilities (without any predetermined percentage or allocation of such responsibility) of Landlord and Tenant for the Real Property.

ARTICLE 11 - REPRESENTATIONS AND WARRANTIES

Section 11.1 Authority. The Landlord and the Tenant each represents and warrants to the other that each is duly organized and validly existing under the laws of the State of New York, has the power and authority to own its property and assets, to carry on its business as now being conducted by it and to execute, deliver and perform this County Sublease #1.

ARTICLE 12 - EVENTS OF DEFAULT AND REMEDIES

Section 12.1 Events of Default by Landlord. The following constitute events of default by Landlord:

(a) Landlord's failure to perform any material agreement, term, covenant or condition pursuant to this County Sublease #1 which remains uncured for a period of sixty (60) days (or such longer period as may reasonably be necessary to cure such failure) following Landlord's receipt from Tenant of written notice thereof.

Section 12.2 Events of Default by Tenant. The following constitute events of default by Tenant:

(a) Tenant's failure to perform any material agreement, term, covenant or condition pursuant to this County Sublease #1 which remains uncured for a period of sixty (60) days (or such longer period as may reasonably be necessary to cure such failure) following Tenant's receipt from Landlord of written notice thereof.

Section 12.3 Event of Default by CALLC.

The failure of CALLC, subject to any rights to notice and/or cure, as may be provided in the Project Sublease or any of the other Transaction Documents, to comply with each and every Prior Lease Promise shall be an event of default hereunder.

Section 12.4 Remedies. In the event of a default as specified in Sections 12.1 and 12.2 above, the nondefaulting party shall not have the right to terminate this County Sublease #1 but may exercise all other rights and remedies therefor as provided by applicable law.

Upon the occurrence of an event of default as specified in Section 12.3 above, neither Landlord nor Tenant shall have the right to terminate this County Sublease #1, but agree to cooperate with each other in good faith in reaching a mutual decision concerning compliance by CALLC with the Prior Lease Promises and/or the enforcement of rights and remedies against CALLC in the event of noncompliance with the Prior Lease Promises, including but not limited to, and subject to the terms of the Financing Participant's Agreement and the Non-Disturbance Agreement, the right to dispossess CALLC and consent to the assignment to a new operator of CALLC's interest in the Project Sublease.

ARTICLE 13 - EMINENT DOMAIN

Section 13.1 Total Taking. In the event of the taking or condemnation by any competent authority for any public use or

purpose of the whole or any part of the Real Property (a "Taking") at any time during the Term, the following provisions shall apply:

Section 13.2 Awards. Subject to the provisions of any other agreement or writing binding on both of the parties hereto, Landlord and Tenant shall share any award (including interest from the date of the Taking to the date of payment) according to their respective interests in the Real Property or as the parties may otherwise agree.

Section 13.3 Termination of County Sublease #1. If all or substantially all of the Real Property is the subject of the Taking, this County Sublease #1 shall terminate. If not all or substantially all of the Real Property is the subject of the Taking, this County Sublease #1 shall not be terminated solely by reason of such Taking.

Section 13.4 Restoration. If this County Sublease #1 is not terminated, then, as to the portion of the Real Property not taken in the condemnation proceeding, the parties shall use the award(s) from the Taking to make an adequate restoration, repair or reconstruction of the part of the Real Property not taken as may be required by the Development and Construction Agreement, the Operating Agreement or the Financing Participants Agreement.

ARTICLE 14 - QUIET ENJOYMENT

Subject to the terms and conditions of this County Sublease #1, throughout the Term hereof, Landlord represents and warrants that Tenant shall, upon complying with all of the terms and conditions hereof applicable to Tenant, lawfully and quietly hold, occupy and enjoy undisturbed possession of the Real Property pursuant to this County Sublease #1 and all rights granted to Tenant hereby without hindrance or molestation by Landlord or anyone claiming under or thorough Landlord; subject, however, to the Land Disposition Agreement, the Development and Construction Agreement, the Operating Agreement and the Financing Participants Agreement and all applicable provisions of law.

ARTICLE 15 - MISCELLANEOUS

Section 15.1 Prohibition on Assignment. Except as contemplated in the Development and Construction Agreement, the Operating Agreement, the Ground Lease, the City Sublease, the County Sublease #2, the Project Sublease, the Company/Sabres Lease, and the Financing Participants Agreement, neither Landlord nor Tenant shall sublet, assign, mortgage, pledge, encumber, or transfer this County Sublease #1 or any of its rights hereunder, without the express prior written consent of the other.

Section 15.2 Entire Agreement. Subject to the Land Disposition Agreement, the Development and Construction Agreement and the Operating Agreement, this County Sublease #1, including

any exhibits or schedules hereto, is the final, entire agreement between the parties with respect to the matters addressed herein.

Section 15.3 Parties In Interest. This County Sublease #1 shall be binding upon each of the parties hereto and their respective successors and assigns and shall inure to the benefit of each of the parties hereto and the respective successors and permitted assigns.

Section 15.4 Jurisdiction And Governing Law. Each party hereby consents to the jurisdiction of the Courts of the State of New York and/or the United States District Court for the Western District of New York (with Buffalo, New York, as the venue for any action or proceeding) in any action or proceeding pursuant to this County Sublease #1, and each agrees to service of process by certified mail, return receipt requested, postage prepaid, to its address as set forth in Article 16 or such other address as either may designate by written notice to the other party. Each party agrees not to institute suit against the other in a court in any jurisdiction, except as stated above, without the other party's prior written consent. The parties further agree that all matters with respect to the validity, construction or interpretation of this County Sublease #1 shall be governed by the internal law of the State of New York.

Section 15.5 Waivers. No waiver of any breach or potential breach by either party shall be effective unless set forth in writing and duly executed by the waiving party, and no waiver of any breach on any occasion shall constitute a waiver of

a breach of the same or any other matter on any subsequent occasion.

Section 15.6 Amendment. This County Sublease #1 may not be amended or modified other than by a writing specifying the intent to amend or change this County Sublease #1, which writing is duly executed by and delivered to both parties.

Section 15.7 Counterparts. This County Sublease #1 may be executed in two or more counterparts, each of which shall be deemed to be an original instrument, but all such counterparts together shall constitute one and the same lease.

Section 15.8 Headings. The headings in this County Sublease #1 are inserted for convenience of reference only, and shall not constitute part of this County Sublease #1.

Section 15.9 Severability. If any portion of this County Sublease #1 is adjudged invalid, unenforceable or void, the rest shall remain in full force and effect.

Section 15.10 Memorandum of Lease. The parties hereto will cause a memorandum of this County Sublease #1 to be recorded in the Erie County Clerk's Office upon execution of this County Sublease #1 and such memorandum of lease.

Section 15.11 Non-Disturbance Agreement. This County Sublease #1 and the rights of the Landlord and the Tenant hereunder, are subject to the terms of the Non-Disturbance Agreement.

ARTICLE 16 - NOTICES

All notices, demands or communications given under this County Sublease #1 shall be sent to the parties at the addresses set forth below or at such other addresses as the parties may designate by written notice and shall be telecopied to the number listed below and sent by prepaid registered or certified mail, return receipt requested, and shall be deemed given on the date two (2) days after the date mailed:

(a) If to Tenant, to:

City of Buffalo
City Hall
Buffalo, New York 14202
Telecopy Number: 854-0172
Telephone Number: 851-5016

with a simultaneous copy to:

General Counsel
Room 92, City Hall
Buffalo, New York 14202
Telecopy Number: 854-0172
Telephone Number: 851-5052

(b) If to Landlord, to:

County of Erie
95 Franklin Street
County Office Building
Buffalo, New York 14202
Attention: Commissioner - Department of Environment and Planning
Telecopy Number: (716) 858-6257
Telephone Number: (716) 858-6716

IN WITNESS WHEREOF, the parties hereto have executed this County Sublease #1 as of the first date hereinabove set forth.

Approved As To Form

Corporation Counsel

CITY OF BUFFALO

By: Anthony M. Masiello
Mayor

COUNTY OF ERIE

By: _____
Dennis T. Gorski
County Executive

Approved As To Form

_____
County Attorney

Approved As To Content

_____
Commissioner, Erie County
Department of Environment
and Planning

IN WITNESS WHEREOF, the parties hereto have executed this County Sublease #1 as of the first date hereinabove set forth.

Approved As To Form

Corporation Counsel

CITY OF BUFFALO

By: _____
Anthony M. Masiello
Mayor

COUNTY OF ERIE

By: _____
Dennis T. Gorski
County Executive

Approved As To Form

County Attorney

Approved As To Content

Commissioner, Erie County
Department of Environment
and Planning

STATE OF NEW YORK)
) SS.:
COUNTY OF ERIE)

On the 22 day of May, 1995, before me personally came Anthony M. Masiello to me known, who being by me duly sworn, did depose and say that he is the Mayor of the City of Buffalo, the municipal corporation described in and which executed the above instrument; and that he signed his name thereto by the authority of the municipal corporation.

JOANNE CAVALIERI
Notary Public, State of New York
Qualified in Erie County
My Commission Expires Jan. 31, 1997

Joanne Cavalieri
Notary Public

STATE OF NEW YORK)
) SS.:
COUNTY OF ERIE)

On the ____ day of May, 1995, before me personally came Dennis T. Gorski, to me known, who being by me duly sworn, did depose and say that he is the County Executive of the County of Erie, the municipal corporation described in and which executed the above instrument; and that he signed his name thereto by authority of the Legislature and the County Executive of such municipal corporation in accordance with the County Charter.

_____
Notary Public

STATE OF NEW YORK)
) SS.:
COUNTY OF ERIE)

On the _____ day of May, 1995, before me personally came Anthony M. Masiello to me known, who being by me duly sworn, did depose and say that he is the Mayor of the City of Buffalo, the municipal corporation described in and which executed the above instrument; and that he signed his name thereto by the authority of the municipal corporation.

Notary Public

STATE OF NEW YORK)
) SS.:
COUNTY OF ERIE)

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Whitney K Reed
Notary Public

WHITNEY K. REED
Notary Public, State of New York
No. 01RE5002610
Qualified in Monroe County
Certificate Filed in Ontario County
Commission Expires Oct. 5, 1996

EXHIBIT "A"

Metes and Bounds Description of Real Property

PARCEL I

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie, State of New York, being part of Outer Lots Nos. 76, 77 and 78, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) as it formerly existed and the easterly line of Main Street (99 feet wide); thence southerly along the easterly line of Main Street 328.76 feet to the north line of South Park Avenue (66 feet wide) as presently laid out; thence southeasterly along the said northerly line of South Park Avenue 285.87 feet to an angle point; thence continuing southeasterly at an interior angle of 161° 35' 40" along the said northerly line of South Park Avenue 503.54 feet to the intersection of the said northerly line of South Park Avenue and westerly line of Illinois Street (50 feet wide); thence northerly along the westerly line of Illinois Street 660.35 feet to the intersection of the westerly line of Illinois Street and the southerly line of Perry Street (66 feet wide) as presently laid out; thence westerly along the said southerly line of Perry Street and continuing along the southerly line of Perry Street as it formerly existed 704.93 feet to the point or place of beginning.

TOGETHER with all right, title and interest in Illinois Street to the centerline thereof.

PARCEL II

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Lot No. 75, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) and the easterly line of Mississippi Street (60 feet wide); running thence easterly along the southerly line of Perry Street 195.0 feet to the westerly line of Baltimore Street (40 feet wide); thence southerly along the westerly line of Baltimore Street 672.10 feet to the northerly line of South Park Avenue (66 feet wide); thence westerly along the northerly line of South Park Avenue 195.0 feet to the easterly line of Mississippi Street; thence northerly along the easterly line of Mississippi Street 672.47 feet to the point or place of beginning.

TOGETHER with all right, title and interest in Mississippi Street and Baltimore Street to the centerlines thereof.

PARCEL III

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Lots Nos. 74 and 75, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) and the easterly line of Baltimore Street (40 feet wide); thence easterly along the southerly line of Perry Street 113.68 feet to the westerly line of Columbia Street (50 feet wide); thence southerly along the westerly line of Columbia Street 531.8 feet more or less to the north line of lands of Consolidated Rail Corporation by deed recorded in the Erie County Clerk's Office in Liber 1056 of Deeds at page 293; thence westerly along the said north line of Consolidated Rail Corporation 113.68 feet to the easterly line of Baltimore Street; thence northerly along the easterly line of Baltimore Street 532.02 feet more or less to the southerly line of Perry Street and the point or place of beginning.

TOGETHER with all right, title and interest in Baltimore Street and Columbia Street to the centerlines thereof.

PARCEL IV

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Outer Lots Nos. 74 and 75, bounded and described as follows:

BEGINNING at a point in the westerly line of Columbia Street distant 140 feet northerly along said westerly line of Columbia Street from its intersection with the northerly line of South Park Avenue, which point is also the southeast corner of lands conveyed to Higgins Erectors & Haulers, Inc. by deed recorded in the Erie County Clerk's Office in Liber 8470 of Deeds at page 537; thence southerly along the westerly line of Columbia Street 140 feet to the north line of South Park Avenue; thence westerly along the northerly line of South Park Avenue 113.68 feet more or less to the easterly line of Baltimore Street; thence northerly along the easterly line of Baltimore Street 140 feet to the southwest corner of said lands conveyed to Higgins Erectors & Haulers, Inc. by deed aforesaid; thence easterly along the southerly line of said lands conveyed to Higgins Erectors & Haulers, Inc. 113.68 feet more or less to the point of beginning.

TOGETHER with all right, title and interest in Baltimore Street and Columbia Street to the centerlines thereof.

SCHEDULE "A"

Schedule of Definitions

"Building Loan Agreement" shall mean that certain Building Loan Contract dated as of May 10, 1995, by and between CALLC, Marine Midland Bank and Key Bank of New York and together with any and all amendments thereto hereafter made.

"BURA's Reserved Rights" shall mean:

(1) the right of BURA in its own behalf to receive all opinions of counsel, reports, financial statements, certificates, insurance polices or insurance binders or certificates, or other notices of communications required to be delivered to BURA under the Ground Lease, the County Sublease #1, the City Sublease, the County Sublease #2 or the Project Sublease;

(2) the right of BURA to grant or withhold any consents or approvals required of BURA under the Ground Lease, the County Sublease #1, the City Sublease, the County Sublease #2 or the Project Sublease;

(3) the right of BURA to enforce or otherwise exercise on its own behalf all agreements of the Company with respect to ensuring that the Project shall always be operated as a multi-purpose sports and entertainment complex in accordance with the County Sublease #2, the Project Sublease and the Company/Sabres Lease and for no other purpose whatsoever;

(4) the right of BURA on its own behalf to declare an Event of Default under the Ground Lease, the County Sublease #1, the City Sublease, the County Sublease #2 or the Project Sublease, and to enforce any of its remedies as set forth therein;

(5) the right of BURA to receive any payment to which it may be entitled or to be indemnified pursuant to any indemnity or similar provision arising out of the construction, acquisition, equipping, operation or disposition of the Project, including without limitation, pursuant to any contract, agreement or documentation entered into with respect thereto from time to time;

(6) the rights of BURA pursuant to the Development and Construction Agreement, the Operating Agreement, the Financing Participants Agreement, the Coordinating Agreement, the Non-Relocation Agreement, and the Inter-Municipal Agreement; and

(7) the rights of BURA to commence or defend any judicial, administrative or arbitration proceeding in order to protect any of its rights, pecuniary or otherwise.

"**City's Reserved Rights**" shall mean:

(1) the right of the City in its own behalf to receive all opinions of counsel, reports, financial statements, certificates, insurance polices or insurance binders or certificates, or other notices of communications required to be delivered to the City under the Ground Lease, the County Sublease #1, the City Sublease, the County Sublease #2 or the Project Sublease;

(2) the right of the City to grant or withhold any consents or approvals required of the City under the Ground Lease, the County Sublease #1, the City Sublease, the County Sublease #2 or the Project Sublease;

(3) the right of the City to enforce or otherwise exercise on its own behalf all agreements of the Company with respect to ensuring that the Project shall always be operated as a multi-purpose sports and entertainment complex in accordance with the County Sublease #2, the Project Sublease and the Company/Sabres Lease and for no other purpose whatsoever;

(4) the right of the City on its own behalf to declare an Event of Default under the Ground Lease, the County Sublease #1, the City Sublease, the County Sublease #2 or the Project Sublease, and to enforce any of its remedies as set forth therein;

(5) the right of the City to receive any payment to which it may be entitled or to be indemnified pursuant to any indemnity or similar provision arising out of the construction, acquisition, equipping, operation or disposition of the Project, including without limitation, pursuant to any contract, agreement or documentation entered into with respect thereto from time to time;

(6) the rights of the City pursuant to the Development and Construction Agreement, the Operating Agreement, the Financing Participants Agreement, the Coordinating Agreement, the Non-Relocation Agreement, and the Inter-Municipal Agreement; and

(7) the rights of the City to commence or defend any judicial, administrative or arbitration proceeding in order to protect any of its rights, pecuniary or otherwise.

"**City Sublease**" shall mean the sublease agreement, dated as of May 10, 1995, between the City as landlord and the County as tenant.

"**Company/Sabres Lease**" shall mean the lease agreement, dated as of May 10, 1995, from CALLC as landlord to NFHLP as tenant.

"Completion Date" shall mean that date as defined in the Guaranteed Maximum Price Contract as enabling CALLC to take occupancy of the Crossroads.

"County Bonds" shall mean the notes and/or bonds in an amount not to exceed $24,500,000 issued by the County pursuant to the New York State Local Finance Law and a bond resolution duly adopted by the Legislature of the County on February 2, 1995 for the purpose of providing a portion of the funds necessary to pay the Development and Construction Costs and Expenses.

"County's Reserved Rights" shall mean:

(1) the right of the County in its own behalf to receive all opinions of counsel, reports, financial statements, certificates, insurance policies or insurance binders or certificates, or other notices of communications required to be delivered to the County under the Ground Lease, the County Sublease #1, the City Sublease, the County Sublease #2 or the Project Sublease;

(2) the right of the County to grant or withhold any consents or approvals required of the County under the Ground Lease, the County Sublease #1, the City Sublease, the County Sublease #2 or the Project Sublease;

(3) the right of the County to enforce or otherwise exercise on its own behalf all agreements of the Company with respect to ensuring that the Project shall always be operated as a multi purpose sports and entertainment complex in accordance with the County Sublease #2, the Project Sublease and the Company/Sabres Lease and for no other purpose whatsoever;

(4) the right of the County on its own behalf to declare an Event of Default under the Ground Lease, the County Sublease #1, the City Sublease, the County Sublease #2 or the Project Sublease, and to enforce any of its remedies as set forth therein;

(5) the right of the County to receive any payment to which it may be entitled or to be indemnified pursuant to any indemnity or similar provision arising out of the construction, acquisition, equipping, operation or disposition of the Project, including without limitation, pursuant to any contract, agreement or documentation entered into with respect thereto from time to time;

(6) the rights of the County pursuant to the Development and Construction Agreement, the Operating Agreement, the Financing Participants Agreement, the Coordinating Agreement, the Non-Relocation Agreement, and the Inter-Municipal Agreement; and

(7) the right of the County to commence or defend any judicial, administrative or arbitration proceeding in order to protect any of its rights, pecuniary or otherwise.

"County Sublease #1" shall mean the sublease agreement, dated as of May 10, 1995, between the County as landlord and the City as tenant.

"County Sublease #2" shall mean the sublease agreement, dated as of May 10, 1995, between the County as landlord and the ECIDA as tenant.

"Development and Construction Agreement" shall mean the Development and Construction Agreement dated as of May 10, 1995 by and among the Company and the Public Sector Participants, and together with any and all amendments thereto hereafter made.

"Event of Default" shall have the meaning specified in Article 12 hereof.

"Financing Participants Agreement" shall mean the agreement among CALLC, the Private Financing Participants, the Public Sector Participants, Sportservice Corporation and New York Sportservice, Inc., dated May 10, 1995.

"Ground Lease" shall mean that certain Buffalo Urban Renewal Agency-County Ground Lease agreement dated as of May 10, 1995 from BURA to the County, and together with any and all amendments thereto hereafter made.

"Inter-Municipal Agreement" shall mean the Inter-Municipal Agreement by and between the City and the County dated as of May 10, 1995, together with any and all amendments thereto hereafter made.

"Land Disposition Agreement" shall mean the Contract for Lease of Land for Redevelopment by and between BURA, the City and the Company dated as of May 10, 1995.

"Lease Year" shall mean, during the term of this County Sublease #1, the period from October 1 in one year through and including September 30 in the following year.

"NFHLP" shall mean Niagara Frontier Hockey, L.P., a Delaware limited partnership.

"Non-Disturbance Agreement" shall mean the Non-Disturbance and Attornment Agreement among the Public Sector Participants, the Private Financing Participants, New York Sportservice, Inc., Sportservice Corporation, the Company, the Sabres and Buffalo Sabres Concessions LLC dated as of May 10, 1995.

"Operating Agreement" shall mean the agreement dated May 10, 1995, between the Public Sector Participants and CALLC.

"Parking Structure Improvements" shall mean that portion of the Improvements consisting of two parking structures with a total of not less than 1,125 spaces.

"Person" shall mean any individual, corporation, partnership, joint venture, association, limited liability company, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Prior Lease(s)" shall mean, collectively, the Land Disposition Agreement, the Ground Lease, City Sublease and the County Sublease #2.

"Private Arena Debt" shall mean the indebtedness (including principal and interest) of CALLC and its affiliates (including Buffalo Sabres Concession LLC) to the Private Financing Participants evidenced by the Private Arena Debt Agreements, and permitted refinancings.

"Private Arena Debt Agreements" shall mean the loan agreements, promissory notes, security agreements, leasehold mortgages and other documents pertaining to the Private Arena Debt executed and delivered from time to time.

"Private Financing Participants" shall mean the Construction Lenders and the Concession Lenders.

"Project Sublease" shall mean the sublease agreement, dated as of May 10, 1995, between the ECIDA as landlord and CALLC as tenant.

"Public Sector Participants" shall mean the City, BURA, the County, ECIDA and/or UDC.

"Transaction Documents" shall mean the Private Arena Debt Agreements and the Master Agreement.

SCHEDULE "B"

Prior Lease Promises

1. The County and BURA expressly covenant and agree that the County's Reserved Rights shall run to the County and BURA's Reserved Rights shall run to BURA during the term of the Ground Lease and shall survive the termination of the Ground Lease and the foreclosure of any mortgage or security interest executed in connection with the Project from time to time. The terms of this paragraph shall be expressly incorporated into the County Sublease #2 and the Project Sublease. No amendment or modification of the County Sublease #2 or the Project Sublease will be permitted without approval of BURA, which approval shall not be unreasonably withheld.

2. The County agrees to cause the ECIDA to cause CALLC to accept responsibility for each and every obligation BURA may have to the County in connection with the Ground Lease. The parties thereto agree that this obligation shall be incorporated into the County Sublease #1, the City Sublease, the County Sublease #2 and the Project Sublease (collectively, the "Subsequent Public Party Leases") and survive the foreclosure of any mortgage or security interest executed in connection with the Project from time to time.

3. BURA and the City hereby consent to the County entering into the County Sublease #1 and County Sublease #2 and consent to the construction of the Project in accordance with the terms of the County Sublease #2.

4. The County shall cause the ECIDA to cause CALLC and CALLC shall cause any other sublessee, licensee or occupant of the Real Property, to maintain and operate the Real Property in accordance with the terms and conditions of the Ground Lease and each of the Subsequent Public Party Leases, the Master Agreements and the Environmental Compliance and Indemnity Agreement.

5. BURA, the City or the County shall not be liable for any labor or materials furnished or to be furnished by others to the ECIDA or CALLC as the ECIDA's agent, and no mechanic's, public improvement or other lien for any such labor or materials shall attach to or affect BURA, the City, the County or the Real Property. If any lien is filed by any contractor, subcontractor or materialman, or if any security agreement is filed against the improvements constructed on or about the Real Property, the County shall cause the ECIDA to cause CALLC to immediately take such action by bonding, deposit or payment as will remove the lien or security interest. If CALLC as sublessee of the ECIDA has not

commenced proceedings to remove the lien or security interest within thirty (30) days after notice to the ECIDA and CALLC or if CALLC does not diligently pursue such proceedings, BURA, the City or the County may pay the amount of the lien or security interest or discharge the same by bonding or deposit, and the amount so paid or deposited or the bond premiums, with interest thereon, shall be deemed additional rent under the City Sublease. Such payment shall be without prejudice to CALLC's rights to challenge the validity of the claim or lien.

6. At all times, the County shall cause the ECIDA to cause CALLC to agree to comply with, and ensure compliance by all users of the Real Property with the provisions of the Environmental Compliance and Indemnity Agreement.

7. The County shall cause the ECIDA to cause CALLC and its subtenants to, at all times, be in compliance with all applicable federal, state and local laws or ordinances (including rules and regulations) relating to zoning, building, safety and environmental quality.

8. The County shall cause the ECIDA to cause CALLC to pay when due, all real property taxes, impositions and such other charges with respect to the Real Property pursuant to the provisions of the Land Disposition Agreement, the Financing Participants Agreement and the Operating Agreement

9. (a) The County shall cause the ECIDA to cause CALLC and all sublessees to maintain all insurance coverage required under the Development and Construction Agreement and the Operating Agreement and as more fully set forth in the Project Sublease.

(b) Each of the policies or binders evidencing the insurance required above to be obtained shall:

(i) designate BURA, the City and the County (except with respect to workers compensation, disability benefits, employee dishonesty and auto liability insurance) as an additional named insured;

(ii) provide that there shall be no recourse against BURA, the City or the County for the payment of premiums or commissions or (if such policies or binders provide for the payment thereof) additional premiums or assessments;

(iii) provide that in respect of the respective interests of BURA, the City or the County in such policies, the insurance shall not be invalidated by any action or inaction of CALLC or any other person and

shall insure BURA or the City regardless of, and any losses shall be payable notwithstanding;

(A) any act or negligence, including any breach of any condition, declaration or warranty contained in any such policy of insurance by BURA, the City or the County (other than with respect to BURA, the City or the County, losses arising from gross negligence or willful misconduct of BURA or the City, respectively), CALLC or any other person, or lapse, expiration or change;

(B) the occupation, operation or use of the Real Property for purposes more hazardous than permitted by the terms of the policy;

(iv) provide that such insurance shall be primary insurance without any right of contribution from any other insurance carried by BURA, the City or the County to the extent that such other insurance provides BURA or the City with contingent and/or excess liability insurance with respect to its respective interest as such in the Real Property, and shall expressly provide that all provisions thereof, except the limits of liability (which shall be applicable to all insureds as a group) and liability for premiums (which shall be solely a liability of CALLC) shall operate in the same manner as if there were a separate policy covering each insured;

(v) provide that if the insurers cancel such insurance for any reason whatsoever, or the same is allowed to lapse or expire, or there be any reduction in amount, or any material change is made in the coverage, such cancellation, lapse, expiration, reduction or change shall not be effective as to BURA, the City or the County until at least thirty (30) days after receipt by BURA and the City of written notice by such insurers of such cancellation;

(vi) waive any right of subrogation of the insurers thereunder against any person insured under such policy, and waive any right of the insurers to any setoff or counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of any person insured under such policy; and

(vii) contain only such other terms and provisions as any owner or operator of facilities similar to the Real Property would, in the prudent management of its properties, require to be contained in policies, binders or interim insurance contracts with respect to

facilities similar to the Real Property owned or operated by it.

(c) In addition to the insurance required pursuant to paragraph (a) above, the County shall cause the ECIDA to cause CALLC and all sublessees (i) to carry or cause to be carried in effect workers' compensation insurance, disability benefits insurance and such other forms of insurance which the ECIDA or CALLC is required by law to provide, covering loss resulting from injury, sickness, disability or death of the employees of CALLC, and (ii) to cause all contractors and subcontractors employed upon or with respect to the Real Property at the time of original construction or of any additions, remodeling, alterations, repair, restoration or reconstruction thereafter to maintain workers compensation insurance, disability benefits insurance and such other forms or types of insurance as are required by law, covering loss resulting from injury, sickness, disability or death of the employees of such contractor and subcontractor.

(d) On or before the Commencement Date, the County shall deliver or cause to be delivered to BURA and the City duplicate copies of insurance policies and/or binders or certificates of insurance evidencing compliance with the insurance requirements of this Section 9 of Schedule B. At least thirty (30) business days prior to the expiration of any such policy, the County shall furnish or cause to be furnished to BURA and the City with evidence that such policy has been renewed or replaced or is no longer required by this Agreement.

(e) The County shall cause the ECIDA to cause CALLC not to do any act, or suffer or permit any act to be done, whereby any insurance required by this Section 9 of Schedule B would or might be suspended or impaired.

(f) All casualty loss and property insurance proceeds received pursuant to the County Sublease #1 shall be allocated, deposited, disposed of and otherwise as required under the Financing Participants Agreement, the Development and Construction Agreement and the Operating Agreement, as applicable.

(g) The County shall cause the ECIDA to cause CALLC to require that all contractors, subcontractors, Sublessees and other occupants and users of the Real Property, to name BURA, the City and the County as insured on liability and casualty insurance policies carried by such contractors, subcontractors, sublessees and other occupants or users with respect to their operations at the Real Property.

(h) Within one hundred twenty (120) days after the end of each calendar year, the County shall cause the ECIDA to cause CALLC to file with BURA, the City and the County a certificate of a representative of CALLC to the effect that the insurance it maintains with respect to the Real Property complies with the provisions of this paragraph 9 and that duplicate copies of all policies or certificates thereof have been filed with BURA, the City and the County and are in full force and effect.

10. The County shall cause the ECIDA to cause CALLC to pay for all utility charges, including, but not limited to, gas, electricity, telephone, water and sewer.

11. In the event CALLC as sublessee of the ECIDA fails to take out or maintain the full insurance coverage required by the County Sublease #1, fails to pay any applicable taxes or impositions required pursuant to Section 8 of this Schedule B at or prior to the time they are required to be paid or to perform or observe any of its other obligations under the County Sublease #1 the City, after first notifying the County, the ECIDA and CALLC of any such failure on its part, may (but shall not be obligated to), and without waiver of any of the rights of the City under the County Sublease #1, take out the required policies of insurance and pay the premiums on the same or pay such taxes or impositions and other charges or otherwise cure any failure by the County, the ECIDA or CALLC to perform and observe its other obligations contained in the County Sublease #1. All amounts so advanced therefor by the City shall become additional rent, which amounts, together with interest thereon at the rate of sixteen percent (16%) per annum, from the date advanced, the County will cause the ECIDA to cause CALLC to pay upon demand therefor by the City directly to the City. The foregoing obligation will be contained in any further lease or sublease of the Real Property. Any remedy available to the City for the default by the County under the County Sublease #1 or the ECIDA under the County Sublease #2, or pursuant to the Master Agreements and any other agreements executed and delivered in connection with the development, construction or operation of the Project, shall also be available to the City for the collection of all such amounts so advanced.

12. The County shall cause the ECIDA to cause CALLC to reimburse the City for any and all loss, costs, damages, fees and expenses (including reasonable attorneys' fees) incurred by the City by reason of the City's involvement with the Project, directly or indirectly, including without limitation, any and all acts incurred in connection with the City exercising its remedies of default.

13. (a) The County shall cause the ECIDA to cause CALLC to at all times defend, protect and hold each of BURA, the County and the City harmless of, from and against any and all claims and demands made by any Person (whether in tort, contract or otherwise) and all related costs, expenses (including attorney and expert witness fees), damages, losses, injury and liabilities of every kind and nature and however caused, arising out of or as the result of or in connection with any occurrence upon the Real Property or resulting from or related to the Real Property or the Project or any part thereof or the operation thereof. Neither BURA, the County or the City shall have any liability whatsoever for any damage or injury to the person or property of CALLC or its directors, officers, members, employees, agents or servants, or Persons under the control or supervision of CALLC, or any other Person who may be on the Real Property, or otherwise in connection with the Project due to any act, omission or negligence of any Person, other than such liability which is finally determined to be the result of the gross negligence or willful misconduct directly attributable to BURA, the County or the City, as the case may be. CALLC shall not be obligated to indemnify BURA, the City or the County with respect to liabilities which are finally determined to be the direct result of (i) the gross negligence or willful misconduct of BURA, the City or the County, as the case may be, or (ii) claims arising as a result of a Civic Event of which BURA, the City or the County, is a sponsor, and which are not attributable to the action or inaction of CALLC as operator of the Project.

(b) The indemnifications and protections set forth above shall be extended to each of its members, directors, officers, employees, agents and servants and persons under BURA's, the City's or the County's control or supervision.

(c) To effectuate the purposes of this Section 13 of Schedule B, the County shall cause the ECIDA to cause CALLC to provide for and insure, in the liability policies required in this Section 13 of Schedule B not only its own liability in respect of the matters therein mentioned but also the liability pursuant to this Section 13 of Schedule B.

14. The City agrees, notwithstanding anything herein to the contrary, that the County will be deemed to have satisfied its obligations to cause the ECIDA and/or CALLC to comply with the terms and conditions set forth in the County Sublease #1, provided (a) the County includes the applicable covenants and obligations of the ECIDA in the County Sublease #2 and the ECIDA includes the applicable covenants and obligations of CALLC in the Project Sublease and (b) the

City is made a third party beneficiary to the County Sublease #2 and the Project Sublease so that the City is permitted to directly enforce the obligations and covenants of CALLC under the County Sublease #2 and the Project Sublease. Without limiting the foregoing or being limited thereby, the obligations and covenants applicable to CALLC shall be deemed accepted and binding upon by CALLC whether or not said obligations and covenants are so incorporated into the County Sublease #2 or the Project Sublease.

Transcript Document No.

MEMORANDUM OF SUBLEASE

The undersigned COUNTY OF ERIE, a municipal corporation of the State of New York, with offices at 95 Franklin Street, Buffalo, New York 14202, as Lessor (the "County"), and the CITY OF BUFFALO, a municipal corporation of the State of New York, having an office at City Hall, Buffalo, New York 14202, as Lessee (the "City"), entered into a Sublease Agreement as of the 10th day of May, 1995 between the County and the City (the "County Sublease #1").

The County Sublease #1 covers the premises described in Exhibit A attached hereto and made a part hereof.

The County Sublease #1 provides for the rental of the premises by the City for a term which shall commence May 10, 1995, and shall expire at midnight of the last day of the thirtieth (30th) Lease Year, unless such term is (a) earlier terminated as provided in the Land Disposition Agreement, the Ground Lease, the County Sublease #1, or by operation of law or (b) provided that (i) the Ground Lease, the City Sublease, the County Sublease #2, the Project Sublease and the Company/Sabres Lease are each in full force and effect, (ii) the Operating Agreement is in full force and effect and all payments thereunder due from inception of the County Sublease #1 have been paid in full as of the time of each such renewal, (iii) the Operating Agreement is simultaneously renewed upon the terms and conditions provided therein, and (iv) no event of default under Section 12.3 of the County Sublease #1 shall then exist, the term of the County Sublease #1 shall automatically be extended for additional terms (the "Extension Term") each commencing on the expiration of the initial term or of the preceding Extension Term as follows:

(A) An additional term of five (5) Operating Years (the "First Extension Term"); provided, however, with respect to the first Operating Year of the First Extension Term, such Operating Year will be deemed to have commenced on October 1, notwithstanding the definition of Operating Year as contained in the Operating Agreement;

(B) A second additional term of five (5) Operating Years (the "Second Extension Term");

(C) A third additional term of five (5) Operating Years (the "Third Extension Term"); and

(D) A fourth additional term of three (3) Operating Years (the "Fourth Extension Term").

The first Lease Year shall commence on October 1 following the Completion Date, unless the Completion Date is October 1, in

which case the first Lease Year shall commence on the Completion Date.

The City has the obligation to rent the premises for one dollar ($1.00) per year for the duration of the Term.

The County Sublease #1 is available for inspection during normal business hours at the offices of the County indicated above.

IN WITNESS WHEREOF, the County and the City have caused this Memorandum of Sublease to be executed in their respective names as of the 10th day of May, 1995.

Approved As To Form

County Attorney

COUNTY OF ERIE

By _____
Dennis T. Gorski
Its County Executive

Approved As To Content

Commissioner, Erie County
Department of Environment
and Planning

Approved as to Form

Edward D. Peace
Corporation Counsel

CITY OF BUFFALO

By _____
Anthony M. Masiello
Its Mayor

IN WITNESS WHEREOF, the County and the City have caused this Memorandum of Sublease to be executed in their respective names as of the 10th day of May, 1995.

Approved As To Form

County Attorney

COUNTY OF ERIE

By
Dennis T. Gorski
Its County Executive

Approved As To Content

Commissioner, Erie County
Department of Environment
and Planning

CITY OF BUFFALO

By
Anthony M. Masiello
Its Mayor

STATE OF NEW YORK)
: ss.:
COUNTY OF ERIE)

On this 23rd day of May, 1995, before me personally appeared Anthony M. Masiello, to me known, who, being by me duly sworn, did depose and say that he resides at 111 Penhurst Park, Buffalo, New York ; that he is the Mayor of the CITY OF BUFFALO, the municipal corporation described in and which executed the within Memorandum of Sublease; and that he signed his name thereto by authority of the order of the municipal corporation.

Joanne Cavalieri
Notary Public

JOANNE CAVALIERI
Notary Public, State of New York
Qualified in Erie County
My Commission Expires Jan. 31, 1997

STATE OF NEW YORK)
: ss.:
COUNTY OF ERIE)

On this 22 day of May, 1995, before me personally appeared Dennis T. Gorski, to me known, who, being by me duly sworn, did depose and say that he is the County Executive of the COUNTY OF ERIE, Erie County, New York, the municipal corporation or the State of New York described in, and which executed, the within Memorandum of Sublease; and that he signed his name thereto by authority of the Legislature and the County Executive of such municipal corporation in accordance with the County Charter;

Whitney K. Reed
Notary Public

WHITNEY K. REED
Notary Public, State of New York
No. 01RE5002610
Qualified in Monroe County
Certificate Filed in Ontario County
Commission Expires Oct. 5, 1996

EXHIBIT A

Legal Description of Real Property

PARCEL I

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie, State of New York, being part of Outer Lots Nos. 76, 77 and 78, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) as it formerly existed and the easterly line of Main Street (99 feet wide); thence southerly along the easterly line of Main Street 328.76 feet to the north line of South Park Avenue (66 feet wide) as presently laid out; thence southeasterly along the said northerly line of South Park Avenue 285.87 feet to an angle point; thence continuing southeasterly at an interior angle of 161° 35′ 40" along the said northerly line of South Park Avenue 503.54 feet to the intersection of the said northerly line of South Park Avenue and westerly line of Illinois Street (50 feet wide); thence northerly along the westerly line of Illinois Street 660.35 feet to the intersection of the westerly line of Illinois Street and the southerly line of Perry Street (66 feet wide) as presently laid out; thence westerly along the said southerly line of Perry Street and continuing along the southerly line of Perry Street as it formerly existed 704.93 feet to the point or place of beginning.

TOGETHER with all right, title and interest in Illinois Street to the centerline thereof.

PARCEL II

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Lot No. 75, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) and the easterly line of Mississippi Street (60 feet wide); running thence easterly along the southerly line of Perry Street 195.0 feet to the westerly line of Baltimore Street (40 feet wide); thence southerly along the westerly line of Baltimore Street 672.10 feet to the northerly line of South Park Avenue (66 feet wide); thence westerly along the northerly line of South Park Avenue 195.0 feet to the easterly line of Mississippi Street; thence northerly along the easterly line of Mississippi Street 672.47 feet to the point or place of beginning.

TOGETHER with all right, title and interest in Mississippi Street and Baltimore Street to the centerlines thereof.

PARCEL III

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Lots Nos. 74 and 75, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) and the easterly line of Baltimore Street (40 feet wide); thence easterly along the southerly line of Perry Street 113.68 feet to the westerly line of Columbia Street (50 feet wide); thence southerly along the westerly line of Columbia Street 531.8 feet more or less to the north line of lands of Consolidated Rail Corporation by deed recorded in the Erie County Clerk's Office in Liber 1056 of Deeds at page 293; thence westerly along the said north line of Consolidated Rail Corporation 113.68 feet to the easterly line of Baltimore Street; thence northerly along the easterly line of Baltimore Street 532.02 feet more or less to the southerly line of Perry Street and the point or place of beginning.

TOGETHER with all right, title and interest in Baltimore Street and Columbia Street to the centerlines thereof.

PARCEL IV

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Outer Lots Nos. 74 and 75, bounded and described as follows:

BEGINNING at a point in the westerly line of Columbia Street distant 140 feet northerly along said westerly line of Columbia Street from its intersection with the northerly line of South Park Avenue, which point is also the southeast corner of lands conveyed to Higgins Erectors & Haulers, Inc. by deed recorded in the Erie County Clerk's Office in Liber 8470 of Deeds at page 537; thence southerly along the westerly line of Columbia Street 140 feet to the north line of South Park Avenue; thence westerly along the northerly line of South Park Avenue 113.68 feet more or less to the easterly line of Baltimore Street; thence northerly along the easterly line of Baltimore Street 140 feet to the southwest corner of said lands conveyed to Higgins Erectors & Haulers, Inc. by deed aforesaid; thence easterly along the southerly line of said lands conveyed to Higgins Erectors & Haulers, Inc. 113.68 feet more or less to the point of beginning.

TOGETHER with all right, title and interest in Baltimore Street and Columbia Street to the centerlines thereof.

CITY SUBLEASE

THIS CITY SUBLEASE (the "City Sublease") is made on or as of the 10th day of May, 1995, by and between the **CITY OF BUFFALO**, a municipal corporation of the State of New York ("Landlord" or "City"), having its office at City Hall, Buffalo, New York, in the City of Buffalo, State of New York 14202; and the **COUNTY OF ERIE**, a municipal corporation of the State of New York, with an office at 95 Franklin Street, Buffalo, New York 14202 (the "Tenant" or "County").

W I T N E S S E T H:

WHEREAS, BUFFALO URBAN RENEWAL AGENCY, a public benefit corporation ("BURA") holds title to the properties described on Exhibit A attached hereto and made a part hereof, upon which a facility to be known as The Crossroads Sports and Entertainment Complex ("The Crossroads"), together with related parking lots and/or parking ramp(s) (collectively, the "Real Property") is to be constructed pursuant to a Development and Construction Agreement dated as of May 10, 1995 (the "Development and Construction Agreement") by and among Crossroads Arena LLC, ("CALLC") a New York limited liability company; the New York State Urban Development Corporation ("UDC"), a public benefit corporation created by Chapter 174 of the laws of 1968; the Erie County Industrial Development Agency ("ECIDA"), a public benefit corporation created pursuant to Article 18-A of the General Municipal Law; BURA, Landlord and Tenant.

WHEREAS, BURA has leased the Real Property to the County pursuant to a certain Ground Lease dated as of the 10th day of May, 1995 (the "Ground Lease").

WHEREAS, the County has subleased the Real Property to the City pursuant to a certain County Sublease #1 dated as of the 10th day of May, 1995 (the "County Sublease #1").

NOW, THEREFORE, for and in consideration of the mutual covenants, conditions and agreements herein provided and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord hereby demises, subleases and sublets the Real Property to Tenant, and Tenant hereby rents and takes the Real Property from Landlord, and Landlord and Tenant hereby covenant and agree as follows:

ARTICLE 1 - DEFINITIONS

All capitalized terms used herein which are not otherwise defined in the text shall have the meaning stated on Schedule A attached hereto.

ARTICLE 2 - CONTRACT FOR THIS CITY SUBLEASE

This City Sublease (a) is made pursuant to a certain Contract for Lease of Land for Redevelopment by and between BURA, City and CALLC dated as of May 10, 1995 (the "Land Disposition Agreement"), the Ground Lease and the County Sublease #1 and (b) is subject to the terms of the Inter-Municipal Agreement, the Land Disposition Agreement, the Development and Construction Agreement and the Operating Agreement, as applicable.

ARTICLE 3 - DEMISE, TERM AND COMMENCEMENT OF TERM

Section 3.1 Demise. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Real Property for the Term, upon the terms and conditions set forth herein. Notwithstanding anything herein to the contrary, including, without limitation, Exhibit A annexed hereto, the premises demised hereunder is subject to the following reservation: The City reserves, and the term Real Property shall not include, the public rights of way of the City in, to, over or under (i) Illinois Street from the center line to the westerly line thereof; (ii) Mississippi Street from the center line to the easterly line thereof; (iii) Baltimore Street; and (iv) Columbia Street from the center line to the westerly line thereof; provided, however, such reservation shall cease to be effective as to any such street or portion thereof as to which the City hereafter legally abandons such public rights of way.

Section 3.2 Term. The term of this City Sublease ("Term") shall begin on May 10, 1995 (the "Commencement Date") and shall expire at midnight of the last day of the thirtieth (30th) Lease Year, unless such term is (a) extended as provided for below or (b) earlier terminated as provided in the Land Disposition Agreement, the Ground Lease, the County Sublease #1, this City Sublease or by operation of law. The first Lease Year shall commence on October 1 following the Completion Date, unless the Completion Date is October 1, in which case the first Lease Year shall commence on the Completion Date. Upon a determination of the Completion Date under the Development and Construction

Agreement and the Operating Agreement, the Tenant and the Landlord shall execute an amendment to this City Sublease, confirming the occurrence of the Completion Date.

Provided that (i) the Ground Lease, the County Sublease #1, the County Sublease #2, the Project Sublease and the Company/Sabres Lease are each in full force and effect, (ii) the Operating Agreement is in full force and effect and all payments thereunder due from inception of this City Sublease have been paid in full as of the time of each such renewal, (iii) the Operating Agreement is simultaneously renewed upon the terms and conditions provided therein, and (iv) no event of default under Section 12.3 hereof shall then exist, the term of this City Sublease shall be automatically extended on the same terms and conditions as provided herein for additional terms (the "Extension Term") each commencing on the expiration of the initial term or of the preceding Extension Term as follows:

(A) An additional term of five (5) Operating Years (the "First Extension Term"); provided, however, with respect to the first Operating Year of the First Extension Term, such Operating Year will be deemed to have commenced on October 1, notwithstanding the definition of Operating Year as contained in the Operating Agreement, but without changing the termination date thereof;

(B) A second additional term of five (5) Operating Years (the "Second Extension Term");

(C) A third additional term of five (5) Operating Years (the "Third Extension Term"); and

(D) A fourth additional term of three (3) Operating Years (the "Fourth Extension Term").

At the expiration of the full duration of the initial term of this City Sublease, or if extended, the last exercised Extension Term, this City Sublease and all rights of the Tenant hereunder and to the Real Property shall immediately expire and terminate and the Tenant and any sublessees (mediate and immediate) of the Tenant shall immediately quit the Real Property, and leaving it in good condition, and the Landlord shall have the right to re-enter the Real Property and remove all persons and property therefrom.

Notwithstanding the foregoing, the Tenant's rights and interest as Tenant under this City Sublease shall be assigned to the City on the earlier of (1) the scheduled original final thirty (30) year maturity of the County Bonds (notwithstanding any refinancing or refunding thereof from time to time), or (2) the final payment of the principal and interest on the County Bonds (including any final refinancing or refunding thereof from time to time) prior to the original scheduled final thirty (30) year maturity thereof, provided the Landlord and the City each consents in writing to the assignment, which consent will not be unreasonably withheld or delayed. On the date of such assignment, the Tenant shall be released from any obligations it may have under this City Sublease. It is expressly agreed that the Tenant's leasehold estate created under this City Sublease shall not merge with the Tenant's leasehold estate in the County

Sublease #1 or the City Sublease, as a result of the foregoing described assignment.

Section 3.3

(a) Upon execution of this City Sublease the Tenant shall accept the Real Property and all improvements thereon "AS IS".

(b) NO WARRANTY OF CONDITION OR SUITABILITY. THE LANDLORD HAS MADE AND MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION, ENVIRONMENTAL STATUS, FITNESS, DESIGN, OPERATION OR WORKMANSHIP OF ANY PART OF THE REAL PROPERTY OR THE IMPROVEMENTS THEREON, THEIR FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OR CAPACITY OF THE MATERIALS IN THE REAL PROPERTY, OR THE SUITABILITY OF THE REAL PROPERTY OR THE IMPROVEMENTS THEREON FOR THE PURPOSES OR NEEDS OF THE TENANT, THE ECIDA OR CALLC. THE LANDLORD SHALL NOT BE LIABLE IN ANY MANNER WHATSOEVER TO THE TENANT, THE ECIDA OR CALLC OR ANY OTHER PERSON FOR ANY LOSS, DAMAGE (INCLUDING, WITHOUT LIMITATION, CONSEQUENTIAL OR INCIDENTAL DAMAGES) OR EXPENSE OF ANY KIND OR NATURE CAUSED, DIRECTLY OR INDIRECTLY, BY THE USE OF OR OPERATION OF THE REAL PROPERTY OR THE USE OR MAINTENANCE THEREOF OR THE FAILURE OF MAINTENANCE OR OPERATION THEREOF, OR THE REPAIR, SERVICE, OR ADJUSTMENT THEREOF, OR BY ANY DELAY OR FAILURE TO PROVIDE ANY SUCH MAINTENANCE, REPAIRS, SERVICE OR ADJUSTMENT, OR BY ANY INTERRUPTION OF SERVICE OR LOSS OF USE THEREOF OR FOR ANY LOSS OF BUSINESS HOWSOEVER CAUSED.

ARTICLE 4 - USE OF REAL PROPERTY.

Section 4.1 Permitted Use of Real Property by Tenant. Tenant shall use the Real Property and improvements thereon owned by Tenant in accordance with the Land Disposition Agreement and the Development and Construction Agreement and for no other purpose.

Section 4.2 Lease Promises. Tenant shall cause the ECIDA to include in the Project Sublease the covenants and promises set forth in Schedule B attached hereto (collectively, the "Prior Lease Promises") and to provide that the Landlord shall be a third-party beneficiary of such covenants and promises. The Prior Lease Promises shall be deemed obligations of CALLC only, and not of the Tenant, and the Tenant shall have no liability for compliance therewith or the breach by CALLC thereof. The Prior Lease Promises shall not be deemed to be obligations and agreements of any officer, agent or employee of the Tenant in his or her individual capacity, and the legislators, officials, officers, agents and employees of the Tenant shall not be personally liable for the Prior Lease Promises or subject to any personal liability or accountability based upon or in respect thereof or of any transaction contemplated thereby.

ARTICLE 5 - RENT AND REIMBURSABLES

Section 5.1 Rent. Tenant shall pay to Landlord as rent the sum of One Dollar per year during the Term, payable in advance.

ARTICLE 6 - RESPONSIBILITIES AND PROVISION OF SERVICES

Section 6.1 Landlord's and Tenant's Responsibilities. Landlord and Tenant shall share responsibility for any incidents of ownership attendant to the Real Property (without any predetermined percentage or allocation of such responsibility) provided however that (a) it is understood and agreed by Landlord and Tenant that such incidents of ownership including all services, maintenance, repair, improvements and utilities, shall be furnished and paid for by CALLC and/or NFHLP, or their successors and assigns, in accordance with the Project Sublease, the Company/Sabres Lease, the Development and Construction Agreement, the Operating Agreement and the Financing Participants Agreement, and (b) nothing contained in this City Sublease shall give rise, or be deemed to give rise to, a claim by or liability to any party not a signatory to this City Sublease.

ARTICLE 7 - INSURANCE

Section 7.1 Insurance Obligations. Subject to any contrary provision hereof, each party may obtain and pay the premiums for any casualty, liability or other insurance with respect to the Real Property, as such party shall determine in its sole and complete discretion. To the fullest extent

permitted by law, each party may self-insure for any risk or loss with respect to the Real Property.

Section 7.2 Separate Insurance. Neither party shall carry separate insurance or additional insurance, concurrent in coverage or contributing in the event of loss, with any insurance referred to in this Article 7 if the effect would be to reduce the protection to the other party or the payment to be made under either party's insurance policies.

Section 7.3 Waiver of Subrogation. Landlord and Tenant each hereby release the other from any and all liability or responsibility to the other or anyone claiming through or under them by way of subrogation for any loss or damage to their respective property caused by fire or other casualty, even if such fire or other casualty shall have been caused by the fault or negligence of the other party, or anyone for whom such other party may be responsible. All insurance policies procured by either party with respect to the Real Property shall contain a clause or endorsement permitting a waiver of subrogation and stating that any such release shall not adversely affect or impair the policies or prejudice the rights of the releasor to recover thereunder.

ARTICLE 8 - FORCE MAJEURE

Without by implication creating or increasing any obligation of either party hereto, neither Landlord nor Tenant shall be deemed in default with respect to its failure to perform any of the covenants, terms or conditions of this City Sublease

if such failure is due to any matter or condition ("Force Majeure") beyond the reasonable control of such party, such as, but not limited to, strike, lockout or labor dispute (whether or not legal), inability to procure materials due to Force Majeure conditions affecting materialmen and supplies, governmental moratorium, civil disorder, riot, insurrection, war, unavoidable accident, fire, earthquake, unusually severe and abnormal weather conditions not anticipatable, public emergency, casualty or fuel shortage, or any other cause beyond the reasonable control of the party obligated to perform. The non-performing party shall use its best efforts to overcome the Force Majeure condition, avoid delay or mitigate the effects thereof and notify the other within a reasonable time after discovering the Force Majeure event of the nature of the event, and estimate of the resulting delay. The extension of performance time required by the Force Majeure event shall be agreed to by the parties in writing commensurate with such interfering occurrence. Force Majeure shall not apply to: (a) payments required pursuant to this City Sublease, (b) collection of amounts payable by third parties, including insurance policy proceeds, or (c) any other obligations of which the delay in performing subjects the other party to criminal or civil penalties, with respect to all of which time shall be of the essence.

ARTICLE 9 - INDEMNIFICATION-EXCULPATORY PROVISIONS

(a) Each party agrees to indemnify, defend and hold harmless the other party and its officers, agents and employees,

of, from and against any and all claims and demands and all related costs, expenses, damages, losses, injury and liabilities of every kind and nature and however caused arising out of or as a result of its own gross negligence or willful misconduct with respect to the terms and conditions of this City Sublease. The provisions of this Section 9(a) shall survive any termination of this City Sublease.

(b) All covenants, stipulations, promises, agreements and obligations of Landlord and Tenant contained in this City Sublease shall be deemed to be covenants, stipulations, promises, agreements and obligations of Landlord and Tenant, respectively, and not of any member, director, officer, employee or agent of Landlord or Tenant respectively in his or her individual capacity, and no recourse shall be had for any claim hereunder against any member, director, officer, employee or agent of Landlord or Tenant respectively.

ARTICLE 10 - INTERPRETATION AND CONSTRUCTION

The language in all parts of this City Sublease shall in all cases be construed as a whole according to its fair meaning and neither strictly for nor against Landlord or Tenant. In the event that a situation arises during the Term which is not specifically provided for in this City Sublease, the parties hereto shall consult with each other, in good faith, and without any obligation to provide funding, to seek to resolve such situation in a manner consistent with the shared responsibilities

(without any predetermined percentage or allocation of such responsibility) of Landlord and Tenant for the Real Property.

ARTICLE 11 - REPRESENTATIONS AND WARRANTIES

Section 11.1 Authority. The Landlord and the Tenant each represents and warrants to the other that each is duly organized and validly existing under the laws of the State of New York, has the power and authority to own its property and assets, to carry on its business as now being conducted by it and to execute, deliver and perform this City Sublease.

ARTICLE 12 - EVENTS OF DEFAULT AND REMEDIES

Section 12.1 Events of Default by Landlord. The following constitute events of default by Landlord:

(a) Landlord's failure to perform any material agreement, term, covenant or condition pursuant to this City Sublease which remains uncured for a period of sixty (60) days (or such longer period as may reasonably be necessary to cure such failure) following Landlord's receipt from Tenant of written notice thereof.

Section 12.2 Events of Default by Tenant. The following constitute events of default by Tenant:

(a) Tenant's failure to perform any material agreement, term, covenant or condition pursuant to this City Sublease which remains uncured for a period of sixty (60) days (or such longer period as may reasonably be necessary to cure

such failure) following Tenant's receipt from Landlord of written notice thereof.

Section 12.3 Event of Default by CALLC.

The failure of CALLC, subject to any rights to notice and/or cure, as may be provided in the Project Sublease or any of the other Transaction Documents, to comply with each and every Prior Lease Promise shall be an event of default hereunder.

Section 12.4 Remedies. In the event of a default as specified above, the nondefaulting party shall not have the right to terminate this City Sublease but may exercise all other rights and remedies therefor as provided by applicable law.

Upon the occurrence of an event of default as specified in Section 12.3 above, neither Landlord nor Tenant shall have the right to terminate this City Sublease, but agree to cooperate with each other in good faith in reaching a mutual decision concerning compliance by CALLC with the Prior Lease Promises and/or the enforcement of rights and remedies against CALLC in the event of noncompliance with the Prior Lease Promises, including but not limited to, and subject to the terms of the Financing Participant's Agreement and the Non-Disturbance Agreement, the right to dispossess CALLC and consent to the assignment to a new operator of CALLC's interest in the Project Sublease.

ARTICLE 13 - EMINENT DOMAIN

Section 13.1 Total Taking. In the event of the taking or condemnation by any competent authority for any public use or

purpose of the whole or any part of the Real Property (a "Taking") at any time during the Term, the following provisions shall apply:

Section 13.2 Awards. Subject to the provisions of any other agreement or writing binding on both of the parties hereto, Landlord and Tenant shall share any award (including interest from the date of the Taking to the date of payment) according to their respective interests in the Real Property or as the parties may otherwise agree.

Section 13.3 Termination of City Sublease. If all or substantially all of the Real Property is the subject of the Taking, this City Sublease shall terminate. If not all or substantially all of the Real Property is the subject of the Taking, this City Sublease shall not be terminated solely by reason of such Taking.

Section 13.4 Restoration. If this City Sublease is not terminated, then, as to the portion of the Real Property not taken in the condemnation proceeding, the parties shall use the award(s) from the Taking to make an adequate restoration, repair or reconstruction of the part of the Real Property not taken as may be required by the Development and Construction Agreement, the Operating Agreement or the Financing Participants Agreement.

ARTICLE 14 - QUIET ENJOYMENT

Subject to the terms and conditions of this City Sublease, throughout the Term hereof, Landlord represents and warrants that Tenant shall, upon complying with all of the terms

and conditions hereof applicable to Tenant, lawfully and quietly hold, occupy and enjoy undisturbed possession of the Real Property pursuant to this City Sublease and all rights granted to Tenant hereby without hindrance or molestation by Landlord or anyone claiming under or thorough Landlord; subject, however, to the Land Disposition Agreement, the Development and Construction Agreement, the Operating Agreement and the Financing Participants Agreement and all applicable provisions of law.

ARTICLE 15 - MISCELLANEOUS

Section 15.1 Prohibition on Assignment. Except as contemplated in the Development and Construction Agreement, the Operating Agreement, the Ground Lease, the County Sublease #1, the County Sublease #2, the Project Sublease, the Company/Sabres Lease, and the Financing Participants Agreement, neither Landlord nor Tenant shall sublet, assign, mortgage, pledge, encumber, or transfer this City Sublease or any of its rights hereunder, without the express prior written consent of the other.

Section 15.2 Entire Agreement. Subject to the Land Disposition Agreement, the Development and Construction Agreement and the Operating Agreement, this City Sublease, including any exhibits or schedules hereto, are the final, entire agreement between the parties with respect to the matters addressed herein.

Section 15.3 Parties In Interest. This City Sublease shall be binding upon each of the parties hereto and their respective successors and assigns and shall inure to the benefit

of each of the parties hereto and the respective successors and permitted assigns.

Section 15.4 Jurisdiction And Governing Law. Each party hereby consents to the jurisdiction of the Courts of the State of New York and/or the United States District Court for the Western District of New York (with Buffalo, New York, as the venue for any action or proceeding) in any action or proceeding pursuant to this City Sublease, and each agrees to service of process by certified mail, return receipt requested, postage prepaid, to its address as set forth in Article 16 or such other address as either may designate by written notice to the other party. Each party agrees not to institute suit against the other in a court in any jurisdiction, except as stated above, without the other party's prior written consent. The parties further agree that all matters with respect to the validity, construction or interpretation of this City Sublease shall be governed by the internal law of the State of New York.

Section 15.5 Waivers. No waiver of any breach or potential breach by either party shall be effective unless set forth in writing and duly executed by the waiving party, and no waiver of any breach on any occasion shall constitute a waiver of a breach of the same or any other matter on any subsequent occasion.

Section 15.6 Amendment. This City Sublease may not be amended or modified other than by a writing specifying the intent to amend or change this City Sublease, which writing is duly executed by and delivered to both parties.

Section 15.7 Counterparts. This City Sublease may be executed in two or more counterparts, each of which shall be deemed to be an original instrument, but all such counterparts together shall constitute one and the same lease.

Section 15.8 Headings. The headings in this City Sublease are inserted for convenience of reference only, and shall not constitute part of this City Sublease.

Section 15.9 Severability. If any portion of this City Sublease is adjudged invalid, unenforceable or void, the rest shall remain in full force and effect.

Section 15.10 Memorandum of Lease. The parties hereto will cause a memorandum of this City Sublease to be recorded in the Erie County Clerk's Office upon execution of this City Sublease and such memorandum.

Section 15.11 Non-Disturbance Agreement. This City Sublease and the rights of the Landlord and the Tenant hereunder, are subject to the terms of the Non-Disturbance Agreement.

ARTICLE 16 - NOTICES

All notices, demands or communications given under this City Sublease shall be sent to the parties at the addresses set forth below or at such other addresses as the parties may designate by written notice and shall be telecopied to the number listed below and sent by prepaid registered or certified mail, return receipt requested, and shall be deemed given on the date two (2) days after the date mailed:

(a) If to Landlord, to:

City of Buffalo
City Hall
Buffalo, New York 14202
Telecopy Number: 854-0172
Telephone Number: 851-5016

with a simultaneous copy to:

General Counsel
Room 92, City Hall
Buffalo, New York 14202
Telecopy Number: 854-0172
Telephone Number: 851-5052

(b) If to Tenant, to:

County of Erie
95 Franklin Street
County Office Building
Buffalo, New York 14202
Attention: Commissioner - Department of Environment and Planning
Telecopy Number: (716) 858-6257
Telephone Number: (716) 858-6716

IN WITNESS WHEREOF, the parties hereto have executed this City Sublease as of the first date hereinabove set forth.

Approved As To Form

Corporation Counsel

CITY OF BUFFALO

By: Anthony M. Masiello
Mayor

COUNTY OF ERIE

By: _____
Dennis T. Gorski
County Executive

Approved As To Form

_____
County Attorney

Approved As To Content

_____
Commissioner, Erie County
Department of Environment
and Planning

IN WITNESS WHEREOF, the parties hereto have executed this City Sublease as of the first date hereinabove set forth.

Approved As To Form

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Corporation Counsel

CITY OF BUFFALO

By: _____
Anthony M. Masiello
Mayor

COUNTY OF ERIE

By: _____
Dennis T. Gorski
County Executive

Approved As To Form

_____
County Attorney

Approved As To Content

_____
Commissioner, Erie County
Department of Environment
and Planning

STATE OF NEW YORK)
) SS.:
COUNTY OF ERIE)

On the 22 day of May, 1995, before me personally came Anthony M. Masiello to me known, who being by me duly sworn, did depose and say that he is the Mayor of the City of Buffalo, the municipal corporation described in and which executed the above instrument; and that he signed his name thereto by the authority of the Common Council and the Mayor of such municipal corporation in accordance with the City Charter.

JOANNE CAVALIERI
Notary Public, State of New York
Qualified in Erie County
My Commission Expires Jan. 31, 1997

Joanne Cavalieri
Notary Public

STATE OF NEW YORK)
) SS.:
COUNTY OF ERIE)

On the ____ day of May, 1995, before me personally came Dennis T. Gorski, to me known, who being by me duly sworn, did depose and say that he is the County Executive of the County of Erie, the municipal corporation described in and which executed the above instrument; and that he signed his name thereto by authority of the Legislature and the County Executive of such municipal corporation in accordance with the County Charter.

_____
Notary Public

STATE OF NEW YORK)
) SS.:
COUNTY OF ERIE)

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_____
Notary Public

STATE OF NEW YORK)
) SS.:
COUNTY OF ERIE)

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Whitney K. Reed
Notary Public

WHITNEY K. REED
Notary Public, State of New York
No. 01RE5002610
Qualified In Monroe County
Certificate Filed In Ontario County
Commission Expires Oct. 5, 1996

EXHIBIT "A"

Metes and Bounds Description of Real Property

PARCEL I

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie, State of New York, being part of Outer Lots Nos. 76, 77 and 78, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) as it formerly existed and the easterly line of Main Street (99 feet wide); thence southerly along the easterly line of Main Street 328.76 feet to the north line of South Park Avenue (66 feet wide) as presently laid out; thence southeasterly along the said northerly line of South Park Avenue 285.87 feet to an angle point; thence continuing southeasterly at an interior angle of 161° 35' 40" along the said northerly line of South Park Avenue 503.54 feet to the intersection of the said northerly line of South Park Avenue and westerly line of Illinois Street (50 feet wide); thence northerly along the westerly line of Illinois Street 660.35 feet to the intersection of the westerly line of Illinois Street and the southerly line of Perry Street (66 feet wide) as presently laid out; thence westerly along the said southerly line of Perry Street and continuing along the southerly line of Perry Street as it formerly existed 704.93 feet to the point or place of beginning.

TOGETHER with all right, title and interest in Illinois Street to the centerline thereof.

PARCEL II

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Lot No. 75, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) and the easterly line of Mississippi Street (60 feet wide); running thence easterly along the southerly line of Perry Street 195.0 feet to the westerly line of Baltimore Street (40 feet wide); thence southerly along the westerly line of Baltimore Street 672.10 feet to the northerly line of South Park Avenue (66 feet wide); thence westerly along the northerly line of South Park Avenue 195.0 feet to the easterly line of Mississippi Street; thence northerly along the easterly line of Mississippi Street 672.47 feet to the point or place of beginning.

TOGETHER with all right, title and interest in Mississippi Street and Baltimore Street to the centerlines thereof.

PARCEL III

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Lots Nos. 74 and 75, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) and the easterly line of Baltimore Street (40 feet wide); thence easterly along the southerly line of Perry Street 113.68 feet to the westerly line of Columbia Street (50 feet wide); thence southerly along the westerly line of Columbia Street 531.8 feet more or less to the north line of lands of Consolidated Rail Corporation by deed recorded in the Erie County Clerk's Office in Liber 1056 of Deeds at page 293; thence westerly along the said north line of Consolidated Rail Corporation 113.68 feet to the easterly line of Baltimore Street; thence northerly along the easterly line of Baltimore Street 532.02 feet more or less to the southerly line of Perry Street and the point or place of beginning.

TOGETHER with all right, title and interest in Baltimore Street and Columbia Street to the centerlines thereof.

PARCEL IV

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Outer Lots Nos. 74 and 75, bounded and described as follows:

BEGINNING at a point in the westerly line of Columbia Street distant 140 feet northerly along said westerly line of Columbia Street from its intersection with the northerly line of South Park Avenue, which point is also the southeast corner of lands conveyed to Higgins Erectors & Haulers, Inc. by deed recorded in the Erie County Clerk's Office in Liber 8470 of Deeds at page 537; thence southerly along the westerly line of Columbia Street 140 feet to the north line of South Park Avenue; thence westerly along the northerly line of South Park Avenue 113.68 feet more or less to the easterly line of Baltimore Street; thence northerly along the easterly line of Baltimore Street 140 feet to the southwest corner of said lands conveyed to Higgins Erectors & Haulers, Inc. by deed aforesaid; thence easterly along the southerly line of said lands conveyed to Higgins Erectors & Haulers, Inc. 113.68 feet more or less to the point of beginning.

TOGETHER with all right, title and interest in Baltimore Street and Columbia Street to the centerlines thereof.

SCHEDULE "A"

Schedule of Definitions

"Building Loan Agreement" shall mean that certain Building Loan Contract dated as of May 10, 1995, by and between CALLC, Marine Midland Bank and Key Bank of New York and together with any and all amendments thereto hereafter made.

"**BURA's Reserved Rights**" shall mean:

(1) the right of BURA in its own behalf to receive all opinions of counsel, reports, financial statements, certificates, insurance polices or insurance binders or certificates, or other notices of communications required to be delivered to BURA under the Ground Lease, the County Sublease #1, the City Sublease, the County Sublease #2 or the Project Sublease;

(2) the right of BURA to grant or withhold any consents or approvals required of BURA under the Ground Lease, the County Sublease #1, the City Sublease, the County Sublease #2 or the Project Sublease;

(3) the right of BURA to enforce or otherwise exercise on its own behalf all agreements of the Company with respect to ensuring that the Project shall always be operated as a multi-purpose sports and entertainment complex in accordance with the County Sublease #2, the Project Sublease and the Company/Sabres Lease and for no other purpose whatsoever;

(4) the right of BURA on its own behalf to declare an Event of Default under the Ground Lease, the County Sublease #1, the City Sublease, the County Sublease #2 or the Project Sublease, and to enforce any of its remedies as set forth therein;

(5) the right of BURA to receive any payment to which it may be entitled or to be indemnified pursuant to any indemnity or similar provision arising out of the construction, acquisition, equipping, operation or disposition of the Project, including without limitation, pursuant to any contract, agreement or documentation entered into with respect thereto from time to time;

(6) the rights of BURA pursuant to the Development and Construction Agreement, the Operating Agreement, the Financing Participants Agreement, the Coordinating Agreement, the Non-Relocation Agreement, and the Inter-Municipal Agreement; and

(7) the rights of BURA to commence or defend any judicial, administrative or arbitration proceeding in order to protect any of its rights, pecuniary or otherwise.

"City's Reserved Rights" shall mean:

(1) the right of the City in its own behalf to receive all opinions of counsel, reports, financial statements, certificates, insurance polices or insurance binders or certificates, or other notices of communications required to be delivered to the City under the Ground Lease, the County Sublease #1, the City Sublease, the County Sublease #2 or the Project Sublease;

(2) the right of the City to grant or withhold any consents or approvals required of the City under the Ground Lease, the County Sublease #1, the City Sublease, the County Sublease #2 or the Project Sublease;

(3) the right of the City to enforce or otherwise exercise on its own behalf all agreements of the Company with respect to ensuring that the Project shall always be operated as a multi-purpose sports and entertainment complex in accordance with the County Sublease #2, the Project Sublease and the Company/Sabres Lease and for no other purpose whatsoever;

(4) the right of the City on its own behalf to declare an Event of Default under the Ground Lease, the County Sublease #1, the City Sublease, the County Sublease #2 or the Project Sublease, and to enforce any of its remedies as set forth therein;

(5) the right of the City to receive any payment to which it may be entitled or to be indemnified pursuant to any indemnity or similar provision arising out of the construction, acquisition, equipping, operation or disposition of the Project, including without limitation, pursuant to any contract, agreement or documentation entered into with respect thereto from time to time;

(6) the rights of the City pursuant to the Development and Construction Agreement, the Operating Agreement, the Financing Participants Agreement, the Coordinating Agreement, the Non-Relocation Agreement, and the Inter-Municipal Agreement; and

(7) the rights of the City to commence or defend any judicial, administrative or arbitration proceeding in order to protect any of its rights, pecuniary or otherwise.

"City Sublease" shall mean the sublease agreement, dated as of May 10, 1995, between the City as landlord and the County as tenant.

"Company/Sabres Lease" shall mean the lease agreement, dated as of May 10, 1995, from CALLC as landlord to NFHLP as tenant.

"Completion Date" shall mean that date as defined in the Guaranteed Maximum Price Contract as enabling CALLC to take occupancy of the Crossroads.

"County Bonds" shall mean the notes and/or bonds in an amount not to exceed $24,500,000 issued by the County pursuant to the New York State Local Finance Law and a bond resolution duly adopted by the Legislature of the County on February 2, 1995 for the purpose of providing a portion of the funds necessary to pay the Development and Construction Costs and Expenses.

"**County's Reserved Rights**" shall mean:

(1) the right of the County in its own behalf to receive all opinions of counsel, reports, financial statements, certificates, insurance policies or insurance binders or certificates, or other notices of communications required to be delivered to the County under the Ground Lease, the County Sublease #1, the City Sublease, the County Sublease #2 or the Project Sublease;

(2) the right of the County to grant or withhold any consents or approvals required of the County under the Ground Lease, the County Sublease #1, the City Sublease, the County Sublease #2 or the Project Sublease;

(3) the right of the County to enforce or otherwise exercise on its own behalf all agreements of the Company with respect to ensuring that the Project shall always be operated as a multi purpose sports and entertainment complex in accordance with the County Sublease #2, the Project Sublease and the Company/Sabres Lease and for no other purpose whatsoever;

(4) the right of the County on its own behalf to declare an Event of Default under the Ground Lease, the County Sublease #1, the City Sublease, the County Sublease #2 or the Project Sublease, and to enforce any of its remedies as set forth therein;

(5) the right of the County to receive any payment to which it may be entitled or to be indemnified pursuant to any indemnity or similar provision arising out of the construction, acquisition, equipping, operation or disposition of the Project, including without limitation, pursuant to any contract, agreement or documentation entered into with respect thereto from time to time;

(6) the rights of the County pursuant to the Development and Construction Agreement, the Operating Agreement, the Financing Participants Agreement, the Coordinating Agreement, the Non-Relocation Agreement, and the Inter-Municipal Agreement; and

(7) the right of the County to commence or defend any judicial, administrative or arbitration proceeding in order to protect any of its rights, pecuniary or otherwise.

"County Sublease #1" shall mean the sublease agreement, dated as of May 10, 1995, between the County as landlord and the City as tenant.

"County Sublease #2" shall mean the sublease agreement, dated as of May 10, 1995, between the County as landlord and the ECIDA as tenant.

"Development and Construction Agreement" shall mean the Development and Construction Agreement dated as of May 10, 1995 by and among the Company and the Public Sector Participants, and together with any and all amendments thereto hereafter made.

"Event of Default" shall have the meaning specified in Article 12 hereof.

"Financing Participants Agreement" shall mean the agreement among CALLC, the Private Financing Participants, the Public Sector Participants, Sportservice Corporation and New York Sportservice, Inc., dated May 10, 1995.

"Ground Lease" shall mean that certain Buffalo Urban Renewal Agency-County Ground Lease agreement dated as of May 10, 1995 from BURA to the County, and together with any and all amendments thereto hereafter made.

"Inter-Municipal Agreement" shall mean the Inter-Municipal Agreement by and between the City and the County dated as of May 10, 1995, together with any and all amendments thereto hereafter made.

"Land Disposition Agreement" shall mean the Contract for Lease of Land for Redevelopment by and between BURA, the City and the Company dated as of May 10, 1995.

"Lease Year" shall mean, during the term of this City Sublease, the period from October 1 in one year through and including September 30 in the following year.

"NFHLP" shall mean Niagara Frontier Hockey, L.P., a Delaware limited partnership.

"Non-Disturbance Agreement" shall mean the Non-Disturbance and Attornment Agreement among the Public Sector Participants, the Private Financing Participants, New York Sportservice, Inc., Sportservice Corporation, the Company, the Sabres and Buffalo Sabres Concessions LLC dated as of May 10, 1995.

"Operating Agreement" shall mean the agreement dated May 10, 1995, between the Public Sector Participants and CALLC.

"Parking Structure Improvements" shall mean that portion of the Improvements consisting of two parking structures with a total of not less than 1,125 spaces.

"Person" shall mean any individual, corporation, partnership, joint venture, association, limited liability company, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Prior Lease(s)" shall mean, collectively, the Land Disposition Agreement, the Ground Lease, the County Sublease #1 and the County Sublease #2.

"Private Arena Debt" shall mean the indebtedness (including principal and interest) of CALLC and its affiliates (including Buffalo Sabres Concession LLC) to the Private Financing Participants evidenced by the Private Arena Debt Agreements, and permitted refinancings.

"Private Arena Debt Agreements" shall mean the loan agreements, promissory notes, security agreements, leasehold mortgages and other documents pertaining to the Private Arena Debt executed and delivered from time to time.

"Private Financing Participants" shall mean the Construction Lenders and the Concession Lenders.

"Project Sublease" shall mean the sublease agreement, dated as of May 10, 1995, between the ECIDA as landlord and CALLC as tenant.

"Public Sector Participants" shall mean the City, BURA, the County, ECIDA and/or UDC.

"Transaction Documents" shall mean the Private Arena Debt Agreements and the Master Agreement.

SCHEDULE "B"

Prior Lease Promises

1. The County and BURA expressly covenant and agree that the County's Reserved Rights shall run to the County and BURA's Reserved Rights shall run to BURA during the term of the Ground Lease and shall survive the termination of the Ground Lease and the foreclosure of any mortgage or security interest executed in connection with the Project from time to time. The terms of this paragraph shall be expressly incorporated into the County Sublease #2 and the Project Sublease. No amendment or modification of the County Sublease #2 or the Project Sublease will be permitted without approval of BURA, which approval shall not be unreasonably withheld.

2. The County agrees to cause the ECIDA to cause CALLC to accept responsibility for each and every obligation BURA or the City may have to the County in connection with the Ground Lease. The parties thereto agree that this obligation shall be incorporated into the County Sublease #1, the City Sublease, the County Sublease #2 and the Project Sublease (collectively, the "Subsequent Public Party Leases") and survive the foreclosure of any mortgage or security interest executed in connection with the Project from time to time.

3. BURA and the City hereby consent to the County entering into the County Sublease #1 and County Sublease #2 and consent to the construction of the Project in accordance with the terms of the County Sublease #2.

4. The County shall cause the ECIDA to cause CALLC and CALLC shall cause any other sublessee, licensee or occupant of the Real Property, to maintain and operate the Real Property in accordance with the terms and conditions of the Ground Lease and each of the Subsequent Public Party Leases, the Master Agreements and the Environmental Compliance and Indemnity Agreement.

5. BURA, the City or the County shall not be liable for any labor or materials furnished or to be furnished by others to the ECIDA or CALLC as the ECIDA's agent, and no mechanic's, public improvement or other lien for any such labor or materials shall attach to or affect BURA, the City, the County or the Real Property. If any lien is filed by any contractor, subcontractor or materialman, or if any security agreement is filed against the improvements constructed on or about the Real Property, the County shall cause the ECIDA to cause CALLC to immediately take such action by bonding, deposit or payment as will remove the lien or security interest. If CALLC as sublessee of the ECIDA has not

commenced proceedings to remove the lien or security interest within thirty (30) days after notice to the ECIDA and CALLC or if CALLC does not diligently pursue such proceedings, BURA, the City or the County may pay the amount of the lien or security interest or discharge the same by bonding or deposit, and the amount so paid or deposited or the bond premiums, with interest thereon, shall be deemed additional rent under the City Sublease. Such payment shall be without prejudice to CALLC's rights to challenge the validity of the claim or lien.

6. At all times, the County shall cause the ECIDA to cause CALLC to agree to comply with, and ensure compliance by all users of the Real Property with the provisions of the Environmental Compliance and Indemnity Agreement.

7. The County shall cause the ECIDA to cause CALLC and its subtenants to, at all times, be in compliance with all applicable federal, state and local laws or ordinances (including rules and regulations) relating to zoning, building, safety and environmental quality.

8. The County shall cause the ECIDA to cause CALLC to pay when due, all real property taxes, impositions and other such charges with respect to the Real Property pursuant to the provisions of the Land Disposition Agreement, the Financing Participant's Agreement and the Operating Agreement. The County shall cause the ECIDA to cause CALLC to provide BURA with proof of payment of such charges within sixty (60) days after each payment.

9. (a) The County shall cause the ECIDA to cause CALLC and all sublessees to maintain all insurance coverage required under the Development and Construction Agreement and the Operating Agreement and as more fully set forth in the Project Sublease.

(b) Each of the policies or binders evidencing the insurance required above to be obtained shall:

(i) designate BURA, the City and the County (except with respect to workers compensation, disability benefits, employee dishonesty and auto liability insurance) as an additional named insured;

(ii) provide that there shall be no recourse against BURA, the City or the County for the payment of premiums or commissions or (if such policies or binders provide for the payment thereof) additional premiums or assessments;

(iii) provide that in respect of the respective interests of BURA, the City or the County in such

policies, the insurance shall not be invalidated by any action or inaction of CALLC or any other person and shall insure BURA, the City or the County regardless of, and any losses shall be payable notwithstanding;

(A) any act or negligence, including any breach of any condition, declaration or warranty contained in any such policy of insurance by BURA, the City or the County (other than with respect to BURA, the City or the County, losses arising from gross negligence or willful misconduct of BURA, the City or the County, respectively), CALLC or any other person, or lapse, expiration or change;

(B) the occupation, operation or use of the Real Property for purposes more hazardous than permitted by the terms of the policy;

(iv) provide that such insurance shall be primary insurance without any right of contribution from any other insurance carried by BURA, the City or the County to the extent that such other insurance provides BURA, the City or the County with contingent and/or excess liability insurance with respect to its respective interest as such in the Real Property, and shall expressly provide that all provisions thereof, except the limits of liability (which shall be applicable to all insureds as a group) and liability for premiums (which shall be solely a liability of CALLC) shall operate in the same manner as if there were a separate policy covering each insured;

(v) provide that if the insurers cancel such insurance for any reason whatsoever, or the same is allowed to lapse or expire, or there be any reduction in amount, or any material change is made in the coverage, such cancellation, lapse, expiration, reduction or change shall not be effective as to BURA, the City or the County until at least thirty (30) days after receipt by BURA and the City of written notice by such insurers of such cancellation;

(vi) waive any right of subrogation of the insurers thereunder against any person insured under such policy, and waive any right of the insurers to any setoff or counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of any person insured under such policy; and

(vii) contain only such other terms and provisions as any owner or operator of facilities similar to the Real Property would, in the prudent management of its properties, require to be contained in policies,

binders or interim insurance contracts with respect to facilities similar to the Real Property owned or operated by it.

(c) In addition to the insurance required pursuant to paragraph (a) above, the County shall cause the ECIDA to cause CALLC and all sublessees (i) to carry or cause to be carried in effect workers' compensation insurance, disability benefits insurance and such other forms of insurance which the ECIDA or CALLC is required by law to provide, covering loss resulting from injury, sickness, disability or death of the employees of CALLC, and (ii) to cause all contractors and subcontractors employed upon or with respect to the Real Property at the time of original construction or of any additions, remodeling, alterations, repair, restoration or reconstruction thereafter to maintain workers compensation insurance, disability benefits insurance and such other forms or types of insurance as are required by law, covering loss resulting from injury, sickness, disability or death of the employees of such contractor and subcontractor.

(d) On or before the Commencement Date, the County shall deliver or cause to be delivered to BURA and the City duplicate copies of insurance policies and/or binders or certificates of insurance evidencing compliance with the insurance requirements of this Section 9 of Schedule B. At least thirty (30) business days prior to the expiration of any such policy, the County shall furnish or cause to be furnished to BURA and the City with evidence that such policy has been renewed or replaced or is no longer required by this Agreement.

(e) The County shall cause the ECIDA to cause CALLC not to do any act, or suffer or permit any act to be done, whereby any insurance required by this Section 9 of Schedule B would or might be suspended or impaired.

(f) All casualty loss and property insurance proceeds received pursuant to the City Sublease shall be allocated, deposited, disposed of and otherwise as required under the Financing Participants Agreement, the Development and Construction Agreement and the Operating Agreement, as applicable.

(g) The County shall cause the ECIDA to cause CALLC to require that all contractors, subcontractors, Sublessees and other occupants and users of the Real Property, to name BURA, the City and the County as insured on liability and casualty insurance policies carried by such contractors, subcontractors, sublessees and other occupants or users with respect to their operations at the Real Property.

(h) Within one hundred twenty (120) days after the end of each calendar year, the County shall cause the ECIDA to cause CALLC to file with BURA, the City and the County a certificate of a representative of CALLC to the effect that the insurance it maintains with respect to the Real Property complies with the provisions of this paragraph 9 and that duplicate copies of all policies or certificates thereof have been filed with BURA, the City and the County and are in full force and effect.

10. The County shall cause the ECIDA to cause CALLC to pay for all utility charges, including, but not limited to, gas, electricity, telephone, water and sewer.

11. In the event CALLC as sublessee of the ECIDA fails to take out or maintain the full insurance coverage required by the City Sublease, fails to pay any applicable taxes or impositions required pursuant to Section 9 of this Schedule B at or prior to the time they are required to be paid or to perform or observe any of its other obligations under the City Sublease the City, after first notifying the County, the ECIDA and CALLC of any such failure on its part, may (but shall not be obligated to), and without waiver of any of the rights of the City under the City Sublease, take out the required policies of insurance and pay the premiums on the same or pay such taxes or impositions and other charges or otherwise cure any failure by the County, the ECIDA or CALLC to perform and observe its other obligations contained in the City Sublease. All amounts so advanced therefor by the City shall become additional rent, which amounts, together with interest thereon at the rate of sixteen percent (16%) per annum, from the date advanced, the County will cause the ECIDA to cause CALLC to pay upon demand therefor by the City directly to the City. The foregoing obligation will be contained in any further lease or sublease of the Real Property. Any remedy available to the City for the default by the County under the City Sublease or the ECIDA under the County Sublease #2, or pursuant to the Master Agreements and any other agreements executed and delivered in connection with the development, construction or operation of the Project, shall also be available to the City for the collection of all such amounts so advanced.

12. The County shall cause the ECIDA to cause CALLC to reimburse the City for any and all loss, costs, damages, fees and expenses (including reasonable attorneys' fees) incurred by the City by reason of the City's involvement with the Project, directly or indirectly, including without limitation, any and all acts incurred in connection with the City exercising its remedies of default.

13. (a) The County shall cause the ECIDA to cause CALLC to at all times defend, protect and hold each of BURA, the County and the City harmless of, from and against any and all claims and demands made by any Person (whether in tort, contract or otherwise) and all related costs, expenses (including attorney and expert witness fees), damages, losses, injury and liabilities of every kind and nature and however caused, arising out of or as the result of or in connection with any occurrence upon the Real Property or resulting from or related to the Real Property or the Project or any part thereof or the operation thereof. Neither BURA, the County or the City shall have any liability whatsoever for any damage or injury to the person or property of CALLC or its directors, officers, members, employees, agents or servants, or Persons under the control or supervision of CALLC, or any other Person who may be on the Real Property, or otherwise in connection with the Project due to any act, omission or negligence of any Person, other than such liability which is finally determined to be the result of the gross negligence or willful misconduct directly attributable to BURA, the County or the City, as the case may be. CALLC shall not be obligated to indemnify BURA, the City or the County with respect to liabilities which are finally determined to be the direct result of (i) the gross negligence or willful misconduct of BURA, the City or the County, as the case may be, or (ii) claims arising as a result of a Civic Event of which BURA, the City or the County, is a sponsor, and which are not attributable to the action or inaction of CALLC as operator of the Project.

(b) The indemnifications and protections set forth above shall be extended to each of its members, directors, officers, employees, agents and servants and persons under BURA's, the City's or the County's control or supervision.

(c) To effectuate the purposes of this Section 13 of Schedule B, the County shall cause the ECIDA to cause CALLC to provide for and insure, in the liability policies required in this Section 13 of Schedule B not only its own liability in respect of the matters therein mentioned but also the liability pursuant to this Section 13 of Schedule B.

14. The City agrees, notwithstanding anything herein to the contrary, that the County will be deemed to have satisfied its obligations to cause the ECIDA and/or CALLC to comply with the terms and conditions set forth in the City Sublease, provided (a) the County includes the applicable covenants and obligations of the ECIDA in the County Sublease #2 and the ECIDA includes the applicable covenants and obligations of CALLC in the Project Sublease and (b) the City is made a third party beneficiary to the County

Sublease #2 and the Project Sublease so that the City is permitted to directly enforce the obligations and covenants of CALLC under the County Sublease #2 and the Project Sublease. Without limiting the foregoing or being limited thereby, the obligations and covenants applicable to CALLC shall be deemed accepted and binding upon by CALLC whether or not said obligations and covenants are so incorporated into the County Sublease #2 or the Project Sublease.

BUF01:16202

Transcript Document No. ___

MEMORANDUM OF SUBLEASE

The undersigned CITY OF BUFFALO, a municipal corporation of the State of New York, having an office at City Hall, Buffalo, New York 14202, as Lessor (the "City"), and the COUNTY OF ERIE, a municipal corporation of the State of New York, with offices at 95 Franklin Street, Buffalo, New York 14202, as Lessee (the "County"), entered into a Sublease Agreement as of the 10th day of May, 1995 between the City and the County (the "City Sublease").

The City Sublease covers the premises described in Exhibit A attached hereto and made a part hereof.

The City Sublease provides for the rental of the premises by the County for a term which shall commence May 10, 1995, and shall expire at midnight of the last day of the thirtieth (30th) Lease Year, unless such term is (a) earlier terminated as provided in the Land Disposition Agreement, the Ground Lease, the County Sublease #1, the City Sublease, or by operation of law or (b) provided that (i) the Ground Lease, the County Sublease #1, the County Sublease #2, the Project Sublease and the Company/Sabres Lease are each in full force and effect, (ii) the Operating Agreement is in full force and effect and all payments thereunder due from inception of the City Sublease have been paid in full as of the time of each such renewal, (iii) the Operating Agreement is simultaneously renewed upon the terms and conditions provided therein, and (iv) no event of default under Section 12.3 of the City Sublease shall then exist, the term of the City Sublease shall automatically be extended for additional terms (the "Extension Term") each commencing on the expiration of the initial term or of the preceding Extension Term as follows:

(A) An additional term of five (5) Operating Years (the "First Extension Term"); provided, however, with respect to the first Operating Year of the First Extension Term, such Operating Year will be deemed to have commenced on October 1, notwithstanding the definition of Operating Year as contained in the Operating Agreement;
(B) A second additional term of five (5) Operating Years (the "Second Extension Term");
(C) A third additional term of five (5) Operating Years (the "Third Extension Term"); and
(D) A fourth additional term of three (3) Operating Years (the "Fourth Extension Term").

The first Lease Year shall commence on October 1 following the Completion Date, unless the Completion Date is October 1, in

which case the first Lease Year shall commence on the Completion Date.

The County has the obligation to rent the premises for one dollar ($1.00) per year for the duration of the Term.

The City Sublease is available for inspection during normal business hours at the offices of the City indicated above.

IN WITNESS WHEREOF, the City and the County have caused this Memorandum of Sublease to be executed in their respective names as of the 10th day of May, 1995.

Approved as to Form

Edward D. Peace
Corporation Counsel

CITY OF BUFFALO

By
Anthony M. Masiello
Its Mayor

Approved As To Form

County Attorney

COUNTY OF ERIE

By
Dennis T. Gorski
Its County Executive

Approved As To Content

Commissioner, Erie County
Department of Environment
and Planning

IN WITNESS WHEREOF, the City and the County have caused this Memorandum of Sublease to be executed in their respective names as of the 10th day of May, 1995.

CITY OF BUFFALO

By_____
Anthony M. Masiello
Its Mayor

Approved As To Form

_____
County Attorney

COUNTY OF ERIE

By_____
Dennis T. Gorski
Its County Executive

Approved As To Content

_____
Commissioner, Erie County
Department of Environment
and Planning

STATE OF NEW YORK)
: ss.:
COUNTY OF ERIE)

On this 23rd day of May, 1995, before me personally appeared Anthony M. Masiello, to me known, who, being by me duly sworn, did depose and say that he resides at 111 Penhurst Park, Buffalo, New York; that he is the Mayor of the CITY OF BUFFALO, the municipal corporation described in and which executed the within Memorandum of Sublease; and that he signed his name thereto by authority of the municipal corporation.

Joanne Cavalieri
Notary Public

JOANNE CAVALIERI
Notary Public, State of New York
Qualified in Erie County
My Commission Expires Jan. 31, 1997

STATE OF NEW YORK)
: ss.:
COUNTY OF ERIE)

On this 22 day of May, 1995, before me personally appeared Dennis T. Gorski, to me known, who, being by me duly sworn, did depose and say that he is the County Executive of the COUNTY OF ERIE, Erie County, New York, the municipal corporation of the State of New York described in and which executed the within Memorandum of Sublease; and that he signed his name thereto by authority of the Legislature and the County Executive of such municipal corporation in accordance with the County Charter;

Whitney K. Reed
Notary Public

WHITNEY K. REED
Notary Public, State of New York
No. 01RE5002610
Qualified in Monroe County
Certificate Filed in Ontario County
Commission Expires Oct. 5, 19 96

EXHIBIT A

Legal Description of Real Property

PARCEL I

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie, State of New York, being part of Outer Lots Nos. 76, 77 and 78, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) as it formerly existed and the easterly line of Main Street (99 feet wide); thence southerly along the easterly line of Main Street 328.76 feet to the north line of South Park Avenue (66 feet wide) as presently laid out; thence southeasterly along the said northerly line of South Park Avenue 285.87 feet to an angle point; thence continuing southeasterly at an interior angle of 161° 35' 40" along the said northerly line of South Park Avenue 503.54 feet to the intersection of the said northerly line of South Park Avenue and westerly line of Illinois Street (50 feet wide); thence northerly along the westerly line of Illinois Street 660.35 feet to the intersection of the westerly line of Illinois Street and the southerly line of Perry Street (66 feet wide) as presently laid out; thence westerly along the said southerly line of Perry Street and continuing along the southerly line of Perry Street as it formerly existed 704.93 feet to the point or place of beginning.

TOGETHER with all right, title and interest in Illinois Street to the centerline thereof.

PARCEL II

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Lot No. 75, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) and the easterly line of Mississippi Street (60 feet wide); running thence easterly along the southerly line of Perry Street 195.0 feet to the westerly line of Baltimore Street (40 feet wide); thence southerly along the westerly line of Baltimore Street 672.10 feet to the northerly line of South Park Avenue (66 feet wide); thence westerly along the northerly line of South Park Avenue 195.0 feet to the easterly line of Mississippi Street; thence northerly along the easterly line of Mississippi Street 672.47 feet to the point or place of beginning.

TOGETHER with all right, title and interest in Mississippi Street and Baltimore Street to the centerlines thereof.

PARCEL III

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Lots Nos. 74 and 75, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) and the easterly line of Baltimore Street (40 feet wide); thence easterly along the southerly line of Perry Street 113.68 feet to the westerly line of Columbia Street (50 feet wide); thence southerly along the westerly line of Columbia Street 531.8 feet more or less to the north line of lands of Consolidated Rail Corporation by deed recorded in the Erie County Clerk's Office in Liber 1056 of Deeds at page 293; thence westerly along the said north line of Consolidated Rail Corporation 113.68 feet to the easterly line of Baltimore Street; thence northerly along the easterly line of Baltimore Street 532.02 feet more or less to the southerly line of Perry Street and the point or place of beginning.

TOGETHER with all right, title and interest in Baltimore Street and Columbia Street to the centerlines thereof.

PARCEL IV

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Outer Lots Nos. 74 and 75, bounded and described as follows:

BEGINNING at a point in the westerly line of Columbia Street distant 140 feet northerly along said westerly line of Columbia Street from its intersection with the northerly line of South Park Avenue, which point is also the southeast corner of lands conveyed to Higgins Erectors & Haulers, Inc. by deed recorded in the Erie County Clerk's Office in Liber 8470 of Deeds at page 537; thence southerly along the westerly line of Columbia Street 140 feet to the north line of South Park Avenue; thence westerly along the northerly line of South Park Avenue 113.68 feet more or less to the easterly line of Baltimore Street; thence northerly along the easterly line of Baltimore Street 140 feet to the southwest corner of said lands conveyed to Higgins Erectors & Haulers, Inc. by deed aforesaid; thence easterly along the southerly line of said lands conveyed to Higgins Erectors & Haulers, Inc. 113.68 feet more or less to the point of beginning.

TOGETHER with all right, title and interest in Baltimore Street and Columbia Street to the centerlines thereof.

COUNTY OF ERIE

AND

ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

COUNTY SUBLEASE #2

Dated as of May 10, 1995

(1995 Crossroads Arena Project)

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COUNTY SUBLEASE #2

THIS COUNTY SUBLEASE #2 (the "Lease"), made and entered into as of May 10, 1995, by and between ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (the "Agency"), a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York, duly organized and existing under the laws of the State of New York, with an office at Suite 300, Liberty Building, 424 Main Street, Buffalo, New York 14202, sublessee hereunder and the COUNTY OF ERIE (the "County"), a municipal corporation of the State of New York, with an office at 95 Franklin Street, County Office Building, Buffalo, New York 14202 as sublessor hereunder.

RECITALS:

1. All terms used herein with initial capital letters which are not otherwise defined in the text shall have the meanings ascribed to them in Article I of this Lease.

2. Pursuant to the provisions of Chapter 652 of the Laws of 1993 of the State of New York, effective August 4, 1993, the County's and the Agency's participation in the Project has been specifically authorized by statute.

3. The County entered into the MOU, pursuant to which certain agreements to be executed and delivered with regard to the development and operation of the Project were described, with the County contemplated therein as a party to such agreements.

4. As generally set forth in the MOU, it is contemplated that the following agreements will be entered into in connection with the Project and will set forth the principal rights, duties and obligations of all of the Crossroads Participants and the Company: (i) the Coordinating Agreement among the Principal Public Sector Participants; (ii) the Development and Construction Agreement among the Company and the Public Sector Participants; (iii) the Operating Agreement among the Public Sector Participants and the Company; (iv) the Inter-Municipal Agreement between the City and the County; and (v) the Financing Participants' Agreement among the Private Financing Participants, the Public Sector Participants, New York Sportservice, Inc., Sportservice Corporation, Buffalo Sabres Concession LLC, Niagara Frontier Hockey, L.P. and the Company.

5. In addition to the Master Agreements described above, it is contemplated that the following agreements will be entered into which will set forth the structure with respect to ownership and lien interests in certain leasehold interests with respect to the Real Property: (i) Building Loan Agreement and other related documentation among the Construction Lender and the Company; (ii) a Non-Relocation Agreement among the City, the Sabres, the County, and the UDC; (iii) various mortgages and lease agreements among any one or more of the Crossroads

Participants and/or other parties; (iv) Concession Loan Financing Documents among Shawmut Bank, N.A., Fleet Bank and Buffalo Sabres Concessions LLC; and (v) the Amended Litigation Settlement Agreement between the City and the County.

6. The Real Property has been previously acquired by BURA, and has been leased to the County pursuant to a certain Buffalo Urban Renewal Agency-County Ground Lease between BURA and the County dated as of May 10, 1995, and has been simultaneously subleased by the County to the City pursuant to the County Sublease #1 dated as of May 10, 1995, and further simultaneously subleased back to the County by the City pursuant to the City Sublease dated as of May 10, 1995 and will be simultaneously subleased by the County to the Agency pursuant to this Lease. BURA, the City and the County have no recourse to the Agency under the Prior Leases, except with respect to the Real Property. All of the Prior Lease Promises will be simultaneously assumed by the Company, pursuant to the Project Sublease, dated as of May 10, 1995 by and between the Company and the Agency which will be entered into immediately after execution of this Lease.

7. The Company will complete the Project and will obtain funding for the Project including, without limitation, funding from the following sources: (i) a Construction Loan in the original principal amount of $35,000,000.00 from Marine Midland Bank and Key Bank of New York; (ii) a Concession Loan in the original principal amount of $32,500,000 from Shawmut Bank, N.A. and Fleet Bank; (iii) proceeds of the sale of bonds issued by the City in the original principal amount of $10,000,000; (iv) $20,000,000 from the proceeds of the sale of bonds issued by the County; and (v) funds from the UDC in the principal amount of $25,000,000.

8. The parties hereto wish to set forth their relationship which will enable the continuation, completion and operation of the Project, in furtherance of the public purposes of the County.

NOW, THEREFORE, in consideration of the premises and the respective representations and agreements herein contained, the parties agree as follows:

ARTICLE I

DEFINITIONS

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Development and Construction Agreement. The following terms shall have the following meanings in this Lease:

"Agency" shall mean Erie County Industrial Development Agency, a public benefit corporation organized under Article 18-A of the General Municipal Law of the State with its office at Suite 300, Liberty Building, 424 Main Street Buffalo, New York 14202.

"Amended Litigation Settlement Agreement" shall mean the City-County Bed Tax Litigation Settlement Agreement, dated as of March 10, 1994, by and between the City and the County, as amended by the First Amendment to the March 10, 1994 City-County Bed Tax Litigation Settlement Agreement, dated May 10, 1995 and together with any and all amendments thereto hereafter made.

"Arena, Inc." shall mean Arena, Inc. (formerly known as Crossroads Arena Corporation), a corporation organized and existing under the laws of New York.

"Arena Shell" shall mean the portion of the Project constituting a functional Class "A" building (as defined in Section 11.00 of the New York Local Finance Law) consisting of a steel and concrete structure, HVAC, plumbing, basic electrical wiring and general lighting in accordance with the Arena Plans and Specifications, but specifically excluding the Crossroads Improvements.

"Assignment and Assumption Agreement" shall mean the Assignment and Assumption Agreement by and between Arena, Inc. and the Company dated November 18, 1994, and together with any and all amendments thereto hereafter made.

"Bankruptcy Code" shall mean Federal Bankruptcy Code.

"Box Office" shall mean the retail area for sale of Event tickets.

"Buffalo Place" shall mean that certain pedestrian/ transit mall special district located in the City of Buffalo, which shall include all real property fronting, bounded by or located between Pearl Street (or its southerly extension) on the west, Washington Street on the east, Edward and Goodell Streets on the north and the riverfront on the south, all as more particularly described in Chapter 673 of the Laws of 1983 of the State of New York and Local Law No. 8, 1984 of the Erie County Legislature, as amended.

"Buffalo Sabres Concessions LLC" shall mean that certain limited liability company organized and existing under the laws of the State of New York.

"Building Loan Agreement" shall mean that certain Building Loan Contract dated as of May 10, 1995 by and between

the Company, Marine Midland Bank and Key Bank of New York and together with any and all amendments thereto hereafter made.

"BURA" shall mean City of Buffalo Urban Renewal Agency, a public benefit corporation created pursuant to Article 15-B of the General Municipal Law.

"BURA's Reserved Rights" shall mean:

(1) the right of BURA in its own behalf to receive all opinions of counsel, reports, financial statements, certificates, insurance polices or insurance binders or certificates, or other notices of communications required to be delivered to BURA under the Prior Leases, this Lease or the Project Sublease;

(2) the right of BURA to grant or withhold any consents or approvals required of BURA under the Prior Leases, this Lease or the Project Sublease;

(3) the right of BURA to enforce or otherwise exercise on its own behalf all agreements of the Company with respect to ensuring that the Project shall always be operated as a multi-purpose sports and entertainment complex in accordance with this Lease, the Project Sublease and the Company/Sabres Lease and for no other purpose whatsoever;

(4) the right of BURA on its own behalf to declare an Event of Default under the Prior Leases, this Lease or the Project Sublease, and to enforce any of its remedies as set forth therein;

(5) the right of BURA to receive any payment to which it may be entitled or to be indemnified pursuant to any indemnity or similar provision arising out of the construction, acquisition, equipping, operation or disposition of the Project, including without limitation, pursuant to any contract, agreement or documentation entered into with respect thereto from time to time;

(6) the rights of BURA pursuant to the Development and Construction Agreement, the Operating Agreement, the Financing Participants Agreement, the Coordinating Agreement, the Non-Relocation Agreement, and the Inter-Municipal Agreement; and

(7) the rights of BURA to commence or defend any judicial, administrative or arbitration proceeding in order to protect any of its rights, pecuniary or otherwise.

"City" shall mean the City of Buffalo, a municipal corporation of the State of New York.

"City's Reserved Rights" shall mean:

(1) the right of the City in its own behalf to receive all opinions of counsel, reports, financial statements, certificates, insurance polices or insurance binders or certificates, or other notices of communications required to be delivered to the City under the Prior Leases, this Lease or the Project Sublease;

(2) the right of the City to grant or withhold any consents or approvals required of the City under the Prior Leases, this Lease or the Project Sublease;

(3) the right of the City to enforce or otherwise exercise on its own behalf all agreements of the Company with respect to ensuring that the Project shall always be operated as a multi-purpose sports and entertainment complex in accordance with this Lease, the Project Sublease and the Company/Sabres Lease and for no other purpose whatsoever;

(4) the right of the City on its own behalf to declare an Event of Default under the Prior Leases, this Lease or the Project Sublease, and to enforce any of its remedies as set forth therein;

(5) the right of the City to receive any payment to which it may be entitled or to be indemnified pursuant to any indemnity or similar provision arising out of the construction, acquisition, equipping, operation or disposition of the Project, including without limitation, pursuant to any contract, agreement or documentation entered into with respect thereto from time to time;

(6) the rights of the City pursuant to the Development and Construction Agreement, the Operating Agreement, the Financing Participants Agreement, the Coordinating Agreement, the Non-Relocation Agreement, and the Inter-Municipal Agreement; and

(7) the rights of the City to commence or defend any judicial, administrative or arbitration proceeding in order to protect any of its rights, pecuniary or otherwise.

"City Sublease" shall mean that certain City Sublease dated as of May 10, 1995 from the City to the County, and together with any and all amendments thereto hereafter made.

"Company" shall mean Crossroads Arena LLC, a limited liability company organized and existing under the laws of the State of New York, successor by assignment to all of Arena, Inc.'s rights and interests under the MOU and its successors and assigns.

"Company/Sabres Lease" shall mean that certain sublease agreement dated as of May 10, 1995 from the Company to the

Sabres, and together with any and all amendments thereto hereafter made.

"Completion Date" shall mean that date as defined in the Guaranteed Maximum Price Contract as enabling CALLC to take occupancy of The Crossroads.

"Concessionaire" shall mean the firm or firms with which the Sabres or affiliate of the Sabres lease the operation of the parking structures and lots and the Concessions Facilities exclusively reserved to the Sabres under the Company/Sabres Lease. Initially the Concessionaire will be New York Sportservice, Inc. The Sabres will initially operate novelty Concession Facilities.

"Concession Equipment" shall mean moveable equipment and furniture used in connection with the operation of the Concession Facilities.

"Concession Facilities" shall mean the area identified as the Concessions Facilities on Exhibit 6 to the Company/Sabres Lease.

"Concession Lease" shall mean that certain Lease and Agreement dated as of May 10, 1995 by and between the Sabres, as lessor, and Buffalo Sabres Concession LLC, as lessee, and together with any and all amendments thereto hereafter made.

"Concession Lenders" shall mean Shawmut Bank, N.A., Fleet Bank and other participants under the Interim and Term Concession Loan Agreement dated as of May 10, 1995 with Buffalo Sabres Concessions LLC and together with any and all amendments thereto hereafter made.

"Concession Loan" shall mean that certain Concession Loan by Shawmut Bank, N.A. and Fleet Bank to Buffalo Sabres Concessions LLC in the principal amount of $32,500,000 in connection with the Project.

"Concession Loan Financing Documents" shall mean the loan agreement, promissory notes, security agreements, mortgages and other documents pertaining to the Concession Loan from Shawmut Bank, N.A. and Fleet Bank to Buffalo Sabres Concessions LLC.

"Concession Sublease" shall mean that certain Concession Lease and Agreement among the Sabres, Buffalo Sabres Concession LLC, New York Sportservice, Inc. and Sportservice Corporation, and together with any and all amendments thereto hereafter made.

"Construction Lender" shall mean Marine Midland Bank and Key Bank of New York.

"Construction Loan" shall mean that certain Construction Loan from Marine Midland Bank and Key Bank of New York to the Company in the principal amount not to exceed $32,500,000 in connection with the Project.

"Construction Loan Documents" shall mean the loan agreement, promissory notes, security agreements, leasehold mortgages and other documents pertaining to the Construction Loan.

"Coordinating Agreement" shall mean the Coordinating Agreement dated as of May 10, 1995 among the Principal Public Sector Participants, regarding their roles, rights, duties and obligations with respect to the Project and shall include any and all amendments hereafter made.

"County" shall mean the County of Erie, New York.

"County Bonds" shall mean the notes and/or bonds in an amount not to exceed $24,500,000 issued by the County pursuant to the New York State Local Finance Law and a bond resolution duly adopted by the Legislature of the County on February 2, 1995 for the purpose of providing a portion of the funds necessary to pay the Development and Construction Costs and Expenses.

"County Executive" shall mean that person serving as the County Executive of Erie County, New York.

"County's Reserved Rights" shall mean:

(1) the right of the County in its own behalf to receive all opinions of counsel, reports, financial statements, certificates, insurance policies or insurance binders or certificates, or other notices of communications required to be delivered to the County under the Prior Leases, this Lease or the Project Sublease;

(2) the right of the County to grant or withhold any consents or approvals required of the County under the Prior Leases, this Lease or the Project Sublease;

(3) the right of the County to enforce or otherwise exercise on its own behalf all agreements of the Company with respect to ensuring that the Project shall always be operated as a multi purpose sports and entertainment complex in accordance with this Lease, the Project Sublease and the Company/Sabres Lease and for no other purpose whatsoever;

(4) the right of the County on its own behalf to declare an Event of Default under the Prior Leases, this Lease or the Project Sublease, and to enforce any of its remedies as set forth therein;

(5) the right of the County to receive any payment to which it may be entitled or to be indemnified pursuant to any indemnity or similar provision arising out of the construction, acquisition, equipping, operation or disposition of the Project, including without limitation, pursuant to any contract, agreement or documentation entered into with respect thereto from time to time;

(6) the rights of the County pursuant to the Development and Construction Agreement, the Operating Agreement, the Financing Participants Agreement, the Coordinating Agreement, the Non-Relocation Agreement, and the Inter-Municipal Agreement; and

(7) the right of the County to commence or defend any judicial, administrative or arbitration proceeding in order to protect any of its rights, pecuniary or otherwise.

"County Sublease #1" shall mean that certain County Sublease #1 dated as of May 10, 1995 from the County to the City, and together with any and all amendments thereto hereafter made.

"Crossroads Arena Corporation" shall mean the entity now known as Arena, Inc.

"Crossroads Improvements" shall mean the portion of the Project financed out of proceeds of the Private Arena Debt, Concession Loan, and Sabres Advance constituting improvements to the Arena Shell including but not limited to the Ice Rink, seats and railings installed in the Seating Bowl, Luxury Suites, locker rooms, scoreboards, Concession Facilities, Concession Equipment, directional signage, television broadcasting facilities, special (event) lighting, public address equipment, press boxes, and other amenities necessary to render the Arena Shell suitable for professional and amateur ice hockey, indoor soccer, indoor lacrosse, basketball, concerts, ice shows and similar events; all improvements, fixtures and equipment reasonably necessary to operate the Sabres Offices; the Box Office, the Team Store and the Waterfront Market Restaurant; all parking structures and surface parking lots; and all outdoor fences, walkways, decorative trees and shrubbery located on the Premises. To the extent funds from the Principal Public Sector Participants are insufficient to complete the Arena Shell, that portion of the Arena Shell financed with other funds shall also constitute Crossroads Improvements.

"Crossroads Participants" shall mean the Company, the Public Sector Participants and the Private Financing Participants.

"Development and Construction Agreement" shall mean the Development and Construction Agreement dated as of May 10, 1995 by and among the Company and the Public Sector Participants, and together with any and all amendments thereto hereafter made.

"Environmental Compliance Agreement" shall mean that certain Environmental Compliance and Indemnification Agreement dated as of May 10, 1995, from the Company to BURA, the City, the County and the Agency, and shall include any and all amendments hereafter made.

"Environmental Indemnification Agreement" shall mean that certain Environmental Indemnification Agreement, dated as of May 10, 1995, from the County to the Agency, and shall include any and all amendments hereafter made.

"Event of Default" shall have the meaning specified in Article XIII hereof.

"Financing Participants' Agreement" shall mean the Financing Participants' Agreement among the Company, Sportservice Corporation, New York Sportservice, Inc., Buffalo Sabres Concession LLC, Niagara Frontier Hockey, L.P., the Private Financing Participants and the Public Sector Participants dated as of May 10, 1995, and together with any and all amendments thereto hereafter made.

"Fleet Bank" shall mean Fleet Bank, a banking corporation organized and existing under the laws of the State of New York, having offices at 10 Fountain Plaza, Buffalo, New York 14202.

"Ground Lease" shall mean that certain Buffalo Urban Renewal Agency-County Ground Lease agreement dated as of May 10, 1995 from BURA to the County, and together with any and all amendments thereto hereafter made.

"Impositions" shall mean any special assessments, special benefit assessment or special district or other charges, such as user charges, fire protection, water, utility or sewer charges, or other governmental charges customarily charged to all users on a nondiscriminatory basis, but excluding Real Estate Taxes and any payments in lieu of taxes.

"Inter-Municipal Agreement" shall mean the Inter-Municipal Agreement by and between the City and the County dated as of May 10, 1995, together with any and all amendments thereto hereafter made.

"Key Bank of New York" shall mean Key Bank of New York, a banking corporation organized and existing under the laws of the State of New York, having offices at 50 Fountain Plaza, Buffalo, New York.

"Land Disposition Agreement" shall mean the Contract for Lease of Land for Redevelopment dated as of May 10, 1995 by and among BURA, the City and the Company, together with any and all amendments thereto hereafter made.

"Lease" shall mean this County Sublease #2 dated as of May 10, 1995, between the Agency and the County and together with any and all amendments thereto hereafter made.

"Lease Year" shall mean, during the term of this Lease, the period from October 1 in one year through and including September 30 in the following year.

"Loss Event(s)" shall mean an event which causes damage or destruction of the Crossroads in whole or in part.

"Marine Midland Bank" shall mean Marine Midland Bank, a banking corporation organized and existing under the laws of the State of New York, having offices at c/o Real Estate Finance Department, One Marine Midland Center, 15th Floor, Buffalo, New York 14203.

"Master Agreements" shall mean the Coordinating Agreement, the Development and Construction Agreement, the Operating Agreement, the Inter-Municipal Agreement, and the Financing Participants' Agreement, and together with any and all amendments thereto, respectively hereafter made.

"MOU" shall mean the Memorandum of Understanding dated as of March 28, 1994 among the Sabres, the Public Sector Participants and Crossroads Arena Corporation.

"National Hockey League" shall mean the National Hockey League, an unincorporated, not-for-profit association.

"New York Sportservice, Inc." shall mean New York Sportservice, Inc., a New York corporation, having an office at 438 Main Street, Buffalo, New York 14202.

"Non-Disturbance Agreement" shall mean the Non-Disturbance and Attornment Agreement among the Public Sector Participants, the Private Financing Participants, New York Sportservice, Inc., Sportservice Corporation, the Company, the Sabres and Buffalo Sabres Concessions LLC dated as of May 10, 1995.

"Non-Relocation Agreement" shall mean the Non-Relocation Agreement among the City, the Sabres, the County,

the UDC dated as of May 10, 1995, and together with any and all amendments thereto hereafter made.

"Operating Agreement" shall mean the Operating Agreement between the Public Sector Participants and the Company dated as of May 10, 1995, and together with any and all amendments thereto hereafter made.

"Operating Year(s)" shall mean the period commencing on September 1 of each year and ending on August 31 of the next year, except that the first Operating Year shall commence on the Completion Date and end on the following August 31.

"Permitted Exceptions" shall mean conditions of title to which the Premises shall be subject as set forth in EXHIBIT B annexed hereto.

"Premises" shall mean (i) the County's leasehold interest in the Real Property pursuant to the City Sublease, and (ii) the buildings located or to be located on the Real Property, any "leasehold" improvements thereto (items so affixed to the realty as cannot be removed without damage to the realty), and any replacements, improvements substitutions and additions thereto, acquired, constructed and installed, from time to time, as provided in this Lease.

"Principal Public Sector Participants" shall mean the City, the County and the UDC.

"Prior Lease(s)" shall mean, collectively, the Land Disposition Agreement, the Ground Lease, the County Sublease #1 and the City Sublease.

"Prior Lease Promise(s)" shall mean all representations, warranties, covenants, obligations, promises and agreements of the "redeveloper", "lessee", "sublessee", "landlord" or "tenant" under any of the Prior Leases, including but not limited to, those representations, warranties, covenants, obligations, promises and agreements required to be imposed upon the Company pursuant to Schedule B to the Ground Lease, Schedule B to the County Sublease #1 and Schedule B to the City Sublease.

"Private Arena Debt" shall mean the indebtedness (including principal and interest) of the Company and its affiliates (including Buffalo Sabres Concession LLC) to the Private Financing Participants evidenced by the Private Arena Debt Agreements, and permitted refinancings.

"Private Arena Debt Agreements" shall mean the loan agreement(s), promissory notes, security agreements, leasehold

mortgages and other documents pertaining to the Private Arena Debt executed and delivered from time to time.

"Private Financing Participant(s)" shall mean the Construction Lenders and the Concession Lenders.

"Project" shall mean the acquisition, renovation and construction of a state-of-the-art multi-purpose sports arena and entertainment complex along with commercial retail and restaurant space and parking, and the acquisition of machinery and equipment in connection therewith, all for commercial purposes, for sublease by the Company to NFHLP and other end users.

"Project Sublease" shall mean that certain sublease agreement dated as of May 10, 1995 from the Agency to the Company, and together with any and all amendments thereto hereafter made.

"Public Sector Participants" shall mean the City, the County, BURA, the Agency and UDC.

"Real Property" shall mean the real property described in EXHIBIT A annexed hereto.

"Sabres" or "NFHLP" shall mean Niagara Frontier Hockey, L.P. a Delaware limited partnership.

"Shawmut Bank, N.A." shall mean Shawmut Bank, N.A., a national bank organized and existing under the laws of the United States of America, having an office at One Federal Street, Boston, Massachusetts 02211.

"Sportservice Corporation" shall mean Sportservice Corporation, a New York corporation, having an office at 438 Main Street, Buffalo, New York 14202.

"State" shall mean the State of New York.

"UDC" shall mean the New York State Urban Development Corporation, a corporate governmental agency of the State of New York constituting a political subdivision and public benefit corporation.

ARTICLE II

DEMISE; PREMISES; TERM

2.1 Demise. The County hereby subleases to the Agency, and the Agency hereby hires from the County, the herein described for the stated term for the annual basic

equal to one dollar ($1.00) per year, payable in advance, directly to the County and for the covenants and conditions set forth herein subject only to the Permitted Exceptions.

2.2 Description of Premises Leased. The leased Premises are more fully described on EXHIBIT A attached hereto.

2.3 Term. The Premises are leased for a term which shall commence as of May 10, 1995, and shall continue until midnight of the last day of the thirtieth (30th) Lease Year, unless such term is earlier terminated as provided in the Prior Leases or this Lease or by operation of law, at which time the Company shall provide the County with written notice of such early termination of the term. The first Lease Year shall commence on October 1 following the Completion Date, unless the Completion Date is October 1, in which case the first Lease Year shall commence on the Completion Date. Upon a determination of the Completion Date under the Development and Construction Agreement and the Operating Agreement, the County and the Agency shall execute an amendment to this Lease, confirming the occurrence of the Completion Date.

2.4 Lease Term Renewal and Expiration.

(a) Provided that (i) the Prior Leases are in full force and effect, (ii) the Operating Agreement is in full force and effect and all payments thereunder due from inception of this Lease have been paid in full as of the time of each such renewal, (iii) the Operating Agreement is simultaneously renewed upon the terms and conditions provided therein, and (iv) no Event of Default shall then exist, the term of this Lease shall automatically be extended on the same terms and conditions as provided herein for additional terms (the "Extension Term") each commencing on the expiration of the initial term or of the preceding Extension Term as follows:

(A) An additional term of five (5) Operating Years (the "First Extension Term"); provided, however, with respect to the first Operating Year of the First Extension Term, such Operating Year will be deemed to have commenced on October 1, notwithstanding the definition of Operating Year as contained in the Operating Agreement, but without changing the termination date thereof;

(B) A second additional term of five (5) Operating Years (the "Second Extension Term");

(C) A third additional term of five (5) Operating Years (the "Third Extension Term"); and

(D) A fourth additional term of three (3) Operating Years (the "Fourth Extension Term").

(b) At the expiration of the initial term of this Lease, or if extended, the last exercised Extension Term, this Lease and all rights of the Agency hereunder and to the Premises shall immediately expire and terminate and the Agency and any sublessees of the Agency shall immediately quit the Premises, repairing and restoring any damage to the Premises and leaving it in good condition, subject to ordinary wear and tear, and the County, the City and/or BURA shall have the right to re-enter the Premises and remove all persons and property therefrom. Upon such expiration, the Company shall pay to the County any other amount due the County under this Lease.

2.5 Repayment of County Bonds. Unless this Lease shall otherwise have been terminated, the County's rights as landlord under this Lease shall be assigned to the City on the earlier of (a) the scheduled original final maturity of the County Bonds (notwithstanding any refinancing or refunding from time to time) or (b) the final payment of the principal and interest on the County Bonds (including any final refinancing or refunding thereof from time to time) prior to the original final thirty (30) year maturity thereof subject to the prior written consent of the City and BURA, which consent will not be unreasonably withheld or delayed. On that date the County's rights (other than the County's Reserved Rights) and the County's obligation, if any, under this Lease shall automatically be assigned to the City, and subject to the terms of this Lease, the City unconditionally agrees to accept such assignment by the County and the Agency agrees to attorn to the rights of the City as lessee hereunder. It is expressly acknowledged and agreed that the City's leasehold estate in this Lease shall not merge with the City's leasehold estate under the County Sublease #1 as a result of the foregoing assignment. Upon such assignment to the City, the Agency shall cause the Company to pay to the County any amounts due under this Lease.

ARTICLE III

CONDITIONS PRECEDENT; COUNTY'S RIGHTS AND BONDS, OBLIGATIONS

3.1 Acquisition of Premises by County/No Recourse to Agency.

(a) Acquisition of the leasehold interest in the Premises by the County pursuant to the Ground Lease, the County Sublease #1, the City Sublease and the Inter-Municipal Agreement, which Inter-Municipal Agreement is hereby incorporated herein by reference, and the further subleasing of the Premises by the Agency to the Company are condition precedents to the County's obligations under this Lease. The Agency agrees to execute and

cause the Company to execute and deliver simultaneously with the execution of this Lease the Project Sublease, the form of which is attached hereto as EXHIBIT C and made a part hereof. The Agency further agrees to cause the Company to pay to BURA or the City, as applicable, all rentals and other sums or things of value due to such parties under the Prior Leases, for the full term thereof, and also to cause the Company to comply with and satisfy each and every other Prior Lease Promise. All Prior Lease Promises are hereby incorporated into this Lease by reference, and the Agency, to the extent provided herein, shall cause the Company to assume liability for all Prior Lease Promises and agrees to cause the Company to comply or cause compliance with the same and be responsible therefor, to the extent provided herein. The Prior Lease Promises shall survive the foreclosure of any mortgage or security interest executed in connection with the Project from time to time.

(b) The Prior Lease Promises and the obligations of the Agency hereunder shall be deemed obligations of the Company only, and not of the Agency, and the Agency shall have no responsibility or liability for compliance therewith or the breach by the Company thereof. The Prior Lease Promises shall not be deemed to be obligations and agreements of any member, officer, agent (other than the Company) or employee of the Agency in his or her individual capacity, and the members, officers, agents (other than the Company) and employees of the Agency shall not be personally liable hereon or thereon or subject to any personal liability or accountability based upon or in respect hereof or thereof or of any transaction contemplated hereby or thereby.

3.2 County's, City's and BURA's Reserved Rights. The parties hereto hereby expressly covenant and agree that the County's Reserved Rights shall run to the County and the City's Reserved Rights shall run to the City and BURA's Reserved Rights shall run to BURA during the term of this Lease and shall survive the termination of this Lease and the foreclosure of any mortgage or security interest executed in connection with the Project from time to time. The terms of this Section 3.2 shall be expressly incorporated into the Project Sublease. No amendment or modification of the Project Sublease will be permitted without approval of the County, the City and BURA, which approval shall not be unreasonably withheld.

3.3 County's Obligations under Prior Leases. In addition to the Agency's obligations set forth in Article IV hereof and elsewhere in this Lease, the Agency agrees to cause the Company to accept responsibility for each and every obligation the County may have to the City and/or BURA in connection with the Prior Leases. The parties hereto agree that this obligation shall be incorporated into the Project Sublease

and survive the foreclosure of any mortgage or security interest executed in connection with the Project from time to time.

3.4 Third Party Beneficiary. The Agency shall cause the Company to acknowledge the rights of the City, the County and BURA, as beneficiaries of the Project Sublease, to directly enforce the Company's obligations and covenants to comply with the terms of the Project Sublease or with any of the Prior Lease Promises. The Project Sublease shall provide that whenever the terms of the Project Sublease provide that the Company has incurred any obligation to the Agency, such obligation shall be construed as also being incurred by the Company to BURA, the City and the County.

ARTICLE IV

THE AGENCY'S OBLIGATIONS

4.1 Ownership/Construction of the Project.

(a) The County and the Agency agree that the Arena Shell will be owned by the County and leased to the Agency pursuant to the terms of this Lease. The Agency will appoint the Company as its agent and, subject to the provisions hereof, will cause the Company as agent of the Agency to cause to be acquired, constructed and equipped on the Real Property, certain buildings (substantially in accordance with plans and specifications therefor prepared by or on behalf of the Company, to be maintained by the Company and made available by the Company for inspection by the County, with such changes and substitutions as may be reasonably desired by the Company, all as further provided in the Development and Construction Agreement), and to be acquired and installed therein certain equipment. The cost of such acquisition, construction and installation shall be paid by the Company. All contractors, materialmen, vendors, suppliers and other companies, firms or persons furnishing labor, services or materials for or in connection with the Project shall be designated by the Company.

(b) In order to accomplish the purposes of the County, and to assure the acquisition, renovation, construction and installation of the Project in conformity with the requirements of the Company, the Agency shall cause the Company to complete the acquisition, construction, equipping and installation of the Project in accordance with the Development and Construction Agreement and to operate the same in accordance with the Operating Agreement and all of the terms of the Project Sublease.

(c) The Agency will cause the Company to obtain or cause to be obtained all necessary approvals from any and all

governmental agencies requisite to the acquisition, construction, equipping and installation of the Project, and the operation thereof, and the acquisition, construction, equipping and installation of the Project and the operation thereof will be done in compliance with the federal, state and local laws, ordinances, regulations, determinations, permits, approvals and judicial or administrative orders applicable thereto including, without limitation, with respect to any machinery, equipment or other property, all manufacturers' instructions and warranty requirements, and in compliance with the conditions and requirements of all policies of insurance with respect to the Project. Upon completion of the Project, the Agency will cause the Company to promptly obtain or cause to be obtained all required occupancy permits or certificates of occupancy, authorizations and licenses from appropriate authorities, if any be required, authorizing the occupancy and uses of the Project for the purposes contemplated by this Lease and shall furnish copies of same to the County immediately upon receipt thereof.

(d) The Agency will cause the Company to extend to the County all vendors' warranties received by the Company in connection with the acquisition, construction and installation of the Project including any warranties given by contractors, manufacturers or service organizations who perform construction work. If requested, the Agency will further cause the Company to execute and deliver appropriate instruments to the County to accomplish the foregoing.

(e) The Agency will cause the Company to take such action and institute such proceedings as shall be necessary to cause and require all contractors and material suppliers to complete their contracts diligently in accordance with the terms of said contracts, including, without limitation, the correcting of any defective work and to enforce any and all payment and performance or other security given in connection therewith.

(f) The Agency shall cause the Company to construct and operate the Project in compliance with all state and local zoning and planning laws, rules and regulations.

4.2 Mechanic's Liens. The County shall not be liable for any labor or materials furnished or to be furnished by others to the Agency or the Company as its agent, and no mechanic's, public improvement or other lien for any such labor or materials shall attach to or affect the County or the Premises. If any lien is filed by any Company contractor, subcontractor or materialman, or if any security agreement (other than security agreements entered into in connection with the Concession Loan Financing Documents, the Construction Loan Financing Documents or as contemplated in the Financing Participants Agreement) is filed against the improvements constructed pursuant to Section 4.1 of this Lease, the Agency shall cause the Company to immediately

take such action by bonding, deposit or payment as will remove the lien or security interest. If the Company as sublessee of the Agency has not commenced proceedings to remove the unpermitted lien or security interest within thirty (30) days after notice to the Agency and the Company or if the Company does not diligently pursue such proceedings, the County may pay the amount of the lien or security interest or discharge the same by bonding or deposit, and the amount so paid or deposited or the bond premiums, with interest thereon, shall be deemed additional rent under this Lease. Such payment shall be without prejudice to the Company's rights to challenge the validity of the claim or lien.

4.3 [Reserved].

4.4 Compliance with Laws. The Agency shall cause the Company and its subtenants to, at all times, be in compliance with all applicable federal, state and local laws or ordinances (including rules and regulations) relating to zoning, building, safety and environmental quality.

4.5 Use and Operation of Project.

(a) The Agency shall cause the Company to use the Premises for a multipurpose sports and entertainment complex, including parking facilities and for no other purpose whatsoever throughout the term of this Lease.

(b) The Agency shall cause the Company to continuously operate the Project throughout the term of this Lease for the purposes described herein and otherwise in accordance with the terms of this Lease, except as appropriate and for such period as may be necessary in the case of an event described in Article XI of this Lease.

(c) The Agency shall cause the Company and the Company shall cause any other sublessee, licensee or occupant of the Premises, to maintain and operate the Premises in accordance with the terms and conditions of this Lease, the Master Agreements, the Project Sublease and the Environmental Compliance and Indemnity Agreement.

4.6 Agency's Satisfaction of its Obligations. The County agrees, notwithstanding anything herein to the contrary, that the Agency will be deemed to have satisfied its obligations to cause the Company to comply with the terms and conditions heretofore or hereafter set forth in this Lease, provided the Project Sublease requires that (a) the Company assumes all obligations of the Agency under this Lease and (b) the County is a third party beneficiary to the Project Sublease so that the County is permitted to directly enforce the obligations and covenants of the Company under the Project Sublease.

ARTICLE V

TAXES

5.1 Taxes.

The Agency shall cause the Company to pay when due all real estate taxes in accordance with the terms and provisions of the Land Disposition Agreement, the Financing Participants Agreement and the Operating Agreement.

ARTICLE VI

INSURANCE

6.1 Liability Insurance.

(a) The Agency shall cause the Company to maintain all insurance coverage required under the Development and Construction Agreement and the Operating Agreement and as more fully set forth in the Project Sublease and the Company/Sabres Lease.

(b) Each of the policies or binders evidencing the insurance required above to be obtained shall:

(i) designate the City, the County and BURA (except with respect to workers compensation, disability benefits, employee dishonesty and auto liability insurance) as an additional named insured;

(ii) provide that there shall be no recourse against the County for the payment of premiums or commissions or (if such policies or binders provide for the payment thereof) additional premiums or assessments;

(iii) provide that in respect of the respective interests of the County in such policies, the insurance shall not be invalidated by any action or inaction of the Company or any other person and shall insure the County regardless of, and any losses shall be payable notwithstanding,

(A) any act or negligence, including any breach of any condition, declaration or warranty contained in any such policy of insurance by the County (other than with respect to the County, losses arising from gross negligence or willful misconduct of the County), the Company or any other person, or lapse, expiration or change;

(B) the occupation, operation or use of the Premises for purposes more hazardous than permitted by the terms of the policy;

(iv) provide that such insurance shall be primary insurance without any right of contribution from any other insurance carried by the County to the extent that such other insurance provides the County with contingent and/or excess liability insurance with respect to its respective interest as such in the Premises, and shall expressly provide that all provisions thereof, except the limits of liability (which shall be applicable to all insureds as a group) and liability for premiums (which shall be solely a liability of the Company) shall operate in the same manner as if there were a separate policy covering each insured;

(v) provide that if the insurers cancel such insurance for any reason whatsoever, or the same is allowed to lapse or expire, or there be any reduction in amount, or any material change is made in the coverage, such cancellation, lapse, expiration, reduction or change shall not be effective as to the County until at least thirty (30) days after receipt by the County of written notice by such insurers of such cancellation,

(vi) waive any right of subrogation of the insurers thereunder against any person insured under such policy, and waive any right of the insurers to any setoff or counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of any person insured under such policy; and

(vii) contain such other terms and provisions as any owner or operator of facilities similar to the Premises would, in the prudent management of its properties, require to be contained in policies, binders or interim insurance contracts with respect to facilities similar to the Premises owned or operated by it.

(c) In addition to the insurance required pursuant to paragraph (a) above, the Agency shall cause the Company (i) to carry or cause to be carried in effect workers' compensation insurance, disability benefits insurance and such other forms of insurance which the Agency or the Company is required by law to provide, covering loss resulting from injury, sickness, disability or death of the employees of the Company; and (ii) to cause all contractors and subcontractors employed upon or with respect to the Premises at the time of original construction or of any additions, remodeling, alterations, repair, restoration or reconstruction thereafter to maintain workers compensation insurance, disability benefits insurance and such other forms or types of insurance as are required by law,

covering loss resulting from injury, sickness, disability or death of the employees of such contractor and subcontractor.

(d) On or before the commencement of the term hereof, the Agency shall cause the Company to deliver to the County duplicate copies of insurance policies and/or binders or certificates of insurance evidencing compliance with the insurance requirements of Section 6.1 of this Lease. At least fifteen (15) business days prior to the expiration of any such policy, the Agency shall cause the Company to furnish to the County with evidence that such policy has been renewed or replaced or is no longer required by this Lease.

(e) The Agency shall cause the Company not to do any act, or suffer or permit any act to be done, whereby any insurance required by Section 6.1 of this Lease would or might be suspended or impaired.

6.2 Disposition of Insurance Proceeds. All casualty loss and property insurance proceeds received pursuant to this Lease shall be allocated, deposited, disposed of and otherwise as required under the Financing Participants Agreement, the Development and Construction Agreement and the Operating Agreement.

6.3 Subtenants. The Agency will cause the Company to require that all contractors, subcontractors, Sublessees and other occupants and users of the Premises, to name the County as insured on liability and casualty insurance policies carried by such contractors, subcontractors, sublessees and other occupants or users with respect to their operations at the Premises. Nothing contained in this Section shall be construed as requiring members of the public attending Events at the Premises to provide insurance coverage.

6.4 Certificate of Compliance. Within one hundred twenty (120) days after the end of each calendar year, the Agency shall cause the Company to file with the County a certificate of a representative of the Company to the effect that the insurance it maintains with respect to the Premises complies with the provisions of this Article VI and that duplicate copies of all policies or certificates thereof have been filed with the County and are in full force and effect.

ARTICLE VII

UTILITIES

7.1 Payment. The Agency shall cause the Company to pay for all utility charges, including, but not limited to, gas, electricity, telephone, water and sewer.

ARTICLE VIII

MAINTENANCE AND REPAIRS

8.1 Maintenance. Upon execution of this Lease, the Agency shall accept the Premises "AS IS" and the Agency shall cause the Company to be responsible for all maintenance, repairs, remediation and replacements for the Premises. The Agency shall cause the Company to (i) keep the Project in as reasonably safe condition as its operations shall permit; (ii) make all necessary repairs and replacements to the Project (whether ordinary or extraordinary, structural or nonstructural, foreseen or unforeseen); (iii) operate the Project in accordance with the Project Sublease, the Master Agreements and the Company/Sabres Lease and (iv) do all things as may be reasonable or appropriate to insure that the Sabres remain committed to the use and operation of the Project.

With the prior written consent of the County or its delegated agent, which shall not be unreasonably withheld or delayed, the Company, as Sublessee of the Agency, from time to time may make any structural additions, modifications or improvements to the Project or any part thereof, provided such actions do not adversely affect the structural integrity of the Project. All such additions, modifications or improvements (excluding trade fixtures and items of personal property) made by the Company shall become a part of the Project and the property of the County.

8.2 Site Improvements. The Agency shall cause the Company to be responsible for all maintenance and repairs to roads, parking area, exterior lighting, signs and site improvements to the Premises.

8.3 NO WARRANTY OF CONDITION OR SUITABILITY. THE COUNTY HAS MADE AND MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION, ENVIRONMENTAL STATUS, FITNESS, DESIGN, OPERATION OR WORKMANSHIP OF ANY PART OF THE PREMISES, THEIR FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OR CAPACITY OF THE MATERIALS IN THE PREMISES, OR THE SUITABILITY OF THE PREMISES FOR THE PURPOSES OR NEEDS OF THE AGENCY OR THE COMPANY. THE COUNTY SHALL NOT BE LIABLE IN ANY MANNER WHATSOEVER TO THE

AGENCY, EXCEPT AS PROVIDED IN THE ENVIRONMENTAL INDEMNIFICATION AGREEMENT, OR THE COMPANY OR ANY OTHER PERSON FOR ANY LOSS, DAMAGE (INCLUDING, WITHOUT LIMITATION, CONSEQUENTIAL OR INCIDENTAL DAMAGES) OR EXPENSE OF ANY KIND OR NATURE CAUSED, DIRECTLY OR INDIRECTLY, BY THE PREMISES OR THE USE OR MAINTENANCE THEREOF OR THE FAILURE OF OPERATION THEREOF, OR THE REPAIR, SERVICE, OR ADJUSTMENT THEREOF, OR BY ANY DELAY OR FAILURE TO PROVIDE ANY SUCH MAINTENANCE, REPAIRS, SERVICE OR ADJUSTMENT, OR BY ANY INTERRUPTION OF SERVICE OR LOSS OF USE THEREOF OR FOR ANY LOSS OF BUSINESS HOWSOEVER CAUSED. THE FOREGOING PROVISIONS SHALL ALSO APPLY BY THEIR TERMS TO THE PLANS AND SPECIFICATIONS FOR ALL IMPROVEMENTS AND EQUIPMENT AT ANY TIME ACQUIRED, CONSTRUCTED OR RECONSTRUCTED ON OR WITH RESPECT TO THE PROJECT.

ARTICLE IX

REPRESENTATIONS AND WARRANTIES

9.1 Authority. The Agency and the County each represents and warrants to the other that each is duly organized and validly existing under the laws of the State of New York, has the power and authority to own its property and assets, to carry on its business as now being conducted by it and to execute, deliver and perform this Lease.

9.2 Agency Conflicts. The Agency and the County each represents and warrants to the other that the execution, delivery and performance of this Lease and the consummation of the transaction herein contemplated have been duly authorized by all requisite Agency and County action, as the case may be, and will not violate any material provision of law, any order of any court or county of government or the Articles of Organization or operating agreement of the Agency or the County, as the case may be, or any indenture, agreement or other instrument to which the Agency or the County, is a party, as the case may be, or by which it or any of its property is bound, or be in conflict with or result in a breach of or constitute (with due notice and/or lapse of time) a material default under any such indenture, agreement or other instrument or result in the imposition of any lien, charge or encumbrance of any nature whatsoever except as provided in this Lease.

9.3 Enforceability. The Agency and the County each represent and warrant to the other that this Lease constitutes the legal, valid and binding obligation of the Agency or the County, as the case may be, enforceable against such party in accordance with its terms, except to the extent that the enforceability of this Lease may be limited by bankruptcy, moratorium or insolvency or other laws affecting creditors' rights generally.

ARTICLE X

ADVANCES BY THE COUNTY

10.1 Advances by the County. In the event the Company as sublessee of the Agency fails to take out or maintain the full insurance coverage required by this Lease, fails to pay any applicable Impositions required pursuant to Section 5.1 of this Lease at or prior to the time they are required to be paid or to make necessary renewals and replacements to the Premises or keep it in good order and repair and in as reasonably safe condition as its operations permit or to perform or observe any of its other obligations under this Lease the County, after first notifying the Agency and the Company of any such failure on its part, may (but shall not be obligated to), and without waiver of any of the rights of the County under this Lease, take out the required policies of insurance and pay the premiums on the same, pay such Impositions and other charges or make such repairs, renewals and replacements as may be necessary to complete and maintain the Premises in good order and repair and in as reasonably safe condition as the Company's operations permit or otherwise cure any failure by the Company to perform and observe its other obligations contained in this Lease. All amounts so advanced therefor by the County shall become additional rent and an obligation of the Company, as sublessee of the Agency, to the County, which amounts, together with interest thereon at the rate of sixteen percent (16%) per annum, from the date advanced, the Company will pay upon demand therefor by the County directly to the County. The foregoing obligation will be contained in any further lease or sublease of the Project. Any remedy available to the County for the default by the Agency under this Lease or the Company under the Project Sublease, or pursuant to the Master Agreements and any other agreements executed and delivered in connection with the acquisition, construction, equipping and operation of the Project, shall also be available to the County for the collection of all such amounts so advanced.

ARTICLE XI

DAMAGE, DESTRUCTION AND CONDEMNATION

11.1 Damage or Destruction. If the Premises shall be damaged or either partially or totally destroyed at any time during the term of this Lease, the County shall have no obligation to replace, repair, rebuild or restore the same and there shall be no abatement or reduction in the rent or other amounts payable under this Lease. In such case, the Agency will cause the Company to promptly give written notice thereof to the County, generally describing the nature and extent of such damage or destruction.

11.2 The Company's Option to Rebuild. Upon the occurrence of a Loss Event, the Agency shall cause the Company, as sublessee of the Agency, to comply with Section 12.01 of the Operating Agreement and Section 8 of the Financing Participants Agreement, the provisions of which shall govern. The Agency shall not be entitled to any reimbursement from the County for any cost or expenses of repair, restoration or reconstruction nor shall the rent or other payments due hereunder be abated or diminished. Any repair, restoration or reconstruction by the Company as sublessee of the Agency shall automatically be a part of the Premises. Such repair, restoration or reconstruction shall be in accordance with plans and specifications approved by the County, which approval shall not be unreasonably withheld.

11.3 Condemnation. If the whole or any part of the Premises shall be taken or condemned by a competent authority for any public use or purpose, or if the temporary use of the Premises shall be so taken by condemnation or agreement, (i) Section 12.01 of the Operating Agreement and Section 8 of the Financing Participants Agreement will govern and (ii) the County shall be under no obligation to replace, restore or rebuild the Premises. In such case, the Agency will promptly give written notice thereof to the County, generally describing the nature and extent of such taking or condemnation. Any condemnation award or damages will be distributed in accordance with Section 12.02 of the Operating Agreement and the terms of the Financing Participants Agreement.

ARTICLE XII

ASSIGNMENT AND SUBLETTING

12.1 Compliance With Operating, Agreement and Act. The Agency shall not assign this Lease nor sublet, mortgage or encumber the Premises, except to the Company pursuant to the terms of the Project Sublease, the Construction Loan Documents, the Concession Loan Financing Documents or as specifically permitted under Company/Sabres Lease, including the Concession Lease and the Concession Sublease and subject to the applicable terms of the Master Agreements. Any assignee, subtenant, occupant or user of the Premises must agree to comply with all provisions of this Lease and, in the case of any assignment by the Agency, the assignee must assume all the duties, obligations and covenants of the Agency as set forth in this Lease and the Master Agreements.

12.2 Continuing Obligations. Any assignment or sublease permitted under the Company/Sabres Lease shall not relieve the Agency from any of its obligations under this Lease and no such assignment, subletting or occupancy shall be deemed a

waiver of this Article, or the acceptance of the assignee, subtenant or occupant as tenant, or a release of the Company.

12.3 Document Requirements. All assignments and subleases permitted under the Company/Sabres Lease shall contain provisions consistent with the terms of this Lease and each assignment or sublease instrument shall be subject to the County's prior written approval as to form.

12.4 Mortgage of Premises. The County shall not be required to mortgage or otherwise encumber the Premises.

ARTICLE XIII

EVENTS OF DEFAULT; REMEDIES

13.1 Event of Default. Any one or more of the following events shall constitute an "Event of Default":

(a) Failure by the Agency to pay or cause to be paid any rent or additional rent or other sum that has become due and payable by the terms of this Lease, and the continuation of such default for fifteen (15) business days after written notice from the County.

(b) Failure by the Agency to observe and perform any other covenant, condition or agreement under this Lease, or under any other agreement between the Agency and the County on its part to be performed (except the obligation to pay rent, additional rent or other sums and to provide insurance) and continuance of such failure for a period of thirty (30) days after receipt of written notice specifying the nature of such default.

(c) The occurrence of any "Event of Default", under and as such term is defined in any Master Agreement, the Construction Loan Documents, the Environmental Compliance Agreement, the Financing Participants' Agreement, the Non-Relocation Agreement or the Concession Loan Financing Documents.

(d) Any representation or warranty made by the Agency herein or in any report, certificate, financial statement or other instrument furnished pursuant hereto or any of the foregoing shall prove to be false, misleading or incorrect in any material respect as of the date made.

(e) A termination by the Agency of the Project Sublease without the prior consent of the County, the City and BURA.

(f) The occurrence of any "Event of Default" under and as such term is defined in the Project Sublease.

13.2 Remedies on Default. Whenever any Event of Default shall have occurred, the County may take one or more of the following remedial steps:

(a) Exercise its remedies under the Prior Leases, the Environmental Compliance Agreement, any of the Master Agreements or as third party beneficiaries of the Agency's rights under the Project Sublease.

(b) Take whatever action at law or in equity as may appear necessary or desirable to collect any sums due under this Lease when due and thereafter to become due, or to enforce performance or observance of any obligations, agreements or covenants of the Agency under this Lease.

13.3 Compensation and Expenses of County. The Agency shall cause the Company to reimburse the County for any and all loss, costs, damages, fees and expenses (including reasonable attorneys' fees) incurred by the County by reason of the County's involvement with the Project, directly or indirectly, including without limitation, any and all acts incurred in connection with the County exercising its remedies of default.

13.4 Remedies Cumulative. The rights and remedies of the County under this Lease shall be cumulative and shall not exclude any other rights and remedies of the County allowed by law with respect to any default under this Lease. Failure by the County to insist upon the strict performance of any of the covenants and agreements herein set forth or to exercise any rights and remedies upon default by the Agency hereunder shall not be considered or taken as a waiver or relinquishment for the future of the right to insist upon and enforce through specific performance or other appropriate legal remedy a strict compliance by the Agency with all of the covenants and conditions of this Lease, or of the rights to exercise any such rights or remedies, if such default by the Agency be continued or repeated.

13.5 No Additional Implied by One Waiver. In the event any covenant or agreement contained in this Lease should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach. No waiver shall be binding unless it is in writing and signed by the party making such waiver. No course of dealing between the County and the Agency or any delay or omission on the part of the County in exercising any rights shall operate as a waiver.

13.6 Dispossession. Upon the occurrence of an Event of Default under the Project Sublease, and subject to the provisions

of the Financing Participants' Agreement, the Non-Disturbance Agreement, and the Master Agreements, the Agency agrees, at the request of both the Landlord and the Tenant acting together under any of the Prior Leases (as such terms are defined in the respective Prior Leases), to take such action as is necessary to dispossess the Company of its leasehold estate in and to the Project demised under the Project Sublease.

Any action required of the Agency hereunder is specifically conditioned upon (i) any reasonable cost and expense of the Agency and its counsel, if any, being first paid or provided for to the Agency's satisfaction, and (ii) the City and the County executing and delivering to the Agency an agreement of indemnification, in form and content acceptable to the Agency, which provides for the complete indemnification of the Agency for losses arising out of actions taken by the Agency in accordance with this Section 13.6.

13.7 Agency's Right to Assign. The County hereby consents to, and agrees to accept, an assignment by the Agency of the Agency's rights as lessee hereunder, as provided in Section 16.2(a) of the Project Sublease and agrees that, in the event of such assignment, the County's leasehold interest as lessor hereunder will not merger with the Agency's lessee interest hereunder.

13.8 Further Assurances. The Agency will cooperate with the County for the purpose of protecting the County's interest in the Premises, this Lease and the sums due under this Lease and shall cause the Company to execute and deliver to the County upon written request such other instruments and assurances as the County deems necessary or advisable for the implementation, effectuation, confirmation or perfection this Lease and any rights of the County hereunder.

ARTICLE XIV

FURTHER REQUIREMENTS

14.1 Notices. The Agency shall give written notice to the County promptly upon the Agency's receipt of any written notice of any Event of Default under this Lease.

14.2 Memorandum of Lease. The parties hereto will cause a memorandum of this Lease to be recorded in the Erie County Clerk's Office upon execution of this Lease and such memorandum.

14.3 Non-Disturbance. This Lease, and the rights of the County and the Agency hereunder, are subject to the terms of the Non-Disturbance Agreement.

ARTICLE XV

INDEMNITY

15.1 Indemnity to the County.

(a) The Agency shall cause the Company to at all times defend, protect and hold each of BURA, the County and the City harmless of, from and against any and all claims and demands made by any Person (whether in tort, contract or otherwise) and all related costs, expenses (including attorney and expert witness fees), damages, losses, injury and liabilities of every kind and nature and however caused, arising out of or as the result of or in connection with any occurrence upon the Real Property or resulting from or related to the Real Property or the Project or any part thereof or the operation thereof. Neither BURA, the County or the City shall have any liability whatsoever for any damage or injury to the person or property of the Company or its directors, officers, members, employees, agents or servants, or Persons under the control or supervision of the Company, or any other Person who may be on the Real Property, or otherwise in connection with the Project due to any act or negligence of any Person, other than such liability which is finally determined to be the result of the gross negligence or willful misconduct directly attributable to BURA, the County or the City as the case may be. The Company shall not be obligated to indemnify BURA, the City or the County with respect to liabilities which are finally determined to be the direct result of (i) the gross negligence or willful misconduct of BURA, the City or the County, as the case may be, or (ii) claims arising as a result of a Civic Event of which BURA, the City or the County, is a sponsor, and which are not attributable to the action or inaction of the Company as operator of the Project.

(b) The indemnifications and protections set forth above shall be extended to each of its members, directors, officers, employees, agents and servants and persons under BURA's, the City's or the County's control or supervision.

15.2 Reserved.

15.3 Survival of Obligations. Anything to the contrary in this Lease notwithstanding, the covenants contained in this Article XV shall remain in full force and effect after and survive the expiration or termination of this Lease.

15.4 Insuring of Obligations. To effectuate the purposes of this Article XV, the Agency shall cause the Company to provide for and insure, in the liability policies required in Section 6.1 of this Lease not only its own liability in respect

of the matters therein mentioned but also the liability pursuant to this Article.

ARTICLE XVI

DISPUTE RESOLUTION

16.1 Governing Law. This Lease shall be governed in all respects by the laws of the State of New York.

16.2 WAIVER OF TRIAL BY JURY. THE COUNTY AND AGENCY WAIVE, THE RIGHT TO TRIAL BY JURY OF ANY DISPUTE ARISING UNDER THIS LEASE, AND THIS PROVISION SHALL SURVIVE THE TERMINATION OF THIS LEASE.

ARTICLE XVII

MISCELLANEOUS CLAUSES

17.1 Notices. All notices, demands or communications given under this Lease shall be sent to the parties at the addresses set forth below or at such other addresses as the parties may designate by written notice and shall be telecopied to the number listed below and sent by prepaid registered or certified mail, return receipt requested, and shall be deemed given on the date two (2) days after the date mailed:

(a) To the Agency:

Erie County Industrial
Development Agency
Suite 300, Liberty Building
424 Main Street
Buffalo, New York 14202
Attention: Executive Director
Telecopy Number: (716) 856-6754
Telephone Number: (716) 856-6525

With a copy to:

Crossroads Arena LLC
Memorial Auditorium
140 Main Street
Buffalo, New York 14202
Attention: President, Arena, Inc.
Telecopy Number: (716) 856-7351
Telephone Number: (716) 856-7300

With a copy to:

Lippes, Silverstein, Mathias & Wexler
700 Guaranty Building
Buffalo, New York 14202
Attention: Gerald S. Lippes, Esq.

(b) To the County:

County of Erie
95 Franklin Street
County Office Building
Buffalo, New York 14202
Attention: Commissioner - Environment
Planning
Telecopy Number: (716) 858-6716
Telephone Number: (716) 858-6257

Attention: Comptroller
Telecopy Number: (716) 858-8507
Telephone Number: (716) 858-8327

17.2 No Recourse Under This Lease.

(a) Except as otherwise provided in the Environmental Indemnification Agreement or with respect to any obligations running directly from the County to the Agency, no provision, covenant or agreement contained in this Lease, the Prior Leases, the Master Agreements or any other agreement entered into in connection therewith, or any obligation herein imposed upon the County, or any breach thereof, shall constitute or give rise to or impose upon the County, a debt or other pecuniary liability or a charge upon its general credit.

(b) No provision, covenant or agreement contained in this Lease or any obligation herein imposed upon the Agency, or the breach thereof, shall constitute or give rise to or impose upon the Agency a debt or other pecuniary liability or a charge upon its general credit. All covenants, stipulations, promises, agreements and obligations of the Agency or the County contained herein shall be the covenants, stipulations, promises, agreements and obligations of the Agency or the County and not of any member, director, employee, officer, legislator, official or agent (other than the Company) of the Agency or the County in his or her individual capacity, and no recourse shall be had for any claim hereunder against any member, director, officer, employee, legislator, official or agent (other than the Company) of the Agency.

17.3 Entire Agreement. This Lease contains the entire agreement between the parties and all prior negotiations and agreements are merged in this Lease. This Lease may not be changed, modified or discharged, in whole or in part, except by a

written instrument executed by the party against whom enforcement of the change, modification or discharge is sought.

17.4 County Representations. The Agency expressly acknowledges that neither the County nor the County's agents has made or is making, and the Agency, in executing and delivering this Lease, is not relying upon warranties, representations, promises or statements by the County, except to the extent that the same are expressly set forth in this Lease, and no rights, easements or licenses are or shall be acquired by the Agency by implication or otherwise unless expressly set forth in this Lease.

17.5 Binding Effect. This Lease shall be binding upon and inure to the benefit of the parties, their respective successors and assigns.

17.6 Paragraph Headings. Paragraph headings are for convenience only and shall not affect the construction or interpretation of this Lease.

17.7 Severability. The provisions of this Lease shall be severable, and if any clause, sentence, paragraph, provision or other part hereof shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder hereof, which remainder shall continue in full force and effect.

17.8 Counterparts. This Lease may be executed in two or more counterparts, each of which shall be deemed to be an original instrument, but all such counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the County and the Agency have duly executed this Lease, as of the day and year first above written.

ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: _____
Ronald W. Coan,
Executive Director

COUNTY OF ERIE

By: _____
Dennis T. Gorski
County Executive

Approved As To Form

_____
County Attorney

Approved As To Content

_____
Commissioner, Erie County
Department of Environment
and Planning

STATE OF NEW YORK)
) SS.:
COUNTY OF ERIE)

On the 23 day of May, 1995, before me personally came RONALD W. COAN, to me known, who being by me duly sworn, did depose and say that he is the Executive Director of the ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY, the agency described in and which executed the above instrument; and that he signed his name thereto by authority of the Board of Directors of said agency.

Whitney K. Reed
Notary Public

WHITNEY K. REED
Notary Public, State of New York
No. 01RE5002610
Qualified in Monroe County
Certificate Filed in Ontario County
Commission Expires Oct. 5, 1996

STATE OF NEW YORK)
) SS.:
COUNTY OF ERIE)

On the 22 day of May, 1995, before me personally came Dennis T. Gorski, to me known, who being by me duly sworn, did depose and say that he is the County Executive of the County of Erie, the municipal corporation described in and which executed the above instrument; and that he signed his name thereto by authority of the Legislature and the County Executive of such municipal corporation in accordance with the County Charter.

Whitney K. Reed
Notary Public

WHITNEY K. REED
Notary Public, State of New York
No. 01RE5002610
Qualified in Monroe County
Certificate Filed in Ontario County
Commission Expires Oct. 5, 1996

EXHIBIT A

Description of Real Property

PARCEL I

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie, State of New York, being part of Outer Lots Nos. 76, 77 and 78, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) as it formerly existed and the easterly line of Main Street (99 feet wide); thence southerly along the easterly line of Main Street 328.76 feet to the north line of South Park Avenue (66 feet wide) as presently laid out; thence southeasterly along the said northerly line of South Park Avenue 285.87 feet to an angle point; thence continuing southeasterly at an interior angle of 161° 35′ 40" along the said northerly line of South Park Avenue 503.54 feet to the intersection of the said northerly line of South Park Avenue and westerly line of Illinois Street (50 feet wide); thence northerly along the westerly line of Illinois Street 660.35 feet to the intersection of the westerly line of Illinois Street and the southerly line of Perry Street (66 feet wide) as presently laid out; thence westerly along the said southerly line of Perry Street and continuing along the southerly line of Perry Street as it formerly existed 704.93 feet to the point or place of beginning.

TOGETHER with all right, title and interest in Illinois Street to the centerline thereof.

PARCEL II

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Lot No. 75, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) and the easterly line of Mississippi Street (60 feet wide); running thence easterly along the southerly line of Perry Street 195.0 feet to the westerly line of Baltimore Street (40 feet wide); thence southerly along the westerly line of Baltimore Street 672.10 feet to the northerly line of South Park Avenue (66 feet wide); thence westerly along the northerly line of South Park Avenue 195.0 feet to the easterly line of Mississippi Street; thence northerly along the easterly line of Mississippi Street 672.47 feet to the point or place of beginning.

TOGETHER with all right, title and interest in Mississippi Street and Baltimore Street to the centerlines thereof.

PARCEL III

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Lots Nos. 74 and 75, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) and the easterly line of Baltimore Street (40 feet wide); thence easterly along the southerly line of Perry Street 113.68 feet to the westerly line of Columbia Street (50 feet wide); thence southerly along the westerly line of Columbia Street 531.8 feet more or less to the north line of lands of Consolidated Rail Corporation by deed recorded in the Erie County Clerk's Office in Liber 1056 of Deeds at page 293; thence westerly along the said north line of Consolidated Rail Corporation 113.68 feet to the easterly line of Baltimore Street; thence northerly along the easterly line of Baltimore Street 532.02 feet more or less to the southerly line of Perry Street and the point or place of beginning.

TOGETHER with all right, title and interest in Baltimore Street and Columbia Street to the centerlines thereof.

PARCEL IV

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Outer Lots Nos. 74 and 75, bounded and described as follows:

BEGINNING at a point in the westerly line of Columbia Street distant 140 feet northerly along said westerly line of Columbia Street from its intersection with the northerly line of South Park Avenue, which point is also the southeast corner of lands conveyed to Higgins Erectors & Haulers, Inc. by deed recorded in the Erie County Clerk's Office in Liber 8470 of Deeds at page 537; thence southerly along the westerly line of Columbia Street 140 feet to the north line of South Park Avenue; thence westerly along the northerly line of South Park Avenue 113.68 feet more or less to the easterly line of Baltimore Street; thence northerly along the easterly line of Baltimore Street 140 feet to the southwest corner of said lands conveyed to Higgins Erectors & Haulers, Inc. by deed aforesaid; thence easterly along the southerly line of said lands conveyed to Higgins Erectors & Haulers, Inc. 113.68 feet more or less to the point of beginning.

TOGETHER with all right, title and interest in Baltimore Street and Columbia Street to the centerlines thereof.

EXHIBIT B

Permitted Exceptions

EXHIBIT C

Form of Agency Lease

Transcript Document No.

MEMORANDUM OF SUBLEASE

The undersigned COUNTY OF ERIE, a municipal corporation of the State of New York, having an office at 95 Franklin Street, County Office Building, Buffalo, New York 14202, as Sublessor (the "County"), and the ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a public benefit corporation, duly organized and existing under the laws of the State of New York, with offices at Suite 300, Liberty Building, 424 Main Street, Buffalo, New York 14202, as Sublessee (the "Agency"), entered into a Sublease Agreement as of the 10th day of May, 1995 between the County and the Agency (the "County Sublease #2").

The County Sublease #2 covers the premises described in Exhibit A attached hereto and made a part hereof.

The County Sublease #2 provides for the rental of the premises by the Agency for a term which shall commence May 10, 1995, and shall expire at midnight of the last day of the thirtieth (30th) Lease Year, unless such term is (a) earlier terminated as provided in the Land Disposition Agreement, the Ground Lease, the County Sublease #1, the City Sublease, the County Sublease #2 or by operation of law, or (b) provided that (i) the Land Disposition Agreement, the Ground Lease, the County Sublease #1, and the City Sublease are each in full force and effect, (ii) the Operating Agreement is in full force and effect and all payments thereunder due from inception of the County Sublease #2 have been paid in full as of the time of each such renewal, (iii) the Operating Agreement is simultaneously renewed upon the terms and conditions provided therein, and (iv) no Event of Default shall then exist, the term of the County Sublease #2 shall be extended for additional terms (the "Extension Term") each commencing on the expiration of the initial term or of the preceding Extension Term as follows:

(A) An additional term of five (5) Operating Years (the "First Extension Term"); provided, however, with respect to the first Operating Year of the First Extension Term, such Operating Year will be deemed to have commenced on October 1, notwithstanding the definition of Operating Year as contained in the Operating Agreement;
(B) A second additional term of five (5) Operating Years (the "Second Extension Term");
(C) A third additional term of five (5) Operating Years (the "Third Extension Term"); and
(D) A fourth additional term of three (3) Operating Years (the "Fourth Extension Term").

The first Lease Year shall commence on October 1 following the Completion Date, unless the Completion Date is October 1, in

which case the first Lease Year shall commence on the Completion Date.

The Agency has the obligation to rent the premises for one dollar ($1.00) per year for the duration of the Term.

The County Sublease #2 is available for inspection during normal business hours at the offices of the County indicated above.

IN WITNESS WHEREOF, the County and the Agency have caused this Memorandum of Sublease to be executed in their respective names as of the 10th day of May, 1995.

Approved As To Form

County Attorney

COUNTY OF ERIE

By
Dennis T. Gorski
Its County Executive

Approved As To Content

Commissioner, Erie County
Department of Environment
and Planning

ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By
Ronald W. Coan
Its Executive Director

STATE OF NEW YORK)
: ss.:
COUNTY OF ERIE)

On this 22 day of May, 1995, before me personally appeared Dennis T. Gorski, to me known, who, being by me duly sworn, did depose and say that he is the County Executive of the COUNTY OF ERIE, the municipal corporation described in, and which executed, the within Memorandum of Sublease; and that he signed his name thereto by authority of the Legislature and the County Executive of such municipal corporation in accordance with the County Charter;

Whitney K Reed
Notary Public

WHITNEY K. REED
Notary Public, State of New York
No. 01RE5002610
Qualified in Monroe County
Certificate Filed in Ontario County
Commission Expires Oct. 5, 1996

STATE OF NEW YORK)
: ss.:
COUNTY OF ERIE)

On this 23 day of May, 1995, before me personally appeared Ronald W. Coan, to me known, who, being by me duly sworn, did depose and say that he is the Executive Director of the ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY, Erie County, New York, the public benefit corporation described in and which executed the within Memorandum of Sublease; and that he signed his name thereto by authority of the order of the Board of Directors of said corporation.

Whitney K. Reed
Notary Public

WHITNEY K. REED
Notary Public, State of New York
No. 01RE5002610
Qualified in Monroe County
Certificate Filed in Ontario County
Commission Expires Oct. 5, 1996

EXHIBIT A

Legal Description of Real Property

PARCEL I

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie, State of New York, being part of Outer Lots Nos. 76, 77 and 78, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) as it formerly existed and the easterly line of Main Street (99 feet wide); thence southerly along the easterly line of Main Street 328.76 feet to the north line of South Park Avenue (66 feet wide) as presently laid out; thence southeasterly along the said northerly line of South Park Avenue 285.87 feet to an angle point; thence continuing southeasterly at an interior angle of 161° 35' 40" along the said northerly line of South Park Avenue 503.54 feet to the intersection of the said northerly line of South Park Avenue and westerly line of Illinois Street (50 feet wide); thence northerly along the westerly line of Illinois Street 660.35 feet to the intersection of the westerly line of Illinois Street and the southerly line of Perry Street (66 feet wide) as presently laid out; thence westerly along the said southerly line of Perry Street and continuing along the southerly line of Perry Street as it formerly existed 704.93 feet to the point or place of beginning.

TOGETHER with all right, title and interest in Illinois Street to the centerline thereof.

PARCEL II

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Lot No. 75, bounded and described as follows:

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TOGETHER with all right, title and interest in Mississippi Street and Baltimore Street to the centerlines thereof.

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TOGETHER with all right, title and interest in Baltimore Street and Columbia Street to the centerlines thereof.

PARCEL IV

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Outer Lots Nos. 74 and 75, bounded and described as follows:

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TOGETHER with all right, title and interest in Baltimore Street and Columbia Street to the centerlines thereof.

ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

AND

CROSSROADS ARENA LLC

AGENCY LEASE AGREEMENT

Dated as of May 10, 1995

(1995 Crossroads Arena Project)

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EXHIBITS

A Real Property Description
B Equipment Description
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D Description of the Project

SCHEDULES

1 Agreement of City and County
2 Non-Disturbance and Attornment Agreement

AGENCY LEASE AGREEMENT

THIS AGENCY LEASE AGREEMENT (the "Agreement"), made and entered into as of the 10th day of May, 1995, by and between ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (the "Agency"), a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York, duly organized and existing under the laws of the State of New York, with an office at Suite 300, Liberty Building, 424 Main Street, Buffalo, New York 14202, and CROSSROADS ARENA LLC (the "Company"), a limited liability company organized under the laws of the State of New York, with an office at Memorial Auditorium, 140 Main Street, Buffalo, New York 14202.

RECITALS:

1. All terms used herein with initial capital letters which are not otherwise defined in the text shall have the meanings ascribed to them in Article I of this Agreement.

2. The Act authorizes and provides for the creation of industrial development agencies in the several counties, cities, villages and towns in the State of New York and empowers such agencies, among other things, to promote, develop, encourage and assist in the acquiring, construction, reconstruction, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial and research facilities including industrial pollution control facilities and thereby advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York and to improve their prosperity and standard of living.

3. The Agency was established by Chapter 293 of the 1970 Laws of New York, as amended, for the benefit of the County and inhabitants thereof.

4. Pursuant to the provisions of Chapter 652 of the Laws of 1993 of the State of New York, effective August 4, 1993, the Agency's participation in the Project has been specifically authorized by statute.

5. As authorized by Agency special resolution adopted March 25, 1994, the Agency entered into the MOU, pursuant to which certain agreements with regard to the development and operation of the Project were described, with the Agency contemplated therein as a party to such agreements.

6. As set forth in the MOU, it is contemplated that the following agreements will be entered into in connection with the Project and will set forth the principal rights, duties and obligations of all of the Crossroads Participants: (i) the Coordinating Agreement among the Principal Public Participants; (ii) the Development and

Construction Agreement among the Company and the Public Sector Participants; (iii) the Operating Agreement among the Public Sector Participants and the Company; (iv) the Inter-Municipal Agreement between the City and the County; and (v) the Financing Participants Agreement among the Private Financing Participants, the Public Sector Participants, the Company, Sportservice Corporation and New York Sportservice, Inc.

7. In addition to the Master Agreements described above, it is contemplated that the following agreements will be entered into which will set forth the structure with respect to ownership and lien interests in the Real Property and for repayment of the Private Arena Debt: (i) Construction Loan Documents and other related documentation among the Construction Lenders and the Company; (ii) a Non-Relocation Agreement among the City, the Company, the County, UDC, the National Hockey League, the Construction Lenders, the Concession Lenders and the Concessionaire; (iii) Concession Loan Financing Documents among the Concession Lenders and Buffalo Sabres Concession, LLC; and (iv) the Amended Litigation Settlement Agreement between the City and the County.

8. BURA, the City and Company have previously entered into the Land Disposition Agreement. The Real Property has been previously acquired by BURA, and (i) has been leased to the County pursuant to a certain Ground Lease between BURA and the County dated as of May 10, 1995, (ii) has been simultaneously subleased by the County to the City pursuant to the County/City Lease dated as of May 10, 1995, (iii) has been simultaneously subleased by the City to the County pursuant to the City/County Lease dated as of May 10, 1995, and (iv) has been simultaneously subleased by the County to the Agency pursuant to the County/Agency Lease dated as of May 10, 1995. BURA, the City and the County have no recourse to the Agency under the Prior Leases, except to the Real Property. To accomplish the purposes of the Act, the Agency has previously entered into negotiations with the Company with respect to the sublease of the Premises by the Agency for the purpose of subleasing the Agency's entire interest in the Premises to the Company, with the Company undertaking the Project and subleasing the Premises to various end users.

9. On October 31, 1994, the Agency adopted the Inducement Resolution.

10. On December 14, 1994, the Agency adopted a special resolution, which resolution authorized the Agency to (i) execute master ground leases and subleases required in connection with the Project with the City, the County and/or BURA in form acceptable to Agency staff and counsel, (ii) execute the various agreements contemplated by the MOU, including without limitation the Master Agreements, and related intercreditor agreements as contemplated by the MOU in form acceptable to Agency staff and counsel, (iii) ratify

and confirm the Inducement Resolution, (iv) execute the mortgages, security agreements and lease assignments to secure all Project related debt, along with related subordination, nondisturbance and attornment agreements, covenants and intercreditor agreements in form acceptable to Agency staff and counsel, (v) confer upon the Project a nonstandard payment in lieu of tax arrangement, the form and content of which is to be approved in writing by the Mayor of the City and the County Executive, and (vi) have the Agency's Chair or Executive Director execute the agreements authorized by said special resolution, with such officers authorized on behalf of the Agency to execute and deliver such other documents and to do any and all other acts necessary or appropriate to effectuate the purposes of said special resolution, including, without limitation, executing and delivering subsequent amendments, extensions or renewals and any other agreement or instrument contemplated by said special resolution.

11. The Agency, based upon representations and warranties of the Company contained in this Agreement and the information contained in the application of the Company and other material heretofore submitted by or on behalf of the Company to the Agency, hereby finds and determines that the acquisition of the Premises and the sublease thereof to the Company is reasonably necessary to accomplish the purposes of the Act.

12. The Agency, based upon representations and warranties of the Company contained in the application of the Company and other material heretofore submitted on behalf of the Company to the Agency, has previously determined that (i) the Company would, but for the assistance to be provided by the Agency, locate the Project and the jobs related to the Project outside the State of New York, (ii) the predominant purpose of the Project is to make available goods and services which would not, but for the Project, be reasonably accessible to the residents of the City because of a lack of reasonably accessible retail trade facilities offering such goods or services, (iii) the Project is located in a "highly distressed area", as defined in §854(18) of the New York General Municipal Law, and (iv) the Project is "retail" for purposes of §862 of the General Municipal Law. The County Executive has issued his written approval of the Project as required by General Municipal Law §862(2)(c), which approval is dated November 15, 1994.

13. The Company has proceeded with the Project pursuant to the Inducement Resolution.

14. The Company will complete the Project without requiring the issuance of a bond by the Agency, and will obtain funding for the Project including, without limitation, funding from the following sources: (i) a Construction Loan in the original principal amount of $35,000,000.00 from the Construction Lenders; (ii) a Concession Loan

in the original principal amount of $32,500,000.00 from the Concession Lenders; (iii) sale of bonds issued by the City in the original principal amount of $10,000,000.00; (iv) sale of bonds issued by the County in the original principal amount of $20,000,000.00; (v) a loan from UDC in the original principal amount of $25,000,000.00; and (vi) the Sabres Advance in the principal amount of $3,731,950.00.

15. The parties wish to set forth their relationship which will enable the continuation, completion and operation of the Project, in furtherance of the corporate and public purposes of the Agency.

NOW, THEREFORE, in consideration of the premises and the respective representations and agreements herein contained, the parties agree as follows:

ARTICLE I

DEFINITIONS

The following terms shall have the following meanings in this Agreement:

"Act" shall mean, collectively, the New York State Industrial Development Agency Act (constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York), as amended, Chapter 293 of the 1970 Laws of New York, as amended, and Chapter 652 of the 1993 Laws of New York, as amended.

"Additional Rent" shall mean any payments in lieu of Real Estate Taxes, Impositions (or payments in lieu thereof including payments pursuant to Schedule 1 of this Agreement), utility bills relative to the Premises, insurance premiums or other sums paid by the Agency on behalf of the Project.

"Agency" shall mean Erie County Industrial Development Agency, a public benefit corporation organized under Article 18-A of the General Municipal Law of the State with its office at Suite 300, Liberty Building, 424 Main Street, Buffalo, New York 14202.

"Agency's Reserved Rights" shall mean:

(1) the right of the Agency in its own behalf to receive all opinions of counsel, reports, financial statements, certificates, insurance policies or insurance binders

or certificates, or other notices of communications required to be delivered to the Agency under this Agreement;

(2) the right of the Agency to grant or withhold any consents or approvals required of the Agency under this Agreement;

(3) the right of the Agency to enforce on its own behalf the obligation of the Company to complete the Project;

(4) the right of the Agency to enforce or otherwise exercise on its own behalf all agreements of the Company with respect to ensuring that the Project shall always constitute a qualified "project" as defined in and as contemplated by the Act;

(5) the right of the Agency on its own behalf (or on behalf of the appropriate taxing authorities) to enforce, receive amounts payable under or otherwise exercise its rights under Articles VII, VIII, IX and XVIII of the Agreement; and

(6) the right of the Agency on its own behalf to declare an Event of Default under Section 16.1 of this Agreement, and to enforce any of its remedies as set forth in this Agreement.

"Agreement" shall mean this Agency Lease Agreement dated as of May 10, 1995, between the Agency and the Company and shall include any and all amendments thereto hereafter made.

"Amended Litigation Settlement Agreement" shall mean the City-County Bed Tax Litigation Settlement Agreement, dated as of March 10, 1994, by and between the City and the County, as amended by the First Amendment to the March 10, 1994 City-County Bed Tax Litigation Settlement Agreement, dated May 10, 1995 and together with any and all amendments thereto hereafter made.

"Application for Tax Exemption" shall mean the Industrial Development Agencies Application for Real Property Tax Exemption required under Section 412-a of the New York Real Property Tax Law.

"Arena, Inc." shall mean Arena, Inc. (formerly known as Crossroads Arena Corporation), a corporation organized and existing under the laws of New York, having offices located at 140 Main Street, Buffalo, New York 14202.

"Arena Shell" shall mean the portion of the Project constituting a functional Class "A" Building (as defined in Section 11.00(a)(1) of the New York Local Finance Law) consisting of a steel and concrete structure, HVAC, plumbing, basic electrical wiring and general lighting in accordance with the plans and specifications for the Project, but specifically excluding the Crossroads Improvements.

"Assessor" shall mean the assessor for the City.

"Assignment and Assumption Agreement" shall mean the Assignment and Assumption Agreement by and between Arena, Inc. and the Company dated November 18, 1994, and shall include any and all amendments thereto hereafter made.

"Bankruptcy Code" shall mean Federal Bankruptcy Code.

"Box Office" shall mean the retail area for sale of event tickets.

"Buffalo Place" shall mean that certain pedestrian/transit mall special district located in the City of Buffalo, which shall include all real property fronting, bounded by or located between Pearl Street (or its southerly extension) on the west, Washington Street on the east, Edward and Goodell Streets on the north and the riverfront on the south, all as more particularly described in Chapter 673 of the Laws of 1983 of the State of New York and Local Law No. 8, 1984 of the Erie County Legislature, as amended.

"Buffalo Sabres Concession LLC" shall mean Buffalo Sabres Concession LLC, a limited liability company organized and existing under the laws of the State of New York, with offices located at 140 Main Street, Buffalo, New York 14202.

"BURA" shall mean City of Buffalo Urban Renewal Agency, a public benefit corporation created pursuant to Article 15-B of the General Municipal Law, with offices located at 920 City Hall, Buffalo, New York 14202.

"BURA's Reserved Rights" shall mean:

(1) the right of BURA in its own behalf to receive all opinions of counsel, reports, financial statements, certificates, insurance polices or insurance binders or certificates, or other notices of communications required to be delivered to BURA under the Prior Leases and this Agreement;

(2) the right of BURA to grant or withhold any consents or approvals required of BURA under the Prior Leases and this Agreement;

(3) the right of BURA to enforce or otherwise exercise on its own behalf all agreements of the Company with respect to ensuring that the Project shall always be operated as a multi-purpose sports and entertainment complex in accordance with the Prior Leases, this Agreement and the Company/Sabres Lease and for no other purpose whatsoever;

(4) the right of BURA on its own behalf to declare an Event of Default under the Prior Leases or this Agreement, and to enforce any of its remedies as set forth therein;

(5) the right of BURA to receive any payment to which it may be entitled or to be indemnified pursuant to any indemnity or similar provision arising out of the construction, acquisition, equipping, operation or disposition of the Project, including without limitation, pursuant to any contract, agreement or documentation entered into with respect thereto from time to time;

(6) the rights of BURA pursuant to the Development and Construction Agreement, the Operating Agreement, the Financing Participants Agreement, the Coordinating Agreement, the Non-Relocation Agreement, and the Inter-Municipal Agreement; and

(7) the rights of BURA to commence or defend any judicial, administrative or arbitration proceeding in order to protect any of its rights, pecuniary or otherwise.

"City" shall mean the City of Buffalo, a municipal corporation of the State of New York, with offices at 65 Niagara Street, City Hall, Room 110, Buffalo, New York 14202.

"City/County Lease" shall mean that certain City Sublease dated as of May 10, 1995 between the City, as lessor, and the County, as lessee, and shall include any and all amendments thereto hereafter made.

"City's Reserved Rights"

(1) the right of the City in its own behalf to receive all opinions of counsel, reports, financial statements, certificates, insurance polices or insurance binders or certificates, or other notices of communications required to be delivered to the City under the Prior Leases and this Agreement;

(2) the right of the City to grant or withhold any consents or approvals required of the City under the Prior Leases and this Agreement;

(3) the right of the City to enforce or otherwise exercise on its own behalf all agreements of the Company with respect to ensuring that the Project shall always be operated as a multi-purpose sports and entertainment complex in accordance with the Prior Leases, this Agreement and the Company/Sabres Lease and for no other purpose whatsoever;

(4) the right of the City on its own behalf to declare an Event of Default under the Prior Leases or this Agreement, and to enforce any of its remedies as set forth therein;

(5) the right of the City to receive any payment to which it may be entitled or to be indemnified pursuant to any indemnity or similar provision arising out of the construction, acquisition, equipping, operation or disposition of the Project, including without limitation, pursuant to any contract, agreement or documentation entered into with respect thereto from time to time;

(6) the rights of the City pursuant to the Development and Construction Agreement, the Operating Agreement, the Financing Participants Agreement, the Coordinating Agreement, the Non-Relocation Agreement, and the Inter-Municipal Agreement; and

(7) the rights of the City to commence or defend any judicial, administrative or arbitration proceeding in order to protect any of its rights, pecuniary or otherwise.

"Company" shall mean Crossroads Arena LLC, a limited liability company organized and existing under the laws of the State of New York, successor by assignment of all of Arena, Inc.'s rights and interests under the MOU, with offices located at 140 Main Street, Buffalo, New York 14202.

"Company/Sabres Lease" shall mean that certain Sublease Agreement dated as of May 10, 1995 between the Company, as lessor, and the Sabres, as lessee, and together with any and all amendments thereto hereafter made.

"Completion Date" shall mean the one hundred and twenty-first (121st) day following the date that construction of the Project is substantially complete and possession

of the Project is tendered to the Company pursuant to the Development and Construction Agreement.

"Concession Equipment" shall mean equipment and furniture used in connection with the operation of the Concession Facilities.

"Concession Facilities" shall mean the area identified as Concession Facilities on Exhibit 6 to the Company/Sabres Lease.

"Concession Lease" shall mean that certain Lease and Agreement dated as of May 10, 1995 by and between the Sabres, as lessor, and Buffalo Sabres Concession LLC, as lessee, and together with any and all amendments thereto hereafter made.

"Concession Lenders" shall mean Shawmut Bank, N.A., Fleet Bank and other participants under the Interim and Term Concession Loan Agreement dated as of May 10, 1995 with Buffalo Sabres Concession LLC, and together with any and all amendments thereto hereafter made.

"Concession Loan" shall mean that certain Concession Loan by the Concession Lenders to Buffalo Sabres Concession LLC, in the principal amount of $32,500,000.00, in connection with the Project.

"Concession Loan Financing Documents" shall mean the loan agreements, promissory notes, security agreements, mortgages and other documents pertaining to the Concession Loan.

"Concession Sublease" shall mean that certain Concession Lease and Agreement dated May 10, 1995 among the Sabres, Buffalo Sabres Concession LLC, New York Sportservice, Inc. and Sportservice Corporation, and together with any and all amendments thereto hereafter made.

"Concessionaire" shall mean the firm or firms with which the Sabres or affiliate of the Sabres lease the operation of the parking structures and lots and the Concession Facilities exclusively reserved to the Sabres under the Company/Sabres Lease. Initially the Concessionaire will be New York Sportservice, Inc. The Sabres will initially operate novelty concession facilities.

"Construction Lenders" shall mean Marine Midland Bank, Key Bank of New York, and other co-lenders and participants under the Building Loan Contract dated as of

May 10, 1995 with the Company, and together with any and all amendments thereto hereafter made.

"Construction Loan" shall mean that certain Construction Loan from the Construction Lenders to the Company, in the principal amount not to exceed $35,000,000.00, in connection with the Project.

"Construction Loan Documents" shall mean the loan agreements, promissory notes, security agreements, leasehold mortgages and other documents pertaining to the Construction Loan.

"Coordinating Agreement" shall mean the agreement dated as of May 10, 1995 among the Principal Public Participants, regarding their roles, rights, duties and obligations with respect to the Project, and shall include any and all amendments thereto hereafter made.

"County" shall mean the County of Erie, New York, with offices located at 95 Franklin Street, Buffalo, New York 14202.

"County/Agency Lease" shall mean that certain County Sublease #2 dated as of May 10, 1995 between the County, as lessor, and the Agency, as lessee, and shall include any and all amendments thereto hereafter made.

"County/City Lease" shall mean that certain County Sublease #1 dated as of May 10, 1995 between the County, as lessor, and the City, as lessee, and shall include any and all amendments thereto hereafter made.

"County Bonds" shall mean the notes and/or bonds in an amount not to exceed $24,500,000.00 issued by the County pursuant to the New York State Local Finance Law and a bond resolution duly adopted by the Legislature of the County on February 2, 1995 for the purpose of providing a portion of the funds necessary to pay the development and construction costs and expenses of the Arena Shell.

"County Executive" shall mean that person serving as the County Executive of Erie County, New York.

"County's Reserved Rights" shall mean:

(1) the right of the County in its own behalf to receive all opinions of counsel, reports, financial statements, certificates, insurance polices or insurance binders or

certificates, or other notices of communications required to be delivered to the County under the Prior Leases and this Agreement;

(2) the right of the County to grant or withhold any consents or approvals required of the County under the Prior Leases and this Agreement;

(3) the right of the County to enforce or otherwise exercise on its own behalf all agreements of the Company with respect to ensuring that the Project shall always be operated as a multi-purpose sports and entertainment complex in accordance with the Prior Leases, this Agreement and the Company/Sabres Lease and for no other purpose whatsoever;

(4) the right of the County on its own behalf to declare an Event of Default under the Prior Leases or this Agreement, and to enforce any of its remedies as set forth therein;

(5) the right of the County to receive any payment to which it may be entitled or to be indemnified pursuant to any indemnity or similar provision arising out of the construction, acquisition, equipping, operation or disposition of the Project, including without limitation, pursuant to any contract, agreement or documentation entered into with respect thereto from time to time;

(6) the rights of the County pursuant to the Development and Construction Agreement, the Operating Agreement, the Financing Participants Agreement, the Coordinating Agreement, the Non-Relocation Agreement, and the Inter-Municipal Agreement; and

(7) the rights of the County to commence or defend any judicial, administrative or arbitration proceeding in order to protect any of its rights, pecuniary or otherwise.

"Crossroads Arena Corporation" shall mean the entity now known as Arena, Inc.

"Crossroads Improvements" shall mean the portion of the Project not financed out of funds provided by the Principal Public Participants. To the extent funds provided by the Principal Public Participants are insufficient to complete the Arena Shell, that portion of the Arena Shell financed with other funds shall constitute Crossroads Improvements.

"Crossroads Participants" shall mean the Company, the Public Sector Participants and the Private Financing Participants.

"Development and Construction Agreement" shall mean the Development and Construction Agreement dated as of May 10, 1995 by and among the Company and the Public Sector Participants, and shall include any and all amendments thereto hereafter made.

"Environmental Compliance Agreement" shall mean that certain Environmental Compliance and Indemnification Agreement dated as of May 10, 1995, from the Company to BURA, the City, the County and the Agency, and shall include any and all amendments thereto hereafter made.

"Equipment" shall mean the equipment described in Exhibit B annexed hereto.

"Event of Default" shall have the meaning specified in Article XVI hereof.

"Exempt Property" shall mean only tangible personal property including all building materials and equipment (and all replacements of such equipment) conveyed to or acquired by the Agency in accordance with Section 5.2 of this Agreement, for incorporation in the Project or for use in connection therewith.

"Financing Participants Agreement" shall mean the Financing Participants Agreement among the Company, Sportservice Corporation, New York Sportservice, Inc., the Private Financing Participants and the Public Sector Participants, dated as of May 10, 1995, and shall include any and all amendments thereto hereafter made.

"Fleet Bank" shall mean Fleet Bank, a banking corporation organized and existing under the laws of the State of New York, having offices at 10 Fountain Plaza, Buffalo, New York 14202.

"Ground Lease" shall mean that certain Buffalo Urban Renewal Agency - County Ground Lease agreement dated as of May 10, 1995 between BURA, as lessor, and the County, as lessee, and shall include any and all amendments thereto hereafter made.

"Impositions" shall mean any special assessments or special district charges, such as user charges, fire protection, water, utility or sewer charges, or other governmental charges customarily charged to all users on a nondiscriminatory basis, but excluding Real Estate Taxes and any payments in lieu of taxes.

"Inducement Resolution" shall mean that certain Inducement Resolution adopted by the Agency on October 31, 1994 authorizing the Company to proceed with the Project according to the terms and conditions set forth therein, and authorizing the execution and delivery of this Agreement.

"Inter-Municipal Agreement" shall mean the Inter-Municipal Agreement by and between the City and the County dated as of May 10, 1995, together with and including any and all amendments thereto hereafter made.

"Key Bank of New York" shall mean Key Bank of New York, a banking corporation organized and existing under the laws of the State of New York, having offices at 50 Fountain Plaza, Buffalo, New York 14202.

"Land Disposition Agreement" shall mean the Contract for Lease of Land for Redevelopment dated May 10, 1995 by and among BURA, the City and the Company.

"Lease Year" shall mean, during the term of this Agreement, the period from October 1 in one year through and including September 30 in the following year.

"Loss Event(s)" shall mean an event which causes damage or destruction of the Project in whole or in part.

"Marine Midland Bank" shall mean Marine Midland Bank, a banking corporation organized and existing under the laws of the State of New York, having offices at c/o Real Estate Finance Department, One Marine Midland Center, 15th Floor, Buffalo, New York 14203.

"Master Agreements" shall mean the Coordinating Agreement, the Development and Construction Agreement, the Operating Agreement, the Inter-Municipal Agreement and the Financing Participants Agreement, and shall include any and all amendments thereto hereafter made.

"MOU" shall mean the Memorandum of Understanding dated as of March 28, 1994 among the Sabres, the Public Sector Participants and Crossroads Arena Corporation.

"National Hockey League" shall mean the National Hockey League, an unincorporated, not-for-profit association.

"New York Sportservice, Inc." shall mean New York Sportservice, Inc., a New York corporation, having an office at 438 Main Street, Buffalo, New York 14202.

"Non-Disturbance Agreement" shall mean the Non-Disturbance and Attornment Agreement attached hereto as Schedule 2, and shall include any and all amendments hereafter made.

"Non-Relocation Agreement" shall mean the Non-Relocation Agreement among the City, the Company, the Sabres, the County, UDC and the National Hockey League dated as of May 10, 1995, and together with any and all amendments thereto hereafter made.

"Operating Agreement" shall mean the Operating Agreement between the Public Sector Participants and the Company dated as of May 10, 1995, and shall include any and all amendments thereto hereafter made.

"Operating Year(s)" shall mean the period commencing on September 1 of each year and ending on August 31 of the next year, except that the first Operating Year shall commence on the Completion Date and end on the following August 31.

"Permitted Exceptions" shall mean conditions of title to which the Premises shall be subject as set forth in Exhibit C annexed hereto.

"Premises" shall mean (i) the Agency's leasehold interest in the Real Property pursuant to the County/Agency Lease, (ii) all appurtenances thereto and all public and private easements and rights of way now or hereafter benefitting, existing or used in connection therewith, (iii) the buildings located or to be located on the Real Property, any "leasehold" improvements thereto (items so affixed to the realty as cannot be removed without damage to the realty), and any replacements, improvements, substitutions and additions thereto, acquired, constructed and installed as provided in this Agreement, and (iv) the Equipment.

"Principal Public Participants" shall mean the City, the County and UDC.

"Prior Lease Promise(s)" shall mean all representations, warranties, covenants, obligations, promises and agreements of the "redeveloper", "lessee", "sublessee", "landlord" or "tenant" (including those required to be imposed upon the Company) under any of the Prior Leases, including but not be limited to, those representations, warranties, covenants, obligations, promises and agreements required to be imposed upon the Company pursuant

to Schedule B to the Ground Lease, Schedule B to the County/City Lease and Schedule B to the City/County Lease.

"Prior Lease(s)" shall mean, collectively, the Land Disposition Agreement, the Ground Lease, the County/City Lease, the City/County Lease and the County/Agency Lease.

"Private Arena Debt" shall mean the indebtedness (including principal and interest) of the Company and its affiliates (including Buffalo Sabres Concession LLC) to the Private Financing Participants evidenced by the Private Arena Debt Agreements, and permitted refinancings.

"Private Area Debt Agreements" shall mean the loan agreement(s), promissory notes, security agreements, leasehold mortgages and other documents pertaining to the Private Arena Debt.

"Private Financing Participant(s)" shall mean the Construction Lenders and the Concession Lenders.

"Project" shall mean the undertaking described in Exhibit D ("Description of the Project"), including the improvements and the Equipment used in that connection, as may be indicated by the context.

"Project Supervisor" shall mean the person or persons appointed in accordance with Section 5.2(a) hereof.

"Public Sector Participants" shall mean the City, the County, BURA, the Agency and UDC.

"Real Estate Taxes" shall mean all general levy real estate taxes levied against the Premises by the City and County.

"Real Property" shall mean the real property described in Exhibit A annexed hereto.

"Sabres" or "NFHLP" shall mean Niagara Frontier Hockey, L.P., a limited partnership organized and existing under the laws of the State of Delaware.

"Sabres Advance" shall mean $3,731,950.00 which the Sabres may advance to the Company for costs of the Project.

"Sales Taxes" shall mean any tax(es) imposed by Article 28 of the New York Tax Law, as the same may be amended from time to time.

"Shawmut Bank, N.A." shall mean Shawmut Bank, N.A., a national bank organized and existing under the laws of the United States of America, having an office at One Federal Street, Boston, Massachusetts 02211.

"Sportservice Corporation" shall mean Sportservice Corporation, a New York corporation having an office at 438 Main Street, Buffalo, New York 14202.

"State" shall mean the State of New York.

"Taxable Status Date" shall mean December 1, 1995.

"UDC" shall mean the New York State Urban Development Corporation, a corporate governmental agency of the State of New York constituting a political subdivision and public benefit corporation.

ARTICLE II

DEMISE; PREMISES; TERM

2.1 Demise. The Agency hereby subleases to the Company, and the Company hereby hires from the Agency, the Premises herein described for the stated term for the rents, covenants and conditions set forth herein subject only to the Permitted Exceptions.

2.2 Description of Premises Leased. The leased Premises are that described in Article I of this Agreement and as more fully described on Exhibits A and B.

2.3 Term. The Premises are leased for a term which shall commence on June 2, 1995, and shall continue until midnight of the last day of the thirtieth (30th) Lease Year, unless such term is earlier terminated as provided in the Operating Agreement, the Prior Leases or this Agreement or by operation of law, at which time the Company shall provide the Agency, the County and the City with written notice of such early termination of the term. The first Lease Year shall commence on October 1 following the Completion Date, unless the Completion Date is October 1, in which case the first Lease Year shall commence on the Completion Date. Upon a determination of the Completion Date under the Development and Construction Agreement and the Operating Agreement, the Agency

and the Company shall execute an amendment to this Agreement, confirming the occurrence of the Completion Date.

2.4 Lease Term Renewal and Expiration.

(a) Provided that (i) the Prior Leases are in full force and effect, (ii) the Operating Agreement is in full force and effect and all payments thereunder due from inception of this Agreement have been paid in full as of the time of each such renewal, (iii) the Operating Agreement is simultaneously renewed upon the terms and conditions provided therein, and (iv) no Event of Default shall then exist, the term of this Agreement shall automatically be extended on the same terms and conditions as provided herein for additional terms (the "Extension Term") each commencing on the expiration of the initial term or of the preceding Extension Term as follows:

(A) An additional term of five (5) Operating Years (the "First Extension Term"); provided, however, with respect to the first Operating Year of the First Extension Term, such Operating Year will be deemed to have commenced on October 1, notwithstanding the definition of Operating Year as contained in the Operating Agreement;

(B) A second additional term of five (5) Operating Years (the "Second Extension Term");

(C) A third additional term of five (5) Operating Years (the "Third Extension Term"); and

(D) A fourth additional term of three (3) Operating Years (the "Fourth Extension Term").

(b) At the expiration of the initial term of this Agreement, or if extended, the last exercised Extension Term, this Agreement and all rights of the Company hereunder and to the Premises shall immediately expire and terminate and the Company shall immediately quit the Premises, repairing and restoring any damage to the Premises and leaving it in good condition, subject to ordinary wear and tear, and the Agency, the County, the City and/or BURA shall have the right to re-enter the Premises and remove all persons and property therefrom. Upon such expiration, the Company shall pay to the Agency, BURA, the County and/or the City (i) any unpaid rent which has accrued at the time of such expiration, and (ii) any Additional Rent or other amount due the Agency, BURA, the County and/or the City under this Agreement or the Prior Leases.

(c) Should the County assign its rights to the City as tenant under the City/County Lease and the Ground Lease and as landlord under the County/City Lease and County/Agency Lease, the Company agrees to attorn to the rights of the City.

ARTICLE III

MISCELLANEOUS PROVISIONS

3.1 No Recourse to Agency.

(a) The Company agrees to pay or cause to be paid to BURA, the City or the County, as applicable, all rentals and other sums or things of value due to such parties under the Prior Leases or this Agreement, for the full term thereof, and also to comply with and satisfy each and every other Prior Lease Promise. All Prior Lease Promises are hereby incorporated into this Agreement by reference, and the Company assumes liability for all Prior Lease Promises and agrees to comply with the same and be responsible therefor, without regard to any nonrecourse language contained in any of the Prior Leases with regard to the obligations of the redeveloper or the lessees thereunder. The Prior Lease Promises shall survive the foreclosure of any mortgage or security interest executed in connection with the Project from time to time.

(b) The Prior Lease Promises shall be deemed obligations of the Company only, and not of the Agency, and the Agency shall have no responsibility or liability for compliance therewith or the breach by the Company thereof. The Prior Lease Promises shall not be deemed to be obligations and agreements of any member, officer, agent (other than the Company) or employee of the Agency in his or her individual capacity, and the members, officers, agents (other than the Company) and employees of the Agency shall not be personally liable hereon or thereon or subject to any personal liability or accountability based upon or in respect hereof or thereof or of any transaction contemplated hereby or thereby.

3.2 Agency's Reserved Rights. The Company hereby expressly covenants and agrees that the Agency's Reserved Rights shall survive the termination of this Agreement and the foreclosure of any mortgage executed in connection with the Project.

3.3 Third Party Beneficiary. The Agency and the Company hereby acknowledge the rights of the City, the County and BURA, as beneficiaries of this Agreement, to directly enforce the Company's obligations and covenants to comply with the terms of this Agreement or with any of the Prior Lease Promises. Whenever the terms of

this Agreement provide that the Company has incurred any obligation to the Agency, such obligation shall be construed as also being incurred by the Company to BURA, the City and the County.

3.4 County's, City's and BURA's Reserved Rights. The parties hereto hereby expressly covenant and agree that the County's Reserved Rights shall run to the County, the City's Reserved Rights shall run to the City and BURA's Reserved Rights shall run to BURA during the term of this Agreement and shall survive the termination of this Agreement and the foreclosure of any mortgage or security interest executed in connection with the Project from time to time. The County's Reserved Rights, the City's Reserved Rights and BURA's Reserved Rights shall in each case be subject to the terms, conditions and limitations of the Financing Participants Agreement and the Non-Disturbance Agreement. No amendment or modification of this Agreement will be permitted without approval of the County, the City and BURA, which approvals shall not be unreasonably withheld.

ARTICLE IV

Intentionally omitted.

ARTICLE V

THE COMPANY'S OBLIGATIONS

5.1 Employment Information. The Company shall furnish, and shall cause any and all sublessees, licensees or other occupant of the Premises to furnish, promptly to the Agency such information, in such form and supported by such certifications, as the Agency shall request, relating to the Company, any sublessee, licensee or other occupant of the Premises (including, but not limited to, copies of any sublease, license or other agreement entered into by the Company with regard to the use or occupancy of the Premises, schedules listing any existing sublease, license or other agreement and sublessees, licensees or other occupants, along with such information regarding such parties or agreements as the Agency may request), the Project, the finances of the Company, and employment by the Company and any sublessee, licensee or other occupant of the Premises (past, present and future).

5.2 Construction of the Project.

(a) The Company as agent of the Agency will, subject to the provisions hereof, cause to be acquired, constructed and equipped on the Real Property, certain buildings (substantially in accordance with plans and specifications therefor prepared by or on behalf of the Company, to be maintained by the Company and made available by the Company for inspection by the Agency, with such changes and substitutions as may be reasonably desired by the Company, all as further provided in the Development and Construction Agreement), and to be acquired and installed therein the Equipment. The cost of such acquisition, equipping, construction and installation shall be paid by the Company. All contractors, materialmen, vendors, suppliers and other companies, firms or persons furnishing labor, services or materials for or in connection with the Project shall be designated by the Company. The acquisition, construction and installation of the Project shall be supervised by Lawrence Quinn, hereby appointed the Project Supervisor and, in the event said Project Supervisor resigns or becomes incapable of undertaking or carrying out his duties hereunder, the Company shall appoint a successor reasonably acceptable to the Agency.

(b) In order to accomplish the purposes of the Agency, and to assure the acquisition, renovation, construction and installation of the Project in conformity with the requirements of the Company, the Company has undertaken to proceed with the design of the Project, the preparation of the site and the acquisition, equipping, construction and installation of the Project in accordance with the Development and Construction Agreement and operate the same in accordance with the Operating Agreement and all of the terms of this Agreement. The Company agrees to complete the acquisition, renovation, construction and installation of the Project on behalf of the Agency under the supervision of the Project Supervisor.

(c) After the Completion Date, no additional equipment shall be added to Exhibit B (other than replacements for any equipment listed on Exhibit B that has become obsolete) without the prior written consent of the Agency, which consent may be withheld by the Agency in its sole and absolute discretion, and which consent may be conditioned upon, among other things, an increase in the Agency Administrative Fee provision set forth in Section 7.1 of this Agreement.

(d) The Company further affirms that it shall pay all shipping and delivery charges and other expenses incurred in connection with the Project and pay all lawful claims, whether for labor, materials, supplies, rents or services, which might or could if unpaid become a lien or charge on the Premises.

(e) The Company covenants that it will obtain or cause to be obtained all necessary approvals from any and all governmental agencies requisite to the acquisition, construction, equipping and installation of the Project, and the operation thereof, and the acquisition, construction, equipping and installation of the Project and the operation thereof will be done in compliance with the federal, state and local laws, ordinances, regulations, determinations, permits, approvals and judicial or administrative orders applicable thereto including, without limitation, with respect to any machinery, equipment or other property, all manufacturers' instructions and warranty requirements, and in compliance with the conditions and requirements of all policies of insurance with respect to the Project. Upon completion of the Project, the Company will promptly obtain or cause to be obtained all required occupancy permits, or certificates of occupancy, authorizations and licenses from appropriate authorities, if any be required, authorizing the occupancy and uses of the Project for the purposes contemplated by this Agreement and the Prior Leases and shall furnish copies of same to the Agency, BURA, the County and the City immediately upon receipt thereof.

(f) The Company will extend to the Agency, BURA, the County and the City all vendors' warranties received by the Company in connection with the acquisition, construction and installation of the Project, including any warranties given by contractors, manufacturers or service organizations who perform construction work. If requested, the Company shall execute and deliver appropriate instruments to the Agency, BURA, the County and the City to accomplish the foregoing.

(g) The Company shall, with the consent of the Agency, take such action and institute such proceedings as shall be necessary to cause and require all contractors and material suppliers to complete their contracts diligently in accordance with the terms of said contracts, including, without limitation, the correcting of any defective work and to enforce any and all payment and performance bonds or other security given in connection therewith, with all expenses incurred by the Company or the Agency in connection with the performance of their obligations under this section to be considered part of the cost of the Project, and the Agency agrees that the Company may, from time to time, in its own name, or in the name of the Agency with the consent of the Agency, take such action at the Company's sole expense, as may be necessary or advisable, as determined by the Company, to insure the acquisition, construction, equipping and installation of the Project in accordance with the terms of such applicable contracts, with all costs and expenses incurred by the Company in connection therewith to be considered as part of the cost of the Project.

(h) The Company shall promptly convey to the Agency, by bill(s) of sale with full warranties of title, the Equipment.

(i) The Company shall operate the Project in compliance with local zoning and planning laws, rules and regulations.

5.3 Responsibilities for Project Performance. The Agency appoints the Company its special agent to carry out the Project in the name of the Agency, and the Company shall serve in that capacity. The Company may make all arrangements to obtain or provide materials and equipment necessary for completion of the Project.

5.4 Completion by Company. The Company reasonably expects and agrees to proceed with diligence to complete, or cause to be completed, the acquisition, construction, renovation and installation of the Project by June 30, 1997.

5.5 Mechanic's Liens. The Agency shall not be liable for any labor or materials furnished or to be furnished by others to the Company, and no mechanic's, public improvement or other lien for any such labor or materials shall attach to or affect the Agency or the Premises. If any lien is filed by any Company contractor, subcontractor or materialman, or if any security agreement (other than security agreements entered into in connection with the Concession Loan Financing Documents, the Construction Loan Documents or as contemplated in the Financing Participants Agreement) is filed against the improvements constructed pursuant to Section 5.2 of this Agreement, the Company shall immediately take such action by bonding, deposit or payment as will remove the unpermitted lien or security interest. If the Company has not commenced proceedings to remove the unpermitted lien or security interest within thirty (30) days after notice to the Company or if the Company does not diligently pursue such proceedings, the Agency, BURA, the County or the City may pay the amount of the lien or security interest or discharge the same by bonding or deposit, and the amount so paid or deposited or the bond premiums, with interest thereon, shall be deemed Additional Rent under this Agreement or the Prior Leases. Such payment shall be without prejudice to the Company's rights to challenge the validity of the claim or lien.

5.6 Identification of Equipment. All Equipment is identified in Exhibit B attached hereto.

5.7 Intentionally omitted.

5.8 Environmental Covenants. At all times, the Company agrees to comply with, and ensure compliance by all users of the Premises with the provisions of the Environmental Compliance Agreement.

5.9 Compliance with Laws. The Company and its subtenants will at all times be in compliance with all applicable federal, state and local laws or ordinances (including rules and regulations) relating to zoning, building, safety and environmental quality.

5.10 Waiver of Set-Off or Counterclaim. The obligation of the Company to make all payments provided for in this Agreement and to maintain the Premises in accordance with this Agreement shall be absolute and unconditional, irrespective of any defense or any rights of set-off, recoupment or counterclaim or deduction and without any rights of suspension, deferment, diminution or reduction it might otherwise have against the Agency, provided, however, that nothing contained herein shall be construed as a waiver of any right of the Company to commence a separate action as a result of any breach of this Agreement by the Agency.

5.11 Operation of Project.

(a) The Company shall use the Premises for a multi-purpose sports and entertainment complex including parking facilities and for no other purpose whatsoever throughout the term of this Agreement.

(b) The Company shall continuously operate the Project throughout the term of this Agreement for the purposes described herein and otherwise in accordance with the terms of this Agreement and the Act, except as appropriate and for such period as may be necessary in the case of an event described in Article XIV of this Agreement. In the event the Company, for any reason other than damage or destruction or a condemnation described in Article XIV of this Agreement, ceases to operate the Project as contemplated by this Agreement, the Company shall, commencing with the tax fiscal year next following such cessation of or change in operations, make payments in lieu of taxes on the Premises to all applicable taxing authorities in such amounts as would be payable as Real Estate Taxes levied on the Premises if the Premises were owned by the Company. Such payments shall be in addition to any other rights or remedies of the Agency under this Agreement. For the purpose of this Agreement, the Company shall be deemed to have ceased to operate the Project as contemplated by this Agreement if it (a) materially alters the use of the Project, in the Agency's judgment, except as permitted hereunder, (b) closes other than for routine maintenance, observance of national holidays or regularly scheduled seasonal closings, or (c) reduces the operations to such an extent that, in the Agency's sole but reasonable judgment, the economic benefit to be derived from the Project has been substantially impaired. Any of the foregoing notwithstanding, the Company may use the Project for some purpose other than that described in this Agreement with the prior written consent of the Agency, which consent may be withheld in the Agency's absolute discretion,

and provided further that such proposed use constitutes a qualified "project" in accordance with Agency policy and as defined under the Act.

(c) The Company shall, and shall cause any other sublessee, licensee or occupant of the Premises, to maintain and operate the Premises in accordance with the terms and conditions of this Agreement, the Master Agreements, the Prior Leases and the Environmental Compliance Agreement.

Section 5.12 Equal Employment Opportunities.

(a) The Company shall insure for itself and shall cause any of its sublessees, licensees or other user of the Premises to insure that all employees and applicants for employment are afforded equal employment opportunities without discrimination.

(b) Except as is otherwise provided by collective bargaining contracts or agreements, new employment opportunities created as a result of the Project (whether by the Company or any sublessee, licensee or other occupant of the Premises) shall be listed by the Company (or, if applicable, by such other sublessee, licensee or occupant) with the New York State Department of Labor Community Services Division, and with the administrative entity of the service delivery area created by the Federal Job Training Partnership Act (P.L. No. 97-300) in which the Premises are located. Except as is otherwise provided by collective bargaining contracts or agreements, the Company agrees, and shall cause any other sublessee, licensee or occupant of the Premises to agree, where practicable, to first consider persons eligible to participate in the Federal Job Training Partnership (P.L. No. 97-300) programs who shall be referred by administrative entities of service delivery areas created pursuant to such act or by the Community Services Division of the New York State Department of Labor for such new employment opportunities. The Company shall include the above provisions in any sublease, license or other agreement entered into by the Company with regard to the use or occupancy of the Premises.

ARTICLE VI

Intentionally omitted.

ARTICLE VII

AGENCY ADMINISTRATIVE FEE

7.1 Payment of Administrative Fee. The Company shall pay to the Agency an administrative fee hereunder of $75,000.00, payable upon execution of this Agreement.

ARTICLE VIII

PILOT AND TAXES

8.1 Real Estate Taxes/Payments in Lieu of Taxes.

(a) Pursuant to the agreement of the City and the County, as set forth on Schedule 1, no payments in lieu of Real Estate Taxes shall be required to be made by the Company during the term of this Agreement, except as otherwise set forth herein. Subject to the completion and filing of the Application for Tax Exemption by the Taxable Status Date and the approval of the Application for Tax Exemption by the Assessor, the Premises shall be exempt from Real Estate Taxes and Buffalo Place special district charges commencing with the 1996-97 tax fiscal year of the City and the 1997 tax fiscal year of the County, and the Company shall be required to make payments in lieu of Buffalo Place special district charges in such amounts and according to such terms as are more fully set forth in Schedule 1.

(b) The Agency shall promptly forward to the Company in writing any notice, bill or other statement received by the Agency concerning any Real Estate Tax or Buffalo Place special district charges. The Company may, at its expense and in its own name, in good faith and with due diligence, contest (i) the denial of an exemption from Real Estate Taxes or Buffalo Place special district charges based upon the Application for Tax Exemption, and (ii) any Real Estate Taxes or Buffalo Place special district charges payable by reason of such denial, and shall give notice of such contest to the Agency. In the event of such contest, the Company may permit the Real Estate Taxes or Buffalo Place special district charges so contested to remain unpaid during the period of such contest unless (i) the failure to pay will subject the Premises to loss, forfeiture or sale prior to completion of the contest, or (ii) the Agency would be in any danger of any civil or any criminal liability, other than normal accrual of interest, whereupon such Real Estate Taxes or Buffalo Place special district charges shall be paid forthwith by the Company without prejudice to its contest.

(c) Intentionally omitted.

(d) The Company shall have the right to (i) obtain reductions in the assessed valuation of the Premises or to obtain exemptions and discounts, if any, which would be afforded to a private owner of the Premises, and (ii) to seek to obtain refunds of any such payments made.

(e) In the event the Premises is not being used in accordance with the Act or this Agreement, or if an Event of Default occurs, then the Company shall, except as otherwise provided in the Financing Participants Agreement, make payments in lieu of Real Estate Taxes and Buffalo Place special district charges on the Premises in such amounts as would be payable as Real Estate Taxes and Buffalo Place special district charges levied on the Premises if the Premises were owned by the Company. The applicable tax assessment and tax levy rates shall be those in effect in the records of the appropriate taxing authorities. The period for the payments required by this paragraph shall commence on the date the Agency determines (a) that the use of the Premises under the Act or this Agreement is not being complied with, or (b) that an Event of Default has occurred and is continuing. In addition, the Company shall pay to the appropriate taxing authority or authorities (i) a late payment penalty equal to five (5%) percent of the delinquent amount, and (ii) for each month, or part thereof, that the payment is delinquent beyond the first month, interest on the total amount due plus the late payment penalty, equal to one (1%) percent per month until such delinquent payment is made in full. The Agency and the Company hereby acknowledge the right of the City and the County as beneficiaries of this Agreement, to pursue any appropriate remedies, including an action in the courts, to recover directly from the Company any amounts so in default. The Company shall promptly notify the Agency of any action brought, or other measure taken, by a taxing authority to recover such amounts. It is understood that the right of any taxing authority herein acknowledged is in addition to, and shall not impair, the Agency's own rights arising from a breach of this Agreement. Should the Agency or the City or the County commence any action or proceeding to enforce their rights or remedies under this Agreement, such parties shall be entitled to recover from the Company the amount due, the late payment penalty, interest, expenses, costs and disbursements, together with the reasonable attorneys' fees necessary to prosecute such action or proceeding.

(f) Notwithstanding the provisions of Section 8.1(a)-(e), the Company shall pay all Real Estate Taxes in accordance with the terms and provisions of the Land Disposition Agreement, the Financing Participants Agreement and the Operating Agreement.

8.2 Impositions.

(a) Intentionally omitted.

(b) The Agency and the Company acknowledge that pursuant to Section 9.01 of the Operating Agreement and Section 9 of the Financing Participants Agreement, the City and the County have agreed not to impose certain Impositions affecting the Premises. The Company shall pay all Impositions legally imposed, whether billed in the name of the Company, the Agency, the City, the County or BURA, or in the name of any other occupant. The obligation of the Company to pay such Impositions calculated to and including the date of termination of this Agreement and the Prior Leases even though such Impositions may not yet be due by such date, shall survive termination of this Agreement or the Prior Leases. Nothing herein contained shall be deemed to obligate the Company to pay (a) Buffalo Place special district charges, except for payments in lieu of such charges as provided for in Section 8.1 of this Agreement, or (b) any Impositions that the Premises is legally exempt from, pursuant to the applicable provisions of the Operating Agreement, the Financing Participants Agreement or otherwise. The Company shall provide the Agency, BURA, the County or the City with proof of all payments required by this section within sixty (60) days after each payment.

(c) The Agency shall promptly forward to the Company in writing any notice, bill or other statement received by the Agency concerning any Imposition. The Company may, at its expense and in its own name, in good faith and with due diligence, contest any Imposition and shall give notice of such contest to the Agency. In the event of such contest, the Company may permit the Imposition so contested to remain unpaid during the period of such contest unless (i) the failure to pay will subject the Premises to loss, forfeiture or sale prior to completion of the contest, or (ii) the Agency would be in any danger of any civil or any criminal liability, other than normal accrual of interest, whereupon such Imposition shall be paid forthwith by the Company without prejudice to its contest.

8.3 Intentionally omitted.

8.4 Limitation on Sales Tax Exemption.

(a) Any exemption from Sales Taxes from or occasioned by Agency involvement with the Project shall be limited to purchases of Exempt Property and any replacements thereof pursuant to Section 5.2(c) hereof, by or for the Company as agent for the Agency, it being the intent of the parties that no operating expenses of the Company

or the Project and no purchases of equipment or other personal property (other than Exempt Property and replacements thereof pursuant to Section 5.2(c) hereof) shall be subject to an exemption from Sales Taxes because of Agency involvement with the Project. Nothing herein shall be construed as a representation by the Agency that any property included within the definition of Exempt Property or replacements thereof is, in fact, exempt from Sales Taxes.

(b) The Company shall annually file, and shall cause any operator of the Premises to annually file, a statement with the New York State Department of Taxation and Finance, on a form and in a manner as is prescribed by the Commissioner of the New York State Department of Taxation and Finance, of the value of all sales and use tax exemptions claimed by the Company or agents of the Company or any operators of the Premises, including, but not limited to, consultants or subcontractors of such agents or Premises operators, under the authority granted pursuant to this Agreement. Should the Company fail to comply with the foregoing requirement, the Company shall immediately cease to be the agent for the Agency in connection with the Project (such Agency relationship being deemed to be immediately revoked) and shall cease to be an operator of the Premises without any further action of the parties, and the Agency shall be authorized to immediately reassign the Premises to the Company pursuant to Section 16.2(a) of this Agreement.

ARTICLE IX

INSURANCE

9.1 Liability Insurance.

(a) The Company shall maintain all insurance coverages required under the Development and Construction Agreement, the Operating Agreement and the Company/Sabres Lease.

(b) To the extent not contained in the insurance coverages maintained pursuant to the Development and Construction Agreement and the Operating Agreement, the Company shall also maintain the insurance coverages specified in this Section 9.1(b). All such insurance coverages shall be written by insurance companies licensed to do business in the State of New York, and shall cover such risks, loss, damage and liability (including liability to third parties) and for such amounts as are customarily insured against by other enterprises of like size and type as that of the Company, including, without limitation:

(i) in the event of any construction, reconstruction, improvement or renovation or any part of the Premises, and to the extent not covered by the public liability insurance referred to below in clause "ii", Owners & Contractors Protective Liability Insurance for the benefit of the Company and the Agency in a minimum amount of $5,000,000.00 aggregate coverage for personal injury and property damage during any period of such construction, reconstruction, improvement or renovation of any part of the Premises, which insurance shall not contain any provision for deductible amount not approved in advance by the Agency in its sole discretion;

(ii) public liability insurance in accordance with customary insurance practices for similar operations with respect to the Premises and the business thereby conducted in a minimum amount of $50,000,000.00, which insurance (A) will also provide coverage of the Company's obligations of indemnity under Article XVIII hereof with respect to perils customarily insured under such form of policy, (B) may be effected under overall blanket or excess coverage policies of the Company or any affiliate or subtenant thereof, and (C) shall not contain any provision for deductible amount not approved in advance by the Agency, in its sole discretion;

(iii) casualty loss and property insurance in such amounts, with such qualified insurance carriers and under such other specifications as set forth in the Development and Construction Agreement and the Operating Agreement; and

(iv) such additional coverage of the foregoing insurance and such other insurance in such amounts and against such insurable hazards as the Agency from time to time may reasonably require.

(c) All insurance required by paragraphs (a) and (b) of this section shall be procured and maintained in financially sound and generally recognized responsible insurance companies authorized to write such insurance in the State.

(d) Each of the policies or binders evidencing the insurance required above to be obtained shall:

(i) designate (except in the case of workers compensation, disability benefits or employee dishonesty) the Agency, BURA, the City and the County as an additional insured;

(ii) provide that there shall be no recourse against the Agency, BURA, the County and the City for the payment of premiums or commissions or

(if such policies or binders provide for the payment thereof) additional premiums or assessments;

(iii) provide that in respect of the respective interests of the Agency, BURA, the County and the City in such policies, the insurance shall not be invalidated by any action or inaction of the Company or any other person and shall insure the Agency, BURA, the County and the City regardless of, and any losses shall be payable notwithstanding,

(A) any act or negligence, including any breach of any condition, declaration or warranty contained in any such policy of insurance by the Agency, BURA, the County or the City (other than with respect to the Agency, BURA, the County and the City, losses arising from the gross negligence or willful misconduct of the Agency, BURA, the County or the City, respectively), the Company or any other person, or any lapse, expiration or change,

(B) the occupation, operation or use of the Premises for purposes more hazardous than permitted by the terms of the policy;

(iv) provide that such insurance shall be primary insurance without any right of contribution from any other insurance carried by the Agency, BURA, the County and the City to the extent that such other insurance provides the Agency, BURA, the County and the City with contingent and/or excess liability insurance with respect to its respective interest as such in the Premises, and shall expressly provide that all provisions thereof, except the limits of liability (which shall be applicable to all insureds as a group) and liability for premiums (which shall be solely a liability of the Company) shall operate in the same manner as if there were a separate policy covering each insured;

(v) provide that if the insurers cancel such insurance for any reason whatsoever, or the same is allowed to lapse or expire, or there be any reduction in amount, or any material change is made in the coverage, such cancellation, lapse, expiration, reduction or change shall not be effective as to the Agency, BURA, the County and the City until at least thirty (30) days after receipt by the Agency, BURA, the County and the City of written notice by such insurers of such cancellation, lapse, expiration or change;

(vi) waive any right of subrogation of the insurers thereunder against any person insured under such policy, and waive any right of the insurers to any set-off or counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of any person insured under such policy; and

(vii) contain such other terms and provisions as any owner or operator of facilities similar to the Premises would, in the prudent management of its properties, require to be contained in policies, binders or interim insurance contracts with respect to facilities similar to the Premises owned or operated by it.

(e) In addition to the insurance required pursuant to paragraphs (a) and (b) above, the Company agrees (i) that it will carry or cause to be carried in effect workers' compensation insurance, disability benefits insurance and such other forms of insurance which the Agency or the Company is required by law to provide, covering loss resulting from injury, sickness, disability or death of the employees of the Company and (ii) to cause all contractors and subcontractors employed upon or with respect to the Premises at the time of original construction or of any additions, remodeling, alterations, repairs, restorations or reconstruction thereafter to maintain workers' compensation insurance, disability benefits insurance and such other forms or types of insurance as are required by law, covering loss resulting from injury, sickness, disability or death of the employees of such contractors and subcontractors.

(f) On or before the commencement of the term hereof, the Company shall deliver or cause to be delivered to the Agency, BURA, the County and the City duplicate copies of insurance policies and/or binders or certificates of insurance evidencing compliance with the insurance requirements of Section 9.1 of this Agreement. At least thirty (30) business days prior to the expiration of any such policy, the Company shall furnish the Agency, BURA, the County and the City with evidence that such policy has been renewed or replaced or is no longer required by this Agreement and the Prior Leases.

(g) The Company shall, at its own cost and expense, make all proofs of loss and take all other steps necessary or reasonably requested by the Agency to collect from insurers for any loss covered by any insurance required to be obtained.

(h) The Company shall not do any act, or suffer or permit any act to be done, whereby any insurance required by Section 9.1 of this Agreement would or might be suspended or impaired.

(i) THE AGENCY DOES NOT IN ANY WAY REPRESENT THAT THE INSURANCE SPECIFIED HEREIN, WHETHER IN SCOPE OF COVERAGE OR LIMITS OF COVERAGE, IS ADEQUATE OR SUFFICIENT TO PROTECT THE BUSINESS OR INTEREST OF THE COMPANY.

9.2 Intentionally omitted.

9.3 Disposition of Insurance Proceeds. All casually loss and property insurance proceeds received pursuant to this Agreement shall be allocated, deposited, disposed of and otherwise as required under the Financing Participants Agreement, the Development and Construction Agreement and the Operating Agreement.

9.4 Subtenants. The Company will require all contractors, subcontractors, Sublessees and other occupants and users of the Premises, to name the Agency, BURA, the County and the City as insured on liability insurance policies carried by such contractors, subcontractors, sublessees and other occupants or users with respect to their operations at the Premises. Nothing contained in this section shall be construed as requiring members of the public attending events at the Premises to provide insurance coverage.

9.5 Certificate of Compliance. Within one hundred twenty (120) days after the end of each calendar year, the Company shall file with the Agency, BURA, the County and the City a certificate of a representative of the Company to the effect that the insurance it maintains with respect to the Premises complies with the provisions of this Article IX and that duplicate copies of all policies or certificates thereof have been filed with the Agency, BURA, the County and the City and are in full force and effect.

ARTICLE X

UTILITIES

10.1 Payment. The Company shall pay for its own account, and not as agent of the Agency, all utility charges, including, but not limited to, gas, electricity, telephone, water and sewer.

ARTICLE XI

MAINTENANCE AND REPAIRS

11.1 Maintenance. Upon signing of this Agreement, the Company shall accept the Premises "AS IS" and the Company shall be responsible for all maintenance, repairs, remediation and replacements for the Premises. The Company shall (i) keep the Project in its reasonably safe condition as its operations shall permit, (ii) make all necessary repairs, replacements to the Project (whether ordinary or extraordinary, structural or nonstructural, foreseen or unforeseen), (iii) operate the Project in accordance with this Agreement, the Master Agreements, the Prior Leases and the Company/Sabres Lease, and

(iv) do all things as may be reasonable or appropriate to ensure that the Sabres remain committed to the use and operation of the Project. With the prior written consent of the County or its delegated agent, which shall not be unreasonably withheld or delayed, the Company, as lessee of the Agency, from time to time may make any structural additions, modifications or improvements to the Arena Shell or any part thereof, provided that such actions do not adversely effect the structural integrity of the Project. All such additions, modifications or improvements (excluding trade fixtures and items of personal property) made by the Company shall become a part of the Arena Shell and the property of the County.

11.2 Site Improvements. The Company shall be responsible for all maintenance and repairs to roads, parking area, exterior lighting, signs and site improvements to the Premises.

11.3 NO WARRANTY OF CONDITION OR SUITABILITY. THE AGENCY HAS MADE AND MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION, ENVIRONMENTAL STATUS, FITNESS, DESIGN, OPERATION OR WORKMANSHIP OF ANY PART OF THE PREMISES, THEIR FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OR CAPACITY OF THE MATERIALS IN THE PREMISES, OR THE SUITABILITY OF THE PREMISES FOR THE PURPOSES OR NEEDS OF THE COMPANY. THE COMPANY ACKNOWLEDGES THAT THE AGENCY IS NOT THE MANUFACTURER OF THE PREMISES NOR THE MANUFACTURER'S AGENT NOR A DEALER THEREIN. THE COMPANY IS SATISFIED THAT THE PREMISES IS SUITABLE FOR ITS PURPOSES. THE AGENCY SHALL NOT BE LIABLE IN ANY MANNER WHATSOEVER TO THE COMPANY OR ANY OTHER PERSON FOR ANY LOSS, DAMAGE (INCLUDING, WITHOUT LIMITATION, CONSEQUENTIAL OR INCIDENTAL DAMAGES) OR EXPENSE OF ANY KIND OR NATURE CAUSED, DIRECTLY OR INDIRECTLY, BY THE PREMISES OR THE USE OR MAINTENANCE THEREOF OR THE FAILURE OF OPERATION THEREOF, OR THE REPAIR, SERVICE, OR ADJUSTMENT THEREOF, OR BY ANY DELAY OR FAILURE TO PROVIDE ANY SUCH MAINTENANCE, REPAIRS, SERVICE OR ADJUSTMENT, OR BY ANY INTERRUPTION OF SERVICE OR LOSS OF USE THEREOF OR FOR ANY LOSS OF BUSINESS HOWSOEVER CAUSED.

ARTICLE XII

REPRESENTATIONS AND WARRANTIES BY THE COMPANY

The Company makes the following representations and warranties:

12.1 The Company's Authority. The Company is duly organized and validly existing under the laws of the State of New York, has the power and authority to own its property and assets, to carry on its business as now being conducted by it and to execute, deliver and perform this Agreement.

12.2 Conflicts. The execution, delivery and performance of this Agreement and the consummation of the transaction herein contemplated have been duly authorized by all requisite limited liability company action and will not violate any material provision of law, any order of any court or agency of government or the articles of organization or operating agreement of the Company, or any indenture, agreement or other instrument to which the Company is a party or by which it or any of its property is bound, or be in conflict with or result in a breach of or constitute (with due notice and/or lapse of time) a material default under any such indenture, agreement or other instrument or result in the imposition of any lien, charge or encumbrance of any nature whatsoever except as provided in this Agreement.

12.3 Inducement. The acquisition of the Premises by the Agency and the leasing thereof to the Company has induced the Company to locate the Project in the County.

12.4 Operations. The Company shall operate the Project in accordance with this Agreement and as a qualified "project" in accordance with and as defined under the Act.

12.5 Enforceability. This Agreement constitutes the legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except to the extent that the enforceability of this Agreement may be limited by bankruptcy, moratorium or insolvency or other laws affecting creditors' rights generally.

12.6 Unlawful Use. The Company shall not use or allow the Premises or any part thereof to be used or occupied for an unlawful purpose or in violation of any certificate of occupancy affecting the Premises or in any manner which may constitute a nuisance, public or private, or make void or voidable any insurance then in force with respect to the Premises or which would violate or be inconsistent with the Act. The

Company represents and agrees that the Agency shall have such rights to enter upon the Premises, as shall be reasonably necessary to enable the Agency to exercise its powers, rights, duties and obligations as set forth in this Agreement.

12.7 Lawful Design of Project. To the best of Company's knowledge after diligent inquiry, the Project is designed and will be operated in the future in compliance with all applicable federal, state and local laws or ordinances (including rules and regulations) relating to zoning, building, safety and environmental quality.

12.8 Project. The Company hereby reaffirms its representations and warranties contained in the application of the Company and other material heretofore submitted on behalf of the Company to the Agency, upon which the Agency has relied and has previously determined that (i) the Company would, but for the assistance to be provided by the Agency, locate the Project and the jobs related to the Project outside the State of New York, (ii) the predominant purpose of the Project is to make available goods and services which would not, but for the Project, be reasonably accessible to the residents of the City because of a lack of reasonably accessible retail trade facilities offering such goods or services, and (iii) the Project is located in a "highly distressed area", as defined in §854(18) of the New York General Municipal Law.

ARTICLE XIII

ADVANCES BY THE AGENCY

13.1 Advances by the Agency. In the event the Company fails to take out or maintain the full insurance coverage required by this Agreement and the Prior Leases, fails to pay any applicable Real Estate Taxes, payments in lieu of Real Estate Taxes or Impositions required pursuant to this Agreement and the Prior Leases at or prior to the time they are required to be paid or to make necessary renewals and replacements to the Premises or keep it in good order and repair and in as reasonably safe condition as its operations permit or to perform or observe any of its other obligations under this Agreement or the Prior Leases, the Agency, BURA, the County and the City, after first notifying the Company of any such failure on its part, may (but shall not be obligated to), and without waiver of any of the rights of the Agency, BURA, the County and the City under this Agreement or the Prior Leases, take out the required policies of insurance and pay the premiums on the same, pay such Real Estate Taxes, payments in lieu of Real Estate Taxes, Impositions and other charges or make such repairs, renewals and replacements as may be necessary to complete and maintain the Premises in good order and repair and in as reasonably safe condition as the Company's operations permit or

otherwise cure any failure by the Company to perform and observe its other obligations contained in this Agreement and the Prior Leases. All amounts so advanced therefor by the Agency, BURA, the County and the City shall become Additional Rent and an obligation of the Company to the Agency, BURA, the County and the City, which amounts, together with interest thereon at the rate of sixteen percent (16%) per annum, from the date advanced, the Company will pay upon demand therefor by the Agency, BURA, the County and the City directly to the Agency, BURA, the County and the City. The foregoing obligation will be contained in any further lease or sublease of the Project. Any remedy available to the Agency, BURA, the County and the City for the default by the Company under this Agreement or the Prior Leases, or pursuant to the Master Agreements or any other agreement executed and delivered in connection with the acquisition, construction, equipping and operation of the Project, shall also be available to the Agency, BURA, the County and the City for the collection of all such amounts so advanced.

ARTICLE XIV

DAMAGE, DESTRUCTION AND CONDEMNATION

14.1 Damage or Destruction. If the Premises shall be damaged or either partially or totally destroyed at any time during the term of this Agreement, the Agency shall have no obligation to replace, repair, rebuild or restore the same and there shall be no abatement or reduction in the rent or other amounts payable by the Company under this Agreement. In such case, the Company will promptly give written notice thereof to the Agency, BURA, the County and the City, generally describing the nature and extent of such damage or destruction.

14.2 The Company's Option to Rebuild. Unless the Company shall, as soon as practical and not later than ninety (90) days after such damage or destruction, notify the Agency of its intent to do so and shall thereafter, at its own cost and expense, repair, restore or reconstruct the damaged or destroyed portion of the Premises to substantially its condition immediately prior to such damage or destruction or to a condition of at least equivalent value and function within a reasonable time after such damage or destruction, this Agreement shall terminate and the Company shall accept assignment of the Premises as provided in Section 16.2(a) hereof. The Company shall also comply with Section 12.01 of the Operating Agreement and Section 8 of the Financing Participants Agreement with regard to restoration after the occurrence of a Loss Event. The Company shall not be entitled to any reimbursement from the Agency for any cost or expenses of repair, restoration or reconstruction nor shall the rent or other payments due from the Company be abated or diminished. Any repair, restoration or reconstruction by the Company shall

automatically be a part of the Premises. Such repair, restoration or reconstruction shall be in accordance with plans and specifications approved by the Agency, BURA, the County and the City, which approval shall not be unreasonably withheld.

14.3 Condemnation. If the whole or any part of the Premises shall be taken or condemned by a competent authority for any public use or purpose, or if the temporary use of the Premises shall be so taken by condemnation or agreement, the Agency shall be under no obligation to replace, restore or rebuild the Premises, and there shall be on account of such taking or condemnation no abatement or reduction of the Company's obligations to the Agency under this Agreement. In such case, the Company will promptly give written notice thereof to the Agency, generally describing the nature and extent of such taking or condemnation. Any condemnation award or damages received by the Agency, less any sums owing to the Agency under this Agreement, shall be distributed in accordance with the terms of the Operating Agreement and the terms of the Financing Participants Agreement. If such taking or condemnation shall involve the taking or condemnation of all or substantially all of the Premises, the term of this Agreement shall thereupon expire as if such date were the date of expiration as provided in Section 2.3 hereof.

14.4 Taking of the Company's Equipment. Subject to the terms of the Operating Agreement and the Financing Participants Agreement, the Company shall be entitled to the proceeds of any taking or condemnation relating to the Company's machinery, equipment or other property to which it has retained title and not conveyed to the Agency in accordance with the provisions of this Agreement.

ARTICLE XV

ASSIGNMENT AND SUBLETTING

15.1 Compliance With Operating Agreement and Act. The Company shall not assign this Agreement nor sublet, mortgage or encumber the Premises, except as specifically permitted under the Concession Loan Financing Documents, the Construction Loan Documents, the Company/Sabres Lease, the Concession Lease or the Concession Sublease. Any assignee, subtenant, occupant or user of the Premises must be a "qualified user" as defined in accordance with Agency policy and the Act, must agree to comply with all provisions of this Agreement and the Prior Leases and, in the case of any assignment by the Company, the assignee must assume all of the duties, obligations and covenants of the Company as set forth in this Agreement and the Master Agreements.

15.2 Continuing Obligations. Any assignment or sublease permitted under the Operating Agreement shall not relieve the Company from any of its obligations under this Agreement and the Prior Leases and no such assignment, subletting or occupancy shall be deemed a waiver of this Article, or the acceptance of the assignee, subtenant or occupant as tenant, or a release of the Company.

15.3 Document Requirements. All assignments and subleases permitted under the Operating Agreement shall contain provisions consistent with the terms of this Agreement and the Prior Leases and each assignment or sublease instrument shall be subject to the Agency's, BURA's, the City's and the County's prior written approval as to form.

15.4 Mortgage of Premises. The Agency shall not be required to mortgage or otherwise encumber the Premises. The Agency has approved the mortgages by the Company provided for in the Financing Participants Agreement. The rights of the Construction Lenders set forth in the Non-Disturbance Agreement, including without limitation the rights to notice of default and opportunity to cure the same, are incorporated herein by reference.

ARTICLE XVI

EVENTS OF DEFAULT; REMEDIES

16.1 Event of Default. Any one or more of the following events shall constitute an "Event of Default":

(a) Failure by the Company to keep continuously in effect the insurance required by Article IX hereof.

(b) Failure of the Company to continuously operate the Project in accordance with the terms of this Agreement.

(c) Failure by the Company to pay any rent or Additional Rent or other sum that has become due and payable by the terms of this Agreement or the Prior Leases, and the continuation of such default for fifteen (15) business days after written notice from the Agency, BURA, the City or the County.

(d) Failure by the Company to observe and perform any other covenant, condition or agreement under this Agreement or the Prior Leases, in the Environmental Compliance Agreement or under any other agreement between the

Company and the Agency on its part to be performed (except the obligation to pay rent, Additional Rent or other sums and to provide insurance) and continuance of such failure for a period of thirty (30) days after receipt by the Company of written notice specifying the nature of such default.

(e) Assignment of the rights of the Company under this Agreement to any entity whether such assignment occurs voluntarily, involuntarily or by operation of law, except as specifically permitted under the Operating Agreement.

(f) The occurrence of any "Event of Default" under any Prior Lease.

(g) If the Company shall (i) apply for or consent to the appointment of or the taking of possession by a receiver, liquidator, custodian or trustee of itself or of all or a substantial part of its property, (ii) admit in writing its inability, or be generally unable, to pay its debts as such debts become due, (iii) make a general assignment for the benefit of its creditors, (iv) commence a voluntary case under the Federal Bankruptcy Code (as now or hereafter in effect), (v) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts, (vi) fail to controvert in a timely or appropriate manner, or acquiesce in writing to, any petition filed against itself in an involuntary case under such Bankruptcy Code, or (vii) take any action for the purpose of effecting any of the foregoing.

(h) If a proceeding or case shall be commenced, without the application or consent of the Company, in any court of competent jurisdiction, seeking, (i) liquidation, reorganization, dissolution, winding-up, or composition or adjustment of debts of the Company, (ii) the appointment of a trustee, receiver, liquidator, custodian or the like of the Company or of all or any substantial part of its assets, or (iii) similar relief with regard to the Company under any law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continued unstayed and in effect, for a period of thirty (30) days; or any order for relief against the Company shall be entered in an involuntary case under such Bankruptcy Code.

(i) Any representation or warranty made by the Company herein or in any report, certificate, financial statement or other instrument furnished pursuant hereto or any of the foregoing shall prove to be false, misleading or incorrect in any material respect as of the date made.

16.2 Remedies on Default. Whenever any Event of Default shall have occurred, the Agency may take one or more of the following remedial steps:

(a) The Agency may assign its interest in the Premises (as lessee under the County/Agency Lease and as lessor under this Agreement) to the County and the Company hereby unconditionally consents to such assignment by the Agency, with the County to assume the Agency's obligations hereunder and under the County/Agency Lease, provided that the interests assigned to the County will not merge with the County's landlord's interest under the County/Agency Lease; and the Company hereby irrevocably designates the Agency as its attorney-in-fact, coupled with an interest, for the purpose of executing and delivering such documents and to take such other and further actions reasonably necessary to complete such assignment to and assumption by the County. Any such assignment and assumption shall have the effect of releasing the Agency from any further obligations or liability hereunder or under the County/Agency Lease. Notwithstanding the foregoing, the Agency shall not be permitted to exercise its remedies under this Section 16.2(a) unless the Agency shall have previously delivered written notice to the Company of the then existing Event of Default and of the Agency's intention to exercise its remedy under this Section 16.2(a), and the Company shall have failed to cure such Event of Default within thirty (30) days from the date of such notice; provided that no such notice shall be required for any Event of Default specified under Sections 16.1(d), (e), (g) or (h) hereof. As used in this Section 16.2(a) only, the term "County" shall mean the landlord under the County/Agency Lease.

(b) Exercise its remedies under the Environmental Compliance Agreement or any of the Master Agreements.

(c) Take whatever action at law or in equity as may appear necessary or desirable to collect any sums due under this Agreement when due and thereafter to become due, or to enforce performance or observance of any obligations, agreements or covenants of the Company under this Agreement; provided, however, that the Agency shall not have the remedy of terminating this Agreement and dispossessing the Company from possession of the Premises, except as specifically provided in Section 16.7 hereof.

16.3 Compensation and Expenses of Agency. The Company shall reimburse the Agency, BURA, the County and the City for any and all loss, costs, damages, fees and expenses (including reasonable attorneys' fees) incurred by the Agency, BURA, the County and the City by reason of the Agency's, BURA's, the County's and the City's involvement with the Project, including without limitation, any and all acts incurred in connection with such parties' exercising its remedies of default.

16.4 Remedies Cumulative. The rights and remedies of the Agency under this Agreement shall be cumulative and shall not exclude any other rights and remedies of the Agency allowed by law with respect to any default under this Agreement. Failure by the Agency to insist upon the strict performance of any of the covenants and agreements herein set forth or to exercise any rights and remedies upon default by the Company hereunder shall not be considered or taken as a waiver or relinquishment for the future of the right to insist upon and enforce through specific performance or other appropriate legal remedy a strict compliance by the Company with all of the covenants and conditions of this Agreement, or of the rights to exercise any such rights or remedies, if such default by the Company be continued or repeated.

16.5 No Additional Waiver Implied by One Waiver. In the event any covenant or agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach. No waiver shall be binding unless it is in writing and signed by the party making such waiver. No course of dealing between the Agency and the Company or any delay or omission on the part of the Agency in exercising any rights shall operate as a waiver.

16.6 Further Assurances. The Company will cooperate with the Agency, BURA, the City and the County for the purpose of protecting the Agency's, BURA's, the City's and the County's interest in the Premises, this Agreement and the sums due under this Agreement and the Prior Leases, and shall execute and deliver upon written request such other instruments and assurances as the Agency, BURA, the City or the County deems necessary or advisable for the implementation, effectuation, confirmation or perfection this Agreement and any rights of the Agency, BURA, the City and the County hereunder.

16.7 Dispossession. Subsequent to the occurrence of any Event of Default, provided that (i) the Agency receives written instructions from the holders of the interests of the landlord and tenant under the Prior Leases, to take all action necessary to dispossess the Company under this Agreement, and (ii) if the Financing Participants Agreement and the Non-Disturbance Agreement have not previously been terminated, the Agency receives written confirmation from the Private Financing Participants acknowledging that the actions set forth in such instructions are not in violation of the Financing Participants Agreement and the Non-Disturbance Agreement, then the Agency shall have the additional remedy of re-entering and taking possession of the Premises without terminating this Agreement, and excluding the Company from possession of the Premises, holding the Company liable for the amount, if any, by which the aggregate of the rents or other amounts payable by the Company under this Agreement and the Prior Leases exceed the net amount (taking into account all expenses of dispossession and reletting) of the rents and other amounts received

by the Agency. Upon the exercise of its rights under this Section 16.7, the Agency may sublet, assign or otherwise transfer the Company's leasehold interest in the Premises under this Agreement or any part of it, for the account of the Company or otherwise, for such rental terms, to such parties and for such period or periods as the Agency may determine. The Agency shall not be required to do any act or exercise any diligence to mitigate the damages of the Company. The right to dispossess the Company, as provided in this Section 16.7, shall include the right of the Agency, if, as and when so instructed by the holders of the interests of the landlord and tenant under the Prior Leases, to terminate all of the right, title and interest of the Company in, to and under this Agreement and/or in and to the Premises.

ARTICLE XVII

FURTHER REQUIREMENTS

17.1 Opinions. The Company shall deliver promptly to the Agency, such opinions of counsel as may be reasonably requested by the Agency as to any matters provided for in this Agreement.

17.2 Notices. The Company shall give written notice to the Agency promptly upon the Company's discovery of any Event of Default under this Agreement.

17.3 Other Acts. At the Agency's request, the Company shall execute and deliver to the Agency all further documents and perform all other acts which the Agency reasonably deems necessary or appropriate to perfect or protect the Agency's rights and to carry out the purposes and terms of this Agreement.

ARTICLE XVIII

INDEMNITY

18.1 Indemnity. (a) The Company shall at all times protect, defend, indemnify and hold the Agency harmless against all claims (whether under any statute or at common law) for losses, damage, injury, including death, property damage and liability however caused, other than losses arising from the gross negligence or willful misconduct of the Agency, arising during the term of this Agreement upon or about the Premises or resulting from, arising out of, or in any way connected with the acquisition, construction,

renovation, installation, equipping or operation of the Project or the Agency's interest in the Premises or the Agency's leasing of the Premises pursuant to this Agreement, the preparation of the site thereof, the condition of or defects in the Premises (including any defects in the Agency's title thereto) or the maintenance, repair, replacement, restoration, rebuilding, remediation, upkeep, use, occupancy, ownership, leasing or subletting of the Premises or any portion thereof. The Agency shall not be liable for any damage or injury, including death, to the person or property of the Company or its partners, employees, agents or servants or persons under the Company's control or supervision, or any other person who may be about the Premises, due to any act or negligence of any person other than the gross negligence or willful misconduct of the Agency.

(b) The Company shall at all times defend, protect and hold each of BURA, the County and the City harmless of, from and against any and all claims and demands made by any Person (whether in tort, contract or otherwise) and all related costs, expenses (including attorney and expert witness fees), damages, losses, injury and liabilities of every kind and nature and however caused, arising out of or as the result of or in connection with any occurrence upon the Real Property or resulting from or related to the Real Property or the Project or any part thereof or the operation thereof. Neither BURA, the County or the City shall have any liability whatsoever for any damage or injury to the person or property of the Company or its directors, officers, members, employees, agents or servants, or Persons under the control or supervision of the Company, or any other Person who may be on the Real Property, or otherwise in connection with the Project due to any act or negligence of any Person, other than such liability which is finally determined to be the result of the gross negligence or willful misconduct directly attributable to BURA, the County or the City as the case may be. The Company shall not be obligated to indemnify BURA, the City or the County with respect to liabilities which are finally determined to be the direct result of (i) the gross negligence or willful misconduct of BURA, the City or the County, as the case may be, or (ii) claims arising as a result of a Civic Event of which BURA, the City or the County, is a sponsor, and which are not attributable to the action or inaction of the Company as operator of the Project. The indemnifications and protections set forth above shall be extended to each of its members, director, officers, employees, agents and servants and persons under BURA's, the City's or the County's control or supervision. For the purposes of this Section 18.1(b) only, the terms "Person" and "Civic Event" shall have the meanings ascribed to them in the Operating Agreement.

18.2 Release. The Company releases the Agency, BURA, the County and the City from, and agrees that the Agency, BURA, the County and the City shall not be liable for and the Company agrees to defend, indemnify and hold the Agency, BURA, the County and the City harmless against any expense, including without limitation reasonable

attorneys' fees, penalties, fines, losses, damages, injuries or liabilities incurred because of any lawsuit commenced as a result of action taken or not taken by the Agency, BURA, the County and the City with respect to any of the matters set forth in Section 18.1 hereof or at the direction of the Company and in good faith with respect to any of such matters above referred to. The Agency, BURA, the County and the City shall promptly notify the Company in writing of any claim or action brought against the Agency, in which indemnity may be sought against the Company pursuant to Section 18.1; such notice shall be given in sufficient time to allow the Company to defend or participate in such claim or action, but the failure to give such notice in sufficient time shall not constitute a defense hereunder nor in any way impair the obligations of the Company under Sections 18.1 and 18.2 hereof.

18.3 Persons Protected. The indemnifications and protections set forth above in this Article XVIII shall be extended, with respect to the Agency, BURA, the City and the County, to their respective members, directors, officers, employees, agents and servants and persons under their respective control or supervision.

18.4 Survival of Obligations. Anything to the contrary in this Agreement notwithstanding, the covenants of the Company contained in this Article XVIII and in the Environmental Compliance Agreement shall remain in full force and effect after and survive the expiration or termination of this Agreement.

18.5 Relationship of Company to Agency. For the purposes of this Article XVIII, neither the Company nor any other sublessee or occupant of the Premises shall be deemed to be an employee, agent or servant of the Agency, BURA, the County or the City or a person under the control or supervision of the Agency, BURA, the County or the City.

18.6 Insuring of Obligations. To effectuate the purposes of this Article XVIII, the Company will provide for and insure, in the liability policies required in Section 9.1 of this Agreement, not only its own liability in respect of the matters therein mentioned but also the liability pursuant to this Article with respect to perils customarily insured under such forms of policies.

ARTICLE XIX

DISPUTE RESOLUTION

19.1 Governing Law. This Agreement shall be governed in all respects by the laws of the State of New York.

19.2 WAIVER OF TRIAL BY JURY. **THE COMPANY AND THE AGENCY WAIVE THE RIGHT TO TRIAL BY JURY OF ANY DISPUTE ARISING UNDER THIS AGREEMENT, AND THIS PROVISION SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.**

ARTICLE XX

MISCELLANEOUS CLAUSES

20.1 Force Majeure.

(a) Subject to the provisions of Paragraphs (b), (c) and (d) of this section, and except as otherwise expressly provided in this Agreement, if by reason of force majeure the Company or the Agency, as the case may be (herein referred to as the "defaulting party"), is unable in whole or in part to carry out its obligations under this Agreement, the defaulting party shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall mean any of the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the government of the United States or of the State or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquake; fire; tornadoes; storms; floods, washouts; drought; restraint of government; civil disturbances; explosions; partial or entire failure of utilities or other suppliers of energy; or any other similar cause or event not reasonably within the control of the defaulting party.

(b) Promptly after the occurrence of the event of force majeure, the defaulting party shall give written notice of the event to the other party, containing full particulars of the event.

(c) The obligations referred to in Paragraph (a) of this section shall not include the Company's obligations to pay rents and make other required payments and to comply with the provisions of Articles IX and XVIII of this Agreement.

(d) The defaulting party shall take such steps, within a reasonable time, as may be within its reasonable control, to mitigate the cause or causes preventing it from carrying out its obligations under this Agreement, and to remove the effects of the event of force majeure; provided that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the defaulting party, which shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the defaulting party unfavorable to it.

20.2 Notices. All notices, demands or communications given under this Agreement shall be sent to the parties at the addresses set forth below or at such other addresses as the parties may designate by written notice and shall be by prepaid registered

or certified mail, return receipt requested, and shall be deemed given on the date two (2) days after the date mailed:

(a) To the Agency:

Erie County Industrial
Development Agency
Suite 300, Liberty Building
424 Main Street
Buffalo, New York 14202
Attention: Executive Director

With a copy to:
Hurwitz & Fine, P.C.
1300 Liberty Building
Buffalo, New York 14202
Attention: Robert P. Fine, Esq.

(b) To the Company:

Crossroads Arena LLC
Memorial Auditorium
140 Main Street
Buffalo, New York 14202
Attention: President, Arena, Inc.

With copies to:

Lippes, Silverstein, Mathias & Wexler
700 Guaranty Building
Buffalo, New York 14202
Attention: Gerald S. Lippes, Esq.

and

Cohen, Swados, Wright, Hanifin, Bradford & Brett
70 Niagara Street
Buffalo, New York 14202
Attention: Robert O. Swados, Esq. and
Jane F. Clemens, Esq.

20.3 No Recourse Under This Agreement. No provision, covenant or agreement contained herein, the Prior Leases, the Master Agreements in any other agreement entered into in connection therewith, or any obligations therein imposed, upon the Agency, or any breach thereof, shall constitute or give rise to or impose upon the Agency, a debt or other pecuniary liability or a charge upon its general credit, and all

covenants, stipulations, promises, agreements and obligations of the Agency contained in any such agreement shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Agency, and not of any member, director, officer, employee or agent of the Agency in his or her individual capacity.

20.4 Entire Agreement. This Agreement contains the entire agreement between the parties and all prior negotiations and agreements are merged in this Agreement. This Agreement may not be changed, modified or discharged, in whole or in part, except by a written instrument executed by the party against whom enforcement of the change, modification or discharge is sought.

20.5 Agency Representations. The Company expressly acknowledges that neither the Agency nor the Agency's agents has made or is making, and the Company, in executing and delivering this Agreement, is not relying upon warranties, representations, promises or statements, except to the extent that the same are expressly set forth in this Agreement, and no rights, easements or licenses are or shall be acquired by the Company by implication or otherwise unless expressly set forth in this Agreement.

20.6 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties, their respective successors and assigns.

20.7 Paragraph Headings. Paragraph headings are for convenience only and shall not affect the construction or interpretation of this Agreement.

20.8 Severability. The provision of this Agreement shall be severable, and if any clause, sentence, paragraph, provision or other part hereof shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder hereof, which remainder shall continue in full force and effect.

20.9 Non-Disturbance Agreement. This Agreement, and the rights of the Agency, the Construction Lenders and the Company, are subject to the terms of the Non-Disturbance Agreement.

20.10 Provision Following Acquisition of Leasehold by Construction Lenders. Effective upon the acquisition of the leasehold interest demised hereby, or any interest assigned by the Agency to the Company pursuant to Section 16.2 hereof, by the Construction Lenders or their agents or nominee for such purpose, by foreclosure, deed in lieu of foreclosure, or in any other manner, and at all times during the remainder of the term hereof, references to the "Company" in this Agreement shall be deemed to be references to the Construction Lender or their agents or nominee, as applicable, and their successors and assigns, and the following provisions shall bind and benefit the Agency and the Construction Lenders, their agents or nominee, and their successors and assigns:

(a) Section 2.3 is amended by deleting from the first sentence thereof "Operating Agreement, the."

(b) Section 2.4(a) is amended by deleting clauses (ii) and (iii).

(c) Section 5.11(b) is deleted and restated in its entirety as follows:

"The Company shall continuously operate the Project throughout the term of this Agreement for the purposes described herein and otherwise in accordance with the terms of this Agreement and the Act, except as appropriate and for such period as may be necessary in the case of an event described in Article XIV of this Agreement or a default under the Company/Sabres Lease. In the event the Company fails to use its best efforts to operate the Project as contemplated by this Agreement, in the judgment of the Agency, the Company shall, commencing with the tax fiscal year next following such cessation of or change in operations, make payments in lieu of taxes on the Premises to all applicable taxing authorities in such amounts as would be payable as Real Estate Taxes levied on the Premises if the Premises were owned by the Company, provided that if the Company is legally exempt from such Real Estate Taxes, no such payments shall be required. Such payments shall be in addition to any other rights or remedies of the Agency under this Agreement. For the purpose of this Agreement, the Company shall be deemed to have ceased to operate the Project as contemplated by this Agreement if it (a) materially alters the use of the Project, in the Agency's judgment, except as permitted hereunder, or (b) fails to use its best efforts, in the judgment of the Agency, to operate the Project as required above. Any of the foregoing notwithstanding, the Company may use the Project for some purpose other than that described in this Agreement with the prior written consent of the Agency, which consent may be withheld in the Agency's absolute discretion and provided further that such proposed use constitutes a qualified "project" in accordance with Agency policy and as defined under the Act."

(d) Section 9.1(a) is deleted.

(e) The first sentence of Section 9.1(b) is deleted and replaced by the following: The Company shall maintain the insurance coverages specified in this Section 9.1(b).

(f) In Sections 9.1(b)(i) and (ii), the word "sole" in the last line is changed to the word "reasonable".

(g) Section 9.3 is changed to delete the words "the Development and Construction Agreement and the Operating Agreement."

(h) Section 11.1(iii) and (iv) are deleted.

(i) Section 13.1, the last sentence, is changed to delete the words "or pursuant to the Master Agreements or any other agreement executed and delivered in connection with the acquisition, construction, equipping and operation of the Project."

(j) Section 14.2 is changed to delete the sentence "The Company shall also comply with Section 12.01 of the Operating Agreement with regard to restoration after the occurrence of a Loss Event."

(k) Section 14.3 is changed to delete from the third sentence "the terms of the Operating Agreement and."

(l) Section 15.1 is changed to delete from the first sentence "and subject to the applicable terms of the Master Agreements."

(m) Section 15.1 is changed to delete from the second sentence "be a "qualified user" as defined in accordance with Agency policy and the Act, must."

(n) Section 16.1(b) is changed to read "Failure by the Company to comply with the provisions of Section 5.11 hereof."

(o) Section 16.1(d) is changed to delete "in the Environmental Compliance Agreement or under any other agreement between the Company and the Agency."

(p) Section 16.1(e) is deleted.

(q) Section 16.1(f) is changed to read "The occurrence of any default under the Environmental Compliance Agreement which relates to the use and operation of the Project following the effective date of this provision and which does not related to pre-existing conditions, uses or operations."

(r) Section 16.2(b) is changed by deleting the words "or any of the Master Agreements."

(s) Section 18.1(a) is changed by adding "The indemnifications herein granted shall not apply to acts or omissions of any prior holders of the interests demised hereby."

(t) The following provisions are added:

(i) Insurance. In addition to complying with the requirements of Article IX hereof, the Company will maintain casualty and liability insurance on the Project in amounts and including coverages which are substantially and materially equivalent to similar buildings and operations nationally and, if NFHLP is not in default under the Company/Sabres Lease, which meet the requirements of the Company/Sabres Lease, the Concession Lease and the Concession Sublease. Not less frequently than once every twelve months, the Company will notify the Principal Public Participants of the proposed insurance program for the following year; such insurance

program will be subject to the approval of the Principal Public Participants, which approval shall not be unreasonably withheld.

(ii) Maintenance. The Company will maintain the Project in accordance with first-class sports and entertainment facility national standards, and, if NFHLP is not in default under the Company/Sabres Lease, in accordance with the Company/Sabres Lease, the Concession Lease and the Concession Sublease. Not less frequently than once every twelve months, the Company will notify the Principal Public Participants of the proposed maintenance program for the following year; such maintenance program will be subject to the approval of the Principal Public Participants, which approval shall not be unreasonably withheld or delayed.

(iii) Naming Rights Agreement. Any contract for Project naming rights entered into by the Company shall be (i) for a term not exceeding the unexpired term hereof (or any lease executed to replace this lease) and (ii) subject to the approval of the Principal Public Participants with respect only to the proposed name, and which approval may be withheld only if the proposed name is offensive to public morals.

(iv) County Portion of Ticket Surcharge. The Company will collect the .25% Portion of the Ticket Surcharge (as defined in the Operating Agreement), and will pay over such portion to the County as required in the Operating Agreement (whether or not such agreement is then in effect).

(v) Transmissions Fee: The Company will pay over as required in the Operating Agreement (whether or not said agreement is then in effect) the Transmissions Fee (as defined in the Operating Agreement) on all Transmission Revenues (as defined in the Operating Agreement) received by the Company.

(vi) Affirmative Action Plan: The Company shall implement the Affirmative Action Plan (as defined in the Operating Agreement).

(vii) Operating Agreement and Construction and Development Agreement: Except as may be specifically otherwise provided herein or in the Financing Participants Agreement, neither the Company nor its interest in the Premises will be subject to the Operating Agreement or the Development and Construction Agreement.

(viii) Environmental Compliance Agreement: The Company hereby assumes all obligations of Crossroads Arena LLC under the Environmental Compliance Agreement, to the extent that such obligations relate to the use and operation of the Project following the effective date of this provision and does not relate to pre-existing conditions, uses or operations.

(ix) Assumption of Lease Obligations: The Company hereby assumes the obligations of Crossroads Arena LLC under this Lease Agreements (such obligations to be modified by the provisions of this Section 20.10), to the extent that such

obligations relate to the use and operation of the Project following the effective date of this provision and do not relate to pre-existing conditions, uses or operations.

IN WITNESS WHEREOF, the Agency and the Company have duly executed this Agreement, as of the day and year first above written.

ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: _____
Ronald W. Coan, Executive Director

CROSSROADS ARENA LLC

By: ARENA, INC., Manager

By: _____
Lawrence Quinn,
Executive Vice President

STATE OF NEW YORK)
) SS.:
COUNTY OF ERIE)

On the 23rd day of May, 1995, before me personally came **RONALD W. COAN,** to me known, who being by me duly sworn, did depose and say that he is the Executive Director of the **ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY,** the agency described in and which executed the above instrument; and that he signed his name thereto by authority of the Board of Directors of said agency.

Notary Public

TIMOTHY J QUINLIVAN, 02QU4991909
Notary Public, State of New York
Qualified in Erie County
My Commission Expires February 10, 1996

STATE OF NEW YORK)
) SS.:
COUNTY OF ERIE)

On the 17th day of May, 1995, before me personally came **LAWRENCE QUINN,** to me known, who being by me duly sworn, did depose and say that he is the Executive Vice President of ARENA, INC., Manager of **CROSSROADS ARENA LLC,** the limited liability company described in and which executed the above instrument; and that he signed his name thereto by authority of the board of directors of said Corporation on behalf of said limited liability company.

Diane W. Capicotto
Notary Public

DIANE W. CAPICOTTO
Notary Public, State of New York
Qualified in Niagara County
My Commission Expires May 31, 1995

EXHIBIT A

Description of Real Property

Policy No.: 5094-25301

PARCEL I

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Outer Lots Nos. 76, 77 and 78, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) as it formerly existed and the easterly line of Main Street (99 feet wide); thence southerly along the easterly line of Main Street 328.76 feet to the north line of South Park Avenue (66 feet wide) as presently laid out; thence southeasterly along the said northerly line of South Park Avenue 285.87 feet to an angle point; thence continuing southeasterly at an interior angle of 161° 35' 40" along the said northerly line of South Park Avenue 503.54 feet to the intersection of the said northerly line of South Park Avenue and westerly line of Illinois Street (50 feet wide); thence northerly along the westerly line of Illinois Street 660.35 feet to the intersection of the westerly line of Illinois Street and the southerly line of Perry Street (66 feet wide) as presently laid out; thence westerly along the said southerly line of Perry Street and continuing along the southerly line of Perry Street as it formerly existed 704.93 feet to the point or place of beginning.

TOGETHER with all right, title and interest in Illinois Street to the centerline thereof.

PARCEL II

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Lot No. 75, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) and the easterly line of Mississippi Street (60 feet wide); running thence easterly along the southerly line of Perry Street 195.0 feet to the westerly line of Baltimore Street (40 feet wide); thence southerly along the westerly line of Baltimore Street 672.10 feet to the northerly line of South Park Avenue (66 feet wide); thence westerly along the northerly line of South Park Avenue 195.0 feet to the easterly line of Mississippi Street; thence northerly along the easterly line of Mississippi Street 672.47 feet to the point or place of beginning.

TOGETHER with all right, title and interest in Mississippi Street and Baltimore Street to the centerlines thereof.

PARCEL III

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Lots Nos. 74 and 75, bounded and

- CONTINUED -

described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) and the easterly line of Baltimore Street (40 feet wide); thence easterly along the southerly line of Perry Street 113.68 feet to the westerly line of Columbia Street (50 feet wide); thence southerly along the westerly line of Columbia Street 531.8 feet more or less to the north line of lands of Consolidated Rail Corporation by deed recorded in the Erie County Clerk's Office in Liber 1056 of Deeds at page 293; thence westerly along the said north line of Consolidated Rail Corporation 113.68 feet to the easterly line of Baltimore Street; thence northerly along the easterly line of Baltimore Street 532.02 feet more or less to the southerly line of Perry Street and the point or place of beginning.

TOGETHER with all right, title and interest in Baltimore Street and Columbia Street to the centerlines thereof.

PARCEL IV

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Outer Lots Nos. 74 and 75, bounded and described as follows:

BEGINNING at a point in the westerly line of Columbia Street distant 140 feet northerly along said westerly line of Columbia Street from its intersection with the northerly line of South Park Avenue, which point is also the southeast corner of lands conveyed to Higgins Erectors & Haulers, Inc. by deed recorded in the Erie County Clerk's Office in Liber 8470 of Deeds at page 537; thence southerly along the westerly line of Columbia Street 140 feet to the north line of South Park Avenue; thence westerly along the northerly line of South Park Avenue 113.68 feet more or less to the easterly line of Baltimore Street; thence northerly along the easterly line of Baltimore Street 140 feet to the southwest corner of said lands conveyed to Higgins Erectors & Haulers, Inc. by deed aforesaid; thence easterly along the southerly line of said lands conveyed to Higgins Erectors & Haulers, Inc. 113.68 feet more or less to the point of beginning.

TOGETHER with all right, title and interest in Baltimore Street and Columbia Street to the centerlines thereof.

A1-39-65 to 67 et al

EXHIBIT B

Description of Equipment

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EXHIBIT C

Permitted Exceptions

Exceptions disclosed on Title Policy No. 5094-25300 issued by Ticor Title Insurance Company and Ticor Title Guaranty Company.

EXHIBIT D

Description of the Project

The acquisition, renovation and construction of a state-of-the-art multi-purpose sports arena and entertainment complex along with commercial retail and restaurant space and parking, and the acquisition of machinery and equipment in connection therewith, all for commercial purposes, for lease by the Company to NFHLP and other end users.

SCHEDULE 1

Agreement of City and County

County of Erie

DENNIS T. GORSKI
COUNTY EXECUTIVE

PHONE: 716-858-8500

December 1, 1994

Dr. Ronald W. Coan, Executive Director
Erie County Industrial Development Agency
Suite 300, Liberty Building
424 Main Street
Buffalo, NY 14202

Re: Crossroads Arena Project

Dear Dr. Coan:

I am writing to grant my consent to a non-standard Payment-in-Lieu of Taxes (PILOT) for the Crossroads Arena financing.

Pursuant to the terms of the Crossroads Arena Memorandum of Understanding ("MOU") executed March 28, 1994, I am writing to reaffirm the County of Erie's covenant to grant Crossroads immunity from real property taxes and special assessments during the life of the ECIDA lease. I am enclosing an excerpt of the Memorandum of Understanding captioned "Tax Immunity " (pp. 48-49) which fully describes our agreement with Crossroads.

Notwithstanding the above, Crossroads Arena has agreed to make a payment in lieu of a Buffalo Place special assessment in the amount of $18,000 per year subject to the availability of cash flow prior to the distribution of the Operating Fee to the Public Sector Participants. I support the Crossroads PILOT for Buffalo Place and urge you to adopt the Crossroads special resolution at today's meeting.

Please contact me with any questions you may have.

Very truly yours,

DENNIS T. GORSKI
County Executive

DTG/RMT:lt
Enclosure

CITY OF BUFFALO
OFFICE OF THE MAYOR

ANTHONY M. MASIELLO
MAYOR

December 14, 1994

Dr. Ronald W. Coan
Executive Director
Erie County Industrial Development Agency
Suite 300, Liberty Building
424 Main Street
Buffalo, New York 14202-3595

Dear Dr. Coan :

Re: Crossroads Arena Project

I am writing to grant my consent to a non-standard Payment-in-Lieu of Taxes for the Crossroads Arena financing (the "Crossroads PILOT").

I am also writing to reaffirm the City of Buffalo's intent, pursuant to the terms of the Crossroads Arena Memorandum of Understanding (the "MOU") executed March 28, 1994, to covenant in the Development and Operating Agreement to grant Crossroads immunity from real property taxes and special assessments during the life of the ECIDA lease. I am enclosing an excerpt of the MOU captioned "Tax Immunity" (pp. 48-49) which fully describes our intent.

Notwithstanding the above, Crossroads Arena has agreed to enter into the Crossroads PILOT which will include a payment in lieu of a Buffalo Place special assessment in the amount of $18,000 per year subject to the availability of cash flow. I support the Crossroads PILOT and urge you to adopt the Crossroads special resolution at today's meeting.

Please contact me with any questions you may have.

Very truly yours,

Anthony M. Masiello

Enclosure
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(b) With the consent of the Principal Public Participants, the proceeds of any refinancing of the Private Debt in excess of the principal balance refinanced and costs of refinancing, shall be reinvested in The Crossroads or used to pay any outstanding debts of the Project or prior operating losses of CAC and unpaid Ground Lease Rent amounts, and any refinancing proceeds not used as aforesaid shall be distributed among CAC and the Operating Fee Recipients in accordance with the percentages set forth in the section captioned "REFINANCING, SALE, INSURANCE AND EMINENT DOMAIN PROCEEDS."

ARBITRATION

The Development and Operating Agreement, Coordinating Agreement and Ground Lease shall contain provisions for arbitration of disputes between the parties thereto, including the procedure for selecting arbitrators and enforcing the decision of the arbitrators.

TAX IMMUNITY

1. In consideration of the Operating Fee payable to the Operating Fee Recipients, the .05% portion of the Ticket Surcharge payable to the County, the Ground Rent and the Transmissions or Productions Fee payable to the City (as provided

in the following subparagraph 2), the City and the County have agreed to not require The Crossroads to make any payment-in-lieu-of real property taxes during the terms of the ECIDA leases and have agreed to certain other tax or tax-related provisions as follows.

2. The City and the County shall covenant in the Development and Operating Agreement that they will not, for the initial thirty (30) year term of such Agreement, levy, impose or apply any admission tax on or against events held at The Crossroads, including, without limitation, Sabres games, whether in the form of a ticket tax, ticket surcharge, gross receipts tax or otherwise, nor shall the City or County levy or apply any tax, surcharge, assessment or other governmental imposition against The Crossroads property which by its terms or effect is limited exclusively or which in effect applies primarily to The Crossroads property, as distinguished from other property within the City or County. Nothing in the foregoing shall prohibit the imposition of, or an increase in generally applicable sales or compensating use taxes or other generally applicable governmental impositions or the Transmissions or Production Fee as described below.

SCHEDULE 2

Non-Disturbance and Attornment Agreement

NON-DISTURBANCE AND ATTORNMENT AGREEMENT

THIS NON-DISTURBANCE AND ATTORNMENT AGREEMENT (the "Agreement") is entered into as of this 10th day of May, 1995 by and among the following:

BUFFALO URBAN RENEWAL AGENCY, a public benefit corporation, whose address is 920 City Hall, Buffalo, New York 14202 (hereinafter referred to as "BURA");

CITY OF BUFFALO, a municipal corporation of the State of New York, whose address is 65 Niagara Street, City Hall, Room 110, Buffalo, New York 14202 (hereinafter referred to as the "City");

ERIE COUNTY, a municipal corporation of the State of New York, whose address is County Office Building, 95 Franklin Street, Buffalo, New York 14202 (hereinafter referred to as the "County");

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a corporate governmental agency established by Chapter 293 of the 1970 Laws of New York, as amended, whose address is 300 Liberty Building, Buffalo, New York 14202 (hereinafter referred to as "ECIDA");

CROSSROADS ARENA LLC, a New York limited liability company, whose address is 140 Main Street, Buffalo, New York 14202 (hereinafter referred to as "CA");

NIAGARA FRONTIER HOCKEY, L.P., a limited partnership organized under the laws of the State of Delaware, whose address is 140 Main Street, Buffalo, New York 14202 (hereinafter referred to as "NFH");

BUFFALO SABRES CONCESSION LLC, a New York limited liability company, whose address is 140 Main Street, Buffalo, New York 14202 (hereinafter referred to as "BSC");

NEW YORK SPORTSERVICE, INC., a New York corporation, whose address is 438 Main Street, Buffalo, New York 14202 and SPORTSERVICE CORPORATION, a New York corporation, whose address in 438 Main Street, Buffalo, New York 14202 (hereinafter referred to collectively as "Sportservice");

MARINE MIDLAND BANK, a banking corporation organized under the laws of the State of New York, whose address is c/o Real Estate Finance Division, One Marine Midland Center, Fifteenth Floor, Buffalo, New York 14202 (hereinafter referred to as "Marine" and, collectively with Key and any other participants, co-lenders or successors from time to time, as the "Construction Lenders");

KEY BANK OF NEW YORK, a banking corporation organized under the laws of the State of New York, whose address is 40 Fountain Plaza, Buffalo, New York 14202 (hereinafter referred to as "Key" and, collectively with Marine and any other participants, co-lenders or successors from time to time, as the "Construction Lenders");

SHAWMUT BANK, N.A., a national banking association, whose address is One Federal Street, Boston, Massachusetts 02211 (hereinafter referred to as "Shawmut" and, collectively with Fleet and any other participants, co-lenders or successors from time to time, as the "Concession Lenders"); and

FLEET BANK, a New York corporation, whose address is 10 Fountain Plaza, Buffalo, New York 14202 (hereinafter referred to as "Fleet" and, collectively with Shawmut and any other participants, co-lenders or successors from time to time, as the "Concession Lenders").

ARTICLE 1 - RECITALS

The following statements constitute the background to this Agreement.

Section 1.1 BURA and/or NFH is the owner in fee of certain parcels of land (the "Site") consisting of parcels totaling approximately fifteen (15) acres of land in Buffalo, Erie County, New York. Parcel I of the Site is owned by BURA and is bounded by Main Street, Perry Street, Illinois Street and South Park Avenue; Parcel II of the Site, is owned by BURA and is bounded by Perry Street, Mississippi Street, South Park Avenue and Columbia Street; Parcel III of the Site is owned by NFH and is bounded by Columbia Street, Perry Street, South Park Avenue and Michigan Avenue.

Section 1.2 The parties contemplate and the Leases (hereinafter defined) provide for (i) construction by CA on the Site of a new first-class multi-purpose community sports and entertainment arena containing approximately 700,000 square feet of gross floor area and containing approximately 21,500 seats for non-hockey events and approximately 19,400 seats for hockey events (including approximately 2,500 seats designated as "Premium Seats") plus approximately 80 private suites, a premium seat club, sports bar, restaurant and concession facilities and equipment together with approximately 2,125 parking spaces (consisting of approximately 1,000 parking spaces at grade and 1,125 parking spaces within a parking structure) and other improvements ancillary thereto (collectively, the "Improvements"); (ii) the conduct of sports and entertainment events at the Improvements, including hockey events held by NFH and events held by tenants under other space leases from time to time to be entered into by CA as lessor therein; and (iii) the operation of a concession for catering and parking service (the "Concession") at the Improvements by BSC and by Sportservice, as the sublessee of BSC.

Section 1.3 The parties have entered into the following leases (collectively, the "Leases" and, individually, a "Lease"):

1.3.1 a certain Ground Lease, dated as of May 10, 1995 (the "Ground Lease"), between BURA, as landlord therein, and the County, as tenant therein, a memorandum of which is being recorded with the Erie County Clerk's Office (the "Clerk's Office") simultaneously herewith, which lease demises the Site excluding the portions owned by NFH, which demised premises is more particularly described in Exhibit "A-1" attached hereto and by this reference incorporated herein;

1.3.2 a certain County Sublease No. 1, dated as of May 10, 1995 (the "County Sublease No. 1"), between the County, as landlord therein, and the City, as tenant therein, a memorandum of which is being recorded with the Clerk's Office simultaneously herewith, which lease demises the Site excluding the portions owned by NFH, which demised premises is more particularly described in Exhibit "A-2" attached hereto and by this reference incorporated herein;

1.3.3 a certain City Sublease, dated as of May 10, 1995 (the "City Sublease"), between the City, as landlord therein, and the County, as tenant therein, a memorandum of which is being recorded in the Clerk's Office simultaneously herewith, which lease demises the Site

excluding the portions owned by NFH, which demised premises is more particularly described in Exhibit "A-3" attached hereto and by this reference incorporated herein;

1.3.4 a certain County Sublease No. 2, dated as of May 10, 1995 (the "County Sublease No. 2"), between the County, as landlord therein, and ECIDA, as tenant therein, a memorandum of which is being recorded in the Clerk's Office simultaneously herewith, which lease demises the Site excluding the portions owned by NFH, which demised premises is more particularly described in Exhibit "A-4" attached hereto and by this reference incorporated herein;

1.3.5 a certain Prime Project Lease, dated as of May 10, 1995 (the "Project Sublease"), between ECIDA, as landlord therein, and CA, as tenant therein, a memorandum of which is being recorded with the Clerk's Office simultaneously herewith, which lease demises the Site excluding the portions owned by NFH and materials and equipment to be used in the construction of the Improvements and the operation of the Concession, which demised premises is more particularly described in Exhibit "A-5" attached hereto and by this reference incorporated herein;

1.3.6 a certain Lease Agreement, dated as of May 10, 1995 (the "Sabres Space Lease"), from CA, as landlord therein, to NFH, as tenant therein, a memorandum of which is being recorded in the Clerk's Office simultaneously herewith. The Sabres Space Lease (x) demises to NFH the Improvements on the Site excluding the portions owned by NFH for the conduct of hockey events; and (y) grants to NFH the exclusive possession and control of the Sabres Exclusive Areas (as defined in the Sabres Space Lease), including, in pertinent part, the parking facilities and equipment and the concession facilities and equipment, and the exclusive rights to certain revenues, including, in pertinent part, the Concessions and Catering Revenue and the Parking Revenue (but, in the event an NBA franchise team agrees to play not less than twenty five percent of its home games at the Project, excluding the portion Concessions, Catering and Parking Revenues otherwise payable to NFH and derived from the NBA games conducted at the Project), which demised premises is more particularly described in Exhibit "A-6" attached hereto and by this reference incorporated herein;

1.3.7 a certain Concession Lease Agreement, dated as of May 10, 1995 (the "Concession Lease"), from NFH, as landlord therein, to BSC, as tenant therein, a memorandum of which is being recorded in the Clerk's Office simultaneously herewith, granting to BSC all rights of NFH under the Sabres Space Lease to operate and to use equipment in connection with the operation of the concession, catering, and parking services for events conducted at the Improvements including, without limitation, those under both the Sabres Space Lease and other leases from time to time entered into by CA for the conduct of events at the Improvements and granting to BSC the right to operate parking services on the portion of the Site owned by NFH, which demised premises is more particularly described in Exhibit "A-7" attached hereto and by this reference incorporated herein; and

1.3.8 a certain Concession Lease, dated as of May 10, 1995 (the "Concession Sublease"), from BSC, as landlord therein, to Sportservice, as tenant therein, a memorandum of which is being recorded in the Clerk's Office simultaneously herewith, which lease demises the portion of the Improvements (including facilities and equipment) appropriate for operation of the concession, catering, and parking services at the Improvements, which demised premises is more particularly described in Exhibit "A-8" attached hereto and by this reference incorporated herein.

1.3.9 a certain Crossroads Arena Aud Club Concession Lease and Agreement, dated as of May 10, 1995 (the "Aud Club Concession Sublease") from NFH, as landlord therein, to Sportservice, as tenant therein, a memorandum of which is being recorded in the Clerk's Office

simultaneously herewith, which demised premises is more particularly described in Exhibit "A-9" attached hereto and by this reference incorporated herein.

Section 1.4 Certain of the parties also have entered into the following agreements with respect to development and operation of the Improvements (collectively, the "Public Sector Agreements"):

1.4.1 a certain Contract for Lease of Land for Redevelopment, dated as of May 10, 1995 (the "Land Disposition Agreement") among BURA. the City and CA;

1.4.2 a certain Development and Construction Agreement, dated as of May 10, 1995 (the "Development and Construction Agreement") among the New York State Urban Development Corporation (the "UDC"), BURA, the County, the City, ECIDA, and CA; and

1.4.3 a certain Operating Agreement, dated as of May 10, 1995 (the "Operating Agreement") among the New York State Urban Development Corporation (the "UDC"), BURA, the County, the City, ECIDA, and CA.

Section 1.5 BURA, the City, the County, UDC, ECIDA, Sportservice, the Construction Lenders, the Concession Lenders, CA, NFH and BSC have entered into a certain Financing Participants' Agreement of even date herewith (the "Financing Participants Agreement").

Section 1.6 The Construction Lenders have agreed to make a mortgage loan (the "Construction Loan") to CA, secured by, inter alia, (i) a Construction Mortgage and Security Agreement on the leasehold interest of ECIDA under the County Sublease No. 2 and of CA under the Project Sublease, and (ii) an Assignment of Leases of Rents (collectively, the "Construction Mortgage and Assignment"), pursuant to which CA's right, and interest in and to the Sabres Space Lease has been collaterally assigned to the Construction Lenders.

Section 1.7 The Concession Lenders have agreed to make a mortgage loan (the "Concession Loan") to BSC, secured by, inter alia, (i) two Leasehold Mortgages, Security Agreements and Fixture Financing Statements on the leasehold interest of BSC under the Concession Lease and ECIDA's and BSC's interest in and to the Food Concession Facilities, the Food Service Equipment, the Parking Lots, the Parking Facilities and the Parking Equipment as defined in the Concession Lease, and (ii) a Collateral Assignment of Leases and Rents (collectively, the "Concession Mortgage and Assignment"), pursuant to which BSC's right and interest in and to the Concession Sublease has been collaterally assigned to the Concession Lenders.

Section 1.8 All of BURA, the City, the County and ECIDA are corporate governmental bodies of the State of New York. Both of CA and BSC are affiliates of NFH.

Section 1.9 Each party hereto hereby represents and warrants to the other parties that the recitals set forth in Sections 1.1 through 1.8 to the extent the same relate to the ownership interests or the conduct of such party are true, accurate and complete.

Section 1.10 As a major inducement to each tenant to execute the Lease under which it is a tenant therein and to each of the Construction Lenders and the Concession Lenders to make the loan to which it is a party, the parties hereto are executing this Agreement (a) to directly bind each landlord under a Lease to the terms and conditions of each Subsequent Lease (hereinafter defined) and to create a direct agreement between each landlord under a Lease and the tenant under each Subsequent Lease, and (b) to directly bind each party executing this Agreement and create a direct agreement between each party hereto and each other party hereto, as more fully set forth below.

Section 1.11 CA and NFH have requested that the Construction Lenders enter into a nondisturbance agreement with NFH, and BSC and Sportservice have requested that the Concession Lenders enter into a nondisturbance agreement with Sportservice.

Section 1.12 CA and NFH acknowledge and confirm that this Agreement satisfies the requirements and conditions applicable to a nondisturbance agreement under Section 27.1 of the Sabres Space Lease.

ARTICLE 2 - CERTAIN AGREEMENTS REGARDING LEASES

Section 2.1 Definitions:

2.1.1 "Prior Lease" and "Subsequent Lease" mean:

(a) With respect to the Ground Lease, the term "Subsequent Lease" shall mean the County Sublease No. 1.

(b) With respect to the County Sublease No. 1, the term "Prior Lease" shall mean the Ground Lease and the term "Subsequent Lease" shall mean the City Sublease.

(c) With respect to the City Sublease, the term "Prior Lease" shall mean the County Sublease No. 1 and the term "Subsequent Lease" shall mean the County Sublease No. 2.

(d) With respect to the County Sublease No. 2, the term "Prior Lease" shall mean the City Sublease and the term "Subsequent Lease" shall mean the Project Sublease.

(e) With respect to the Project Sublease, the term "Prior Lease" shall mean the County Sublease No. 2, and, the term "Subsequent Lease" shall mean the Sabres Space Lease.

(f) With respect to the Sabres Space Lease, the term "Prior Lease" shall mean the Project Sublease and the term "Subsequent Lease" shall mean each of the Concession Lease and the Aud Club Concession Sublease.

(g) With respect to the Concession Lease, the term "Prior Lease" shall mean the Sabres Space Lease and the term "Subsequent Lease" shall mean the Concession Sublease.

(h) With respect to the Concession Sublease, the term "Prior Lease" shall mean the Concession Lease.

(i) With respect to the Aud Club Concession Sublease, the term "Prior Lease" shall mean the Sabres Space Lease.

The term "Prior Leases" shall mean, collectively, the Prior Lease and all Leases which are prior in right thereto. The term "Subsequent Leases" shall mean, collectively, the Subsequent Lease and all Leases which are subsequent in right thereto.

From and after the termination of any Lease and the recognition of the rights of a tenant under the Subsequent Lease in accordance with the Section 2.3(c) (i) or (ii) hereof, the term "Prior Lease" shall mean the lease which is the next preceding Prior Lease to the Prior Lease as defined with reference to the Lease which is being terminated, and the term "Subsequent Lease" shall mean the lease which is the next succeeding subsequent lease to the Subsequent Lease as defined with

reference to the Lease which is being terminated. By way of illustration, in the event of termination of the Concession Lease, from and after such termination the term "Prior Lease" with respect to the Concession Sublease shall mean the Sabres Space Lease. Consistent therewith, in the event of termination of the Concession Lease, from and after such termination, the term "Subsequent Lease" with respect to the Sabres Space Lease shall mean the Concession Sublease.

Any reference to any Lease herein shall include any amendments, extensions, renewals, replacements or modifications thereof.

"Bankruptcy Code" means Title 11, United States Code, and any amendments or modifications thereto or extensions or renewals thereof. Any reference to any section or other provision of the Bankruptcy Code shall be deemed to include any provision affording the same or substantially similar rights under any similar law relating to creditors' rights or relief for debtors that may be applicable.

"Construction Lender Lease" means the Ground Lease, the County Sublease No. 1, the City Sublease, the County Sublease No. 2, the Project Sublease or the Sabres Space Lease.

"Concession Lender Lease" means the Sabres Space Lease, the Aud Club Concession Sublease, the Concession Lease or the Concession Sublease.

"Appropriate Lenders" means, with regard to any Construction Lender Lease or party thereto in its capacity as Landlord or Tenant under such Lease, the Construction Lenders and, with regard to any Concession Lender Lease or party thereto in its capacity as Landlord or Tenant under such Lease, the Concession Lenders.

"Lenders" means the Construction Lenders and the Concession Lenders, collectively.

"Appropriate Designee" means the assignee, designee or nominee of the Appropriate Lenders selected at the sole discretion of the Appropriate Lenders.

"Insolvency or Liquidation Proceeding" means (i) any insolvency or bankruptcy case or proceeding, or any receivership, liquidation, reorganization, readjustment, composition or other similar case or proceeding, relative to any Landlord or Tenant under a Lease or to their respective assets, (ii) any proceeding for the liquidation, dissolution, reorganization or winding up of any Landlord or Tenant under a Lease, whether voluntary or involuntary and whether or not involving insolvency or bankruptcy, or (iii) any general assignment by any Landlord or Tenant under a Lease for the benefit of creditors or any other distribution, division, marshaling or application of assets and liabilities of any Landlord or Tenant under a Lease to creditors, voluntary or involuntary and whether or not involving legal proceedings, including, without limitation, any suit related to the Site or any part thereof or the rejection or disaffirmance of any lease.

Section 2.2. In the event of an Insolvency or Liquidation Proceeding of the Landlord under any Lease (for purposes of this section, the "Bankrupt Landlord"), the following shall apply:

Section 2.2(a) Each party hereto shall permit, and take all reasonable steps to support, and not object to or otherwise contest, the Appropriate Lenders' exercising, at their sole option, any and all rights of a successor, assign or mortgagee under Section 365 of the Bankruptcy Code, provided, however, that this Subsection 2.2(a) shall not, and shall not be interpreted to, modify the obligations of any non-Lender party hereto pursuant to Subsection 2.3(a) hereof.

Section 2.2(b) In the event that, pursuant to Section 365 of the Bankruptcy Code, any non-Lender party hereto seeks to offset against any amount payable under such Lease the amount of any damages caused by the nonperformance by such Bankrupt Landlord of such Bankrupt Landlord's obligations under such Lease after rejection or disaffirmance thereof under the Bankruptcy Code or any similar law, such party shall, prior to effecting such offset, notify the Appropriate Lenders of such party's intent to do so, setting forth the amounts proposed to be so offset and the basis therefor. The Appropriate Lenders shall have the right to object to all or any part of such offset, and, in the event of such objection or of a failure of the Appropriate Lenders to respond within ten (10) days to notification from such party, such party shall not effect any such offset. In any case, such party shall indemnify and hold all Lenders harmless from and against any and all claims, demands, actions, suits, proceedings, damages, losses, costs and expenses of every nature whatsoever (including, without limitation, attorneys' fees) arising from or relating to any such offset.

Section 2.2(c) In the event that such Lease is rejected, disaffirmed or terminated, without limiting any other rights or remedies that may be available to each Lender or any obligations of any party hereunder, each party hereto shall, immediately upon the request of the Appropriate Lenders,

i. consent to, permit and take any and all actions necessary to provide that an Appropriate Designee be substituted as the Landlord under such Lease and the Tenant under the Prior Lease of such Lease with all rights and privileges under the terms thereof inuring to such Appropriate Designee, or,

ii. in the event such Lease is terminated, consent to, permit, immediately execute and be bound by any lease replacing such terminated Lease, and/or any recognition thereof or attornment thereto, as the Appropriate Lenders or Designee may propose, such proposed lease providing for such Appropriate Designee to be the Landlord under the Lease and the Tenant under the Prior Lease, but otherwise having terms and provisions substantially similar to those under the terminated Lease, including any renewal terms as provided for therein.

Section 2.2(d) Notwithstanding any provision of this Subsection 2.2(d) to the contrary, the power of attorney described in this Subsection 2.2(d) shall only be exercisable, and the provisions of this Subsection 2.2(d) shall only be applicable and take effect, if the Appropriate Lenders notify in writing each party hereto that they forego their rights under Subsections 2.2(a)-(c) above. In the event of the rejection of the Prior Lease by or on behalf of the landlord under the Prior Lease in an Insolvency or Liquidation Proceeding regarding the landlord under the Prior Lease, and in recognition of the fact that each Lease creates a valid interest in and lease of real property in favor of the tenant thereunder, each tenant under the Prior Lease hereby waives its right to elect and irrevocably grants to each tenant under a Subsequent Lease an irrevocable power of attorney (subject to the condition set forth in the first sentence of this Subsection 2.2(d))to elect on behalf of the tenant under the Prior Lease to remain in possession of and exercise and enjoy the benefits of all rights and agreements of the tenant under the Prior Lease pursuant to Section 365(h) of the Bankruptcy Code in order to enable the tenant under the Prior Lease to retain any and all of its rights thereunder and continue its occupancy and use of the premises demised under such Lease for the entire term thereof, including any renewal term(s) (if any) as provided for therein, and, in turn, to enable the tenants under the Subsequent Leases to retain their rights thereunder and continue their respective occupancies under the respective Subsequent Lease for the entire term thereof, including any renewal terms(s) (if any) as provided for therein as fully as if such Insolvency or Liquidation Proceeding had not occurred. This grant and power of attorney are made in consideration of all parties' agreements herein and in the Leases and are thus coupled with an interest, are self-operative and shall be irrevocable for the entire term of each Lease, including any extensions thereof.

Section 2.3(a) No non-Lender party hereto shall terminate, cancel, sever or surrender, or suffer or fail to act to avoid the termination, cancellation, severance or surrender of, any Lease whether pursuant to or as part of the Insolvency or Liquidation Proceeding of any Landlord or Tenant or otherwise, and any attempt on the part of any such party to exercise any such right without the prior written consent of the Appropriate Lenders shall be void and ineffective. Without limiting the generality of the foregoing, no party hereto shall, without the prior written consent described in the previous sentence, elect to treat such Lease as terminated under Section 365 of the Bankruptcy Code, after rejection or disaffirmance of such Lease by any party (whether as debtor in possession or otherwise) or by any trustee of such party, and any such election made without such consent shall be void and ineffective. In the event of an Insolvency or Liquidation Proceeding of any Landlord or Tenant, each party hereto expressly assigns, releases, relinquishes and surrenders all its right, power and authority to cancel, terminate, treat as terminated, surrender, sever, amend, modify or alter in any respect the terms and provisions of any Lease unto the Appropriate Lenders for such Lease.

Section 2.3(b) In the event (i) there is an Insolvency or Liquidation Proceeding with regard to the Tenant under any Lease (for purposes of this section, the "Bankrupt Tenant"), and (ii) such Lease is rejected, disaffirmed and/or terminated under the Bankruptcy Code or any similar law, without limiting any other rights or remedies that may be available to each Lender or any obligations of any party hereunder, each party to this Agreement hereby consents to and permits an Appropriate Designee to be substituted for the Bankrupt Tenant under such Lease, with all rights and privileges under the terms thereof inuring to such Appropriate Designee. In the event of termination of such Lease, each party hereto hereby consents to and permits, and shall immediately execute and be bound by any lease replacing such terminated Lease, and/or any recognition thereof or attornment thereto, as the Appropriate Lenders or Designee may propose, such proposed lease providing for the Appropriate Designee to be the Tenant, but otherwise having the terms and conditions substantially similar to those under the terminated Lease, including any renewal terms as provided for therein, but excluding any term which would (x) entitle the landlord under such lease to terminate such lease if a replacement lease is required, (y) cause, without further action by such landlord, early termination of the replacement lease, or (z) entitle the landlord under such replacement lease to dispossess the Tenant.

Section 2.3(c) With respect to each Lease, each landlord under each Lease and all parties to this Agreement agree that the Subsequent Lease shall not terminate in the event of the termination of any Lease for any reason, and that, notwithstanding such termination of such Lease, the Subsequent Lease and all other Subsequent Leases shall continue in full force and effect after such termination in accordance with all of the terms, covenants and conditions of the Subsequent Leases for the balance of the term thereof remaining (including, without limitation, any extensions or renewals thereof), provided, however, that, at the sole option of the Appropriate Lenders for any such Subsequent Lease, if the tenant under such Subsequent Lease is the debtor in an Insolvency or Liquidation Proceeding, all parties hereto shall consent to and permit substitution of an Appropriate Designee named by such Appropriate Lenders as tenant under such Subsequent Lease and as landlord under the next Subsequent Lease. The provisions of the following Subsections 2.3(c)(i) and (ii) shall only be applicable and take effect if the Appropriate
Lenders shall notify in writing each party hereto that they forego all rights under any other provisions of this Agreement to have an Appropriate Designee substituted as a party to the Lease being terminated or to have a replacement lease for such Lease to which the Appropriate Designee would be party.

(i) Subject to the sentence preceding this Subsection 2.3(c)(i), upon the termination of any Lease as described above, the Subsequent Lease shall continue in full force and effect as

described above, except it shall become a direct lease between the landlord under the terminated Lease and the tenant under the Subsequent Lease. From and after the termination of any Lease, the landlord under such Lease hereby agrees to recognize the tenant's right, title and interest under the Subsequent Lease and further agrees not to disturb, diminish, alter or interfere with the possession and occupancy of the premises demised under the Subsequent Lease by the tenant under the Subsequent Lease; and such tenant's rights or privileges thereunder shall not be diminished or interfered with for any reason, other than one which (1) would entitle the landlord under the Subsequent Lease to terminate the Subsequent Lease under its terms, or (2) would cause, without any further action by landlord under the Subsequent Lease, the termination of the Subsequent Lease, or (3) would entitle the landlord under the Subsequent Lease to dispossess the tenant under the Subsequent Lease from the premises demised under the Subsequent Lease, in accordance with its terms. Such recognition shall be effective and self-operative without the execution of any further instruments on the part of any of the parties to the terminated Lease and the Subsequent Lease immediately upon the termination of the terminated Lease. Without limiting the foregoing, within twenty (20) days after written request therefore from the tenant under the Subsequent Lease, the landlord under the Lease being terminated shall execute an instrument in confirmation of the foregoing provisions, in which the landlord under such Lease shall acknowledge such recognition and shall set forth the terms and conditions of the tenancy of the tenant under the Subsequent Lease or, at the request of the tenant under the Subsequent Lease, shall enter into a new lease with the tenant under the Subsequent Lease on the same terms as the Subsequent Lease.

(ii) Subject to the sentence preceding Subsection 2.3(c)(i), each tenant under each Subsequent Lease agrees that from and after the termination of any Lease, the Subsequent Lease shall continue in full force and effect after such termination in accordance with all of the terms, covenants and conditions of the Subsequent Lease for the balance of the term thereof remaining (including, without limitation, any extensions or renewals thereof) as a direct lease between the landlord under the terminated Lease and the tenant under the Subsequent Lease. From and after the termination of any Lease, the tenant under the Subsequent Lease shall be directly bound to the landlord under the terminated Lease as if the landlord under the terminated Lease were the landlord under the Subsequent Lease. Such attornment shall be effective and self-operative without the execution of any further instruments on the part of any of the parties to the terminated Lease and the Subsequent Lease immediately upon the termination of the terminated Lease. Without limiting the foregoing, within twenty (20) days after written request therefore from the landlord under the Lease being terminated, the tenant under a Subsequent Lease shall execute an instrument in confirmation of the foregoing provisions, in which such tenant under a Subsequent Lease shall acknowledge such attornment and shall confirm the terms and conditions of its tenancy or, at the request of the landlord under the terminated Lease, shall enter into a new lease with the landlord under such Lease on the same terms as the Subsequent Lease.

Section 2.4 Notwithstanding Subsections 2.3 and 2.10(b) hereof, in the event (a) any Appropriate Designee becomes a party to any Lease or replacement thereof pursuant to this Agreement (the "Designee Lease") or (b) a landlord under any Lease which is terminated is required to recognize the rights of a tenant under a Subsequent Lease or enters into a new lease with the tenant under the Subsequent Lease in accordance with Subsection 2.3(c)(i) or (ii), no such landlord or Appropriate Designee nor any Lender shall be (t) liable for any act, omission, neglect or default on the part of any former party to such Designee Lease or of any prior landlord under the Subsequent Lease, (u) responsible for any moneys owing by or on deposit with (i) any prior landlord under the Subsequent Lease to the credit of the tenant under the Subsequent Lease or (ii) any former party to such Designee Lease, (v) subject to any offsets or defenses which any party under such Designee Lease may have against any other party, or which the tenant under the Subsequent Lease might have against any prior landlord under the Subsequent Lease, (w) bound by or liable for any rent or additional rent which the tenant under the Subsequent Lease might have

paid for more than the current month to any prior landlord under the Subsequent Lease or any similar payment under the Designee Lease by or in the name of a party to the Designee Lease, (x) bound by any amendments, extensions or modifications of (i) the Subsequent Lease made without the prior written consent of such landlord under such terminated Lease or (ii) the Designee Lease made without the prior written consent of the Appropriate Lenders, (y) bound by any provision in (i) the Subsequent Lease which obligates the holder of landlord's interest under the Subsequent Lease to erect or complete any building or to perform any construction work in the premises demised under the Subsequent Lease or (ii) the Designee Lease which similarly obligates any former party thereof, or (z) liable for or obligated to make any payments to be made by (i) any prior landlord under the Subsequent Lease arising from or accruing with respect to any time prior to the date on which the landlord described in clause (b) of this Section recognizes the interests of the tenant under the Subsequent Lease or (ii) any prior party to the Designee Lease arising from or accruing with respect to any time prior to the date on which such Appropriate Designee becomes party to such Lease or any replacement thereof.

Section 2.5 Each landlord under a Lease for which such landlord alleges the occurrence of a default (in this Section, such Lease is referred to as the "Lease in Default") agrees to provide to all holders of a tenant's interests under the Subsequent Leases (at the addresses then designated for receipt of notices pursuant to the notice provisions set forth in the Subsequent Leases), the Construction Lenders and the Concession Lenders with a copy or copies of any notice alleging the occurrence of any default by a tenant under the Lease in Default or any of the Public Sector Agreements or notifying the tenant of a casualty or eminent domain event, concurrently with the giving of any such notice(s) to the tenant under the Lease in Default. Each landlord under a Lease in Default hereby agrees that the tenant under any of the Subsequent Leases and/or its mortgagees may elect to cure any monetary default of the tenant under the Lease in Default within the applicable grace period, if any, provided to the tenant under such Lease, and if the tenant under the Lease in Default and/or its mortgagee shall have failed to cure any such monetary default within the applicable grace period, if any, provided to the tenant under the Lease in Default, then the tenants under the Subsequent Leases and their mortgagees (including the Construction Lenders and the Concession Lenders) shall have an additional thirty (30) day period within which to cure such monetary default prior to the exercise by landlord of any of its remedies under the Lease in Default; provided, however, that the tenants under the Subsequent Leases and their mortgagees shall have no obligation, of any kind, to cure such default; provided further, however, that in the event of a monetary default under the Project Sublease, the tenants under the Subsequent Leases and their mortgagees (including the Construction Lenders and the Concession Lenders) shall only have an additional ten (10) day period within which to cure such monetary default prior to the exercise by ECIDA of any of its remedies under the Project Sublease. Each landlord under a Lease in Default further agrees that with respect to any non-monetary defaults of a tenant under such Lease, if the tenant under such Lease shall have failed to cure any such non-monetary default within the applicable grace period, if any, provided to the tenant therein, then the tenants under the Subsequent Leases and their mortgagees shall have an additional thirty (30) day period within which to cure such default, or if such default is not reasonably susceptible to cure within such thirty (30) day period, as long as a tenant under a Subsequent Lease and/or its mortgagee has commenced and is diligently pursuing the remedies required to cure such default, then such tenant and its mortgagee under the Subsequent Lease shall be afforded such additional time beyond said thirty (30) day period as may be reasonably necessary to pursue such remedies prior to the exercise by landlord of any of its remedies under a Lease in Default; provided, however, that a tenant under any Subsequent Lease or its mortgagee shall have no obligation, of any kind whatsoever, to cure such default; provided further, however, that in the event of a non-monetary default under the Project Sublease, the tenants under the Subsequent Leases and their mortgagees (including the Construction Lenders and the Concession Lenders) shall only have an additional thirty (30) day period within which to cure such non-monetary default prior to the exercise by ECIDA of any of its remedies

under the Project Sublease, and the tenants under the Subsequent Leases and their mortgagees (including the Construction Lenders and the Concession Lenders) shall not have any additional time beyond said thirty (30) day period to cure such non-monetary default under the Project Sublease, regardless of the susceptibility of such non-monetary default to cure within such thirty (30) day period. A delay in the pursuit of such remedies caused by a filing under the Bankruptcy Code or any similar law shall not be deemed a failure by a tenant under a Subsequent Lease or its mortgagee to so proceed diligently.

Section 2.6 Each tenant under a Lease agrees to provide all holders of landlord's interests under the Prior Leases, the Construction Lenders and the Concession Lenders with a copy or copies of any notice alleging the occurrence of any default by the landlord under such Lease or any of the Public Sector Agreements or notifying such landlord of a casualty or eminent domain event, concurrently with the giving of any such notice(s) to the landlord under such Lease.

Section 2.7 Without limiting the generality of Sections 2.5 or 2.6 above, each party hereto shall provide immediate written notice to each Lender of any Insolvency or Liquidation Proceeding immediately upon such party's receiving any notice thereof. Such party shall immediately provide copies of all notices, motions, pleadings, correspondence or similar or related documents regarding any such Insolvency or Liquidation Proceeding that it receives, sends, transmits, files or serves, provided, however, that this paragraph shall not be construed as a consent or permission by any Lender for any party to send, transmit, file or serve any such document.

Section 2.8 Each landlord under a Lease represents and warrants that the original term of such Lease will not expire before the end of the original term of the Subsequent Lease, and, upon the exercise by any tenant under a Subsequent Lease of any of its options to renew the Subsequent Lease, each such landlord shall exercise its corresponding renewal options for such Lease and any renewal options under any of the Public Sector Agreements.

Section 2.9 Each tenant under a Lease hereby covenants and agrees that there shall be no further subordination of the interest of such tenant under the Lease to any mortgage, lien or other encumbrance granted by the Landlord under such Lease or by the Landlord under any Prior Lease, excepting the subordination of the County Sublease No. 2, the Project Sublease and the Sabres Space Lease to the liens of the Construction Mortgage and Assignment and the subordination of the Concession Lease and the Concession Sublease to the liens of the Concession Mortgage and Assignment, without the prior written consent of the Construction Lenders and the Concession Lenders. Any purported subordination without such prior written consent shall be null and void, and of no force and effect.

Section 2.10. In the event of an Insolvency or Liquidation Proceeding with regard to any non-Lender party hereto (the "Bankrupt Party") (whether as debtor in possession or otherwise) and in the event that the Bankrupt Party or any trustee of the Bankrupt Party shall decide to reject or disaffirm pursuant to the Bankruptcy Code or any similar law any Lease to which it is a party, the Bankrupt Party shall give each Appropriate Lender at least ten (10) days prior written notice of the date on which application or motion shall be filed with the competent court for authority to reject or disaffirm any such Lease. In that event, or in the event that no affirmative action to assume, reject or disaffirm any such Lease pursuant to the Bankruptcy Code or any similar law shall have been taken within thirty (30) days after the date of the order for relief in, or such other beginning of, any Insolvency or Liquidation Proceeding, then the Appropriate Lenders shall have the right, but not the obligation, to serve upon the Bankrupt Party or such trustee a notice stating that (a) the Appropriate Lenders demand that the Bankrupt Party (whether as debtor in possession or otherwise) or such trustee assume and assign any such Lease to an Appropriate Designee pursuant to Section 365 of the Bankruptcy Code, and (b) the Appropriate Designee covenants (i) to cure, or provide adequate

assurances of prompt cure of, all defaults (though only to the extent a competent court may conclude that other parties to this Agreement have not waived any right they may have had to such cure or assurances of cure under Section 2.4 hereof or otherwise), and (ii) provide adequate assurance of future performance under any such Lease, provided, and only to the extent, that the Bankruptcy Code or any applicable similar law requires the statements described in this Subsection (b). In the event that the Appropriate Lenders serve such notice upon the Bankrupt Party or such trustee, neither the Bankrupt Party (whether as debtor in possession or otherwise) nor such trustee shall seek to reject or disaffirm such Lease and the Bankrupt Party (whether as debtor in possession or otherwise) and such trustee shall comply with such demand within twenty (20) days after such notice shall have been given or within such shorter time period as a competent court may require or order. In the event that the Bankrupt Party (whether as debtor in possession or otherwise) or such trustee shall assume and assign any such Lease to an Appropriate Designee in accordance with the notice provided for in this Section 2.10, the other party to such Lease and all other parties hereto hereby (i) waive any and all right to object to such assumption and assignment of the Lease, (ii) consent to and permit any such assumption and assignment, and (iii) shall continue to be bound under such Lease being assumed and assigned and any and all attornment, non-disturbance, recognition and other agreements related thereto. Except as set forth in the previous sentence, this section shall in no way limit any right of any Lender to serve and file any notice, motion, complaint, answer, objection or any other pleading or document or take any other action in any Insolvency or Liquidation Proceeding.

Section 2.11. In the event of an Insolvency or Liquidation Proceeding with regard to any party, such party hereby assigns, transfers and sets over to the Appropriate Lenders a nonexclusive right to apply to any competent court under Section 365 of the Bankruptcy Code for any order extending the deadline, if any, for the automatic termination, rejection and/or disaffirmance under any provision of the Bankruptcy Code or any similar law of any Lease to which the such party is a party. Notwithstanding the previous sentence, in the event of such an Insolvency or Liquidation Proceeding, the Bankrupt Party shall either (a) assume such Lease pursuant to Section 365 of the Bankruptcy Code or (b) assume and assign such Lease as set forth in Section 2.10 above.

Section 2.12 Without limiting the rights of any Lender under any other provisions hereof, each party hereto recognizes (a) each of the Appropriate Lenders as qualified to assert the rights of a successor, assignor or mortgagee under Section 365 of the Bankruptcy Code with regard to any Lease and (b) that each Lease permits each Appropriate Lender to exercise such rights.

Section 2.13 Notwithstanding any other provision of this Agreement, in the event of an Insolvency or Liquidation Proceeding, each non-Lender party (which is not the debtor in such Insolvency or Liquidation Proceeding) hereby grants the Appropriate Lenders as to each of the Leases the right, but such Appropriate Lenders shall have no obligation, to the exclusion of each non-Lender party hereto, exercisable immediately upon notice from such Appropriate Lenders, to conduct and control the litigation in such Insolvency or Liquidation Proceeding (including, without limitation, the right to file and prosecute any proofs of claim, complaints, motions, applications, notices and other documents) with counsel of such Appropriate Lenders' choice. The Appropriate Lenders' right to control litigation as stated in the previous sentence shall be limited to matters regarding or concerning each such non-Lender party's rights in or under any Lease. The Appropriate Lenders may proceed in their own names or in the name of any such non-Lender party in connection with any such litigation, and such non-Lender party agrees to execute any and all powers, authorizations, consents and other documents required by the Appropriate Lenders in connection therewith. Such non-Lender party shall not, without the prior written consent of the Appropriate Lenders or as otherwise permitted or required by this Agreement, commence any action, suit, proceeding or case, or file any application or motion, in respect of any Lease in any such Insolvency or Liquidation Proceeding.

Section 2.14 Notwithstanding any other provision of this Agreement, each non-Lender party to this Agreement (which is not the debtor in an Insolvency or Liquidation Proceeding) hereby unconditionally and irrevocably assigns, transfers, grants and sets over all of the such party's claims and rights to the payment of damages that may hereafter arise as a result of any rejection or disaffirmance of any Lease by any Landlord or Tenant (whether as debtor in possession or otherwise), or by any trustee of such Landlord or Tenant, pursuant to the Bankruptcy Code or any similar law unto the Appropriate Lenders for such Lease; provided, however, for the purposes of this Section only, the Appropriate Lenders for the Sabres Space Lease shall only be the Construction Lenders except with respect to equitable remedies, claims or rights that the Concession Lenders may have in their capacity as a party to or mortgagee of a party to any Subsequent Leases affected by the rejection or disaffirmance of the Sabres Space Lease. The Appropriate Lenders shall have and are hereby irrevocably granted the right to proceed and an irrevocable power of attorney to exercise such rights in their own names or in the name of such party in respect of any claim, suit, action or proceeding relating to the rejection or disaffirmance of such Lease (including, without limitation, the right to file and prosecute, to the exclusion of such party, any proofs of claim, complaints, motions, applications, notices and other documents) in any case in respect of such party under the Bankruptcy Code or any similar law. This assignment constitutes a present, irrevocable and unconditional assignment of the foregoing claims, rights and remedies, and shall continue in effect until all amounts owed the Appropriate Lenders, including all principal, interest, fees, including attorney's fees, and charges, by any non-Lender party hereto shall have been finally and irrevocably satisfied and discharged in full. Any amounts received by the Appropriate Lenders as damages arising out of any such rejection or disaffirmance of such Lease shall be applied to reduce such indebtedness. The granting of these rights and the power of attorney to the Appropriate Lenders as set forth herein are made in consideration of such Lenders' agreements herein and elsewhere and are thus coupled with an interest, are self-operative and shall be irrevocable until the full and complete payment of the indebtedness as described above.

ARTICLE 3 - MORTGAGEE PROVISIONS

Section 3.1 Construction Mortgagee Provisions. Without limiting the provisions of Article 2 hereof, CA, NFH and the Construction Lenders agree for the benefit of each of CA, NFH and the Construction Lenders, as follows:

3.1.1 The Sabres Space Lease and all of the right, title and interest of NFH in and to the premises demised under the Sabres Space Lease are and shall be subject and subordinate to the Construction Mortgage and Assignment, and to all of the terms and conditions contained therein, and to any renewals, modifications, replacements, consolidations and extensions thereof, said subordination to have the same force and effect as if the Construction Mortgage and Assignment, and any renewals, modifications, replacements, consolidations and extensions thereof had been executed, acknowledged, delivered and recorded prior to the Sabres Space Lease or any notice thereof.

3.1.2 In the event of foreclosure of the Construction Mortgage and Assignment, or in the event the Construction Lenders or their nominee, designee or assignee come into possession or acquire title to the premises demised under the Sabres Space Lease as a result of foreclosure of the Construction Mortgage and Assignment, or the exercise of their rights under the Construction Mortgage and Assignment or at law or in equity, or as a result of any other means, the Construction Lenders agree to recognize the right, title and interest of NFH as tenant and further agree not to disturb, diminish, alter or interfere with NFH's possession and occupancy of the premises demised under the Sabres Space Lease and NFH's rights or privileges thereunder shall not be diminished or interfered with for any reason, other than one which (i) would entitle CA to

terminate the Sabres Space Lease under its terms, or (ii) would cause, without any further action by CA, the termination of the Sabres Space Lease, or (iii) would entitle CA to dispossess NFH from the premises demised under the Sabres Space Lease, in accordance with its terms. Such recognition shall be effective and self-operative without the execution of any further instruments on the part of any of the parties hereto immediately upon the Construction Lenders or their nominee, designee or assignee coming into possession, acquiring title to the premises demised under the Sabres Space Lease, or succeeding to the interest of the CA as landlord in the premises demised under the Sabres Space Lease. Without limiting the foregoing, within twenty (20) days after written request from the NFH, the Construction Lenders shall execute an instrument in confirmation of the foregoing provisions, in form and substance reasonably satisfactory to the Construction Lenders, in which the Construction Lenders shall acknowledge such recognition.

3.1.3 In the event the Construction Lenders or their nominee, designee or assignee come into possession or acquire title to the premises demised under the Sabres Space Lease as a result of foreclosure of the Construction Mortgage and Assignment, or the exercise of their rights under the Construction Mortgage and Assignment or at law or in equity, or as a result of any other means, the Construction Lenders or their nominee, designee or assignee and NFH as the tenant under the Sabres Space Lease shall be directly bound to each other under all of the terms, covenants and conditions of the Sabres Space Lease for the balance of the term thereof remaining (including, without limitation, any extensions or renewals thereof), with the same force and effect as if the Construction Lenders or their nominee, designee or assignee were the Landlord under the Sabres Space Lease, and NFH does hereby attorn to the Construction Lenders or their nominee, designee or assignee as its Landlord. Such attornment shall be effective and self-operative without the execution of any further instruments on the part of any of the parties hereto immediately upon the Construction Lenders or their nominee, designee or assignee coming into possession, acquiring title to the premises demised under the Sabres Space Lease, or succeeding to the interest of CA in the premises demised under the Sabres Space Lease. Without limiting the foregoing, upon the election of the Construction Lenders, within twenty (20) days after written request therefore, NFH shall execute an instrument in confirmation of the foregoing provisions, in form and substance satisfactory to the Construction Lenders, in which NFH shall acknowledge such attornment and shall confirm the terms and conditions of its tenancy or, at the request of the Construction Lenders, shall enter into a new lease with the Construction Lenders or their nominee, designee or assignee on the same terms as the Sabres Space Lease.

3.1.4 NFH agrees with the Construction Lenders that if the Construction Lenders or their nominee, designee or assignee shall come into possession of the premises demised under the Sabres Space Lease, or acquire title to the premises demised under the Sabres Space Lease, or otherwise succeed to the interest of Landlord under the Sabres Space Lease, the Construction Lenders and their nominee, designee or assignee shall not be (i) liable for any act, omission, neglect or default on the part of any prior landlord (including CA) under the Sabres Space Lease, (ii) responsible for any moneys owing by or on deposit with any prior landlord (including CA) to the credit of the NFH, (iii) subject to any offsets or defenses which NFH might have against any prior landlord (including CA), (iv) bound by or liable for any rent or additional rent which NFH might have paid for more than the current month to any prior landlord (including CA), (v) bound by any amendments, extensions or modifications of the Sabres Space Lease made without the prior written consent of the Construction Lenders, (vi) bound by any provision in the Sabres Space Lease which obligates CA to erect or complete any building or to perform any construction work in the premises demised under the Sabres Space Lease, (vii) liable for or obligated to make any payments to be made by any prior landlord (including CA) under the Sabres Space Lease arising from or accruing with respect to any time prior to the date on which the Construction Lenders or their nominee, designee or assignee come into possession, acquire title or otherwise succeed to the interest of CA, or (viii) liable to NFH beyond the Construction Lenders' interest in the leasehold interest of CA

under the Project Sublease and the revenues received by the Construction Lenders or their nominee, designee or assignee directly from the leasehold interest of CA under the Project Sublease.

3.1.5 NFH agrees that, notwithstanding any provision hereof or any provision in the Sabres Space Lease to the contrary, the terms of the Financing Participants Agreement shall continue to govern with respect to the disposition of any insurance proceeds or eminent domain awards, and any obligations of Landlord to restore the premises demised under the Sabres Space Lease. NFH further agrees that any and all rights of NFH under the Sabres Space Lease to receive any payments arising out of the termination of the Sabres Space Lease in connection with a fire or other casualty or condemnation are and shall be accrued and subordinated to the rights of the Construction Lenders under the Construction Mortgage and Assignment and the rights of the Concession Lenders under the Concession Mortgage and Assignment and documents executed incident thereto. NFH hereby waives and releases all of its rights to receive or collect any such payments, unless and until the Construction Lenders and the Concession Lenders have received sufficient proceeds from CA's insurance carrier to repay the entire Construction Loan indebtedness and all other amounts secured by the Construction Mortgage and Assignment and the entire Concession Loan indebtedness and all other amounts secured by the Concession Mortgage and Assignment.

3.1.6 NFH agrees to provide the Construction Lenders with a copy or copies of any notice alleging the occurrence of any default by CA as landlord under the Sabres Space Lease, concurrently with the giving of any such notice(s) to CA. NFH hereby agrees that the Construction Lenders may elect to cure any monetary default of CA within the applicable grace period, if any, provided to CA under the Sabres Space Lease, and if CA shall have failed to cure any such monetary default within the applicable grace period, if any, provided to CA under the Sabres Space Lease, then the Construction Lenders shall have an additional thirty (30) day period within which to cover such monetary default; provided, however, that the Construction Lenders shall have no obligation, of any kind, to cure such default. NFH further agrees that with respect to any non-monetary defaults of CA as landlord under the Sabres Space Lease, if CA shall have failed to cure any such non-monetary default within the applicable grace period, if any, provided to CA as landlord in the Sabres Space Lease, then the Construction Lenders shall have an additional thirty (30) day period within which to cure such default, or if such default is not reasonably susceptible to cure within such thirty (30) day period, as long as the Construction Lenders have commenced and are diligently pursuing the remedies required to cure such default, then the Construction Lenders shall be afforded such additional time beyond said thirty (30) day period as may be reasonably necessary to pursue such remedies; provided, however, that the Construction Lenders shall have no obligation, of any kind whatsoever, to cure such default. The pursuit of such remedies by the Construction Lenders may include, without limitation, the commencement and completion of the foreclosure of the Construction Mortgage and Assignment, or the exercise by the Construction Lenders of their other rights and remedies pursuant to the Construction Mortgage and Assignment, or at law or in equity. In such event, the Sabres Space Lease shall not be terminated by NFH while such remedies are being diligently pursued by the Construction Lenders. A delay in the pursuit of such remedies, including, without limitation, the commencement and/or completion of foreclosure proceedings, caused by a filing under the Bankruptcy Code or any similar laws shall not be deemed a failure by the Construction Lenders to so proceed diligently.

3.1.7 NFH hereby covenants and agrees that there shall be no further subordination of the interest of NFH under the Sabres Space Lease to any mortgage, lien or other encumbrance granted by CA or by any landlord under any of the Ground Lease, the County Sublease No. 1, the City Sublease or the Project Sublease without the prior written consent of the Construction Lenders. Any purported subordination without such prior written consent shall be null and void, and of no force and effect.

Sec. 3.2 Concession Mortgagee Provisions. Without limiting the provisions of Article 2 hereof, BSC, Sportservice and the Concession Lenders agree for the benefit of each of BSC, Sportservice and the Concession Lenders, as follows:

3.2.1 The Concession Sublease and all of the right, title and interest of Sportservice in and to the premises demised under the Concession Sublease are and shall be subject and subordinate to the Concession Mortgage and Assignment, and to all of the terms and conditions contained therein, and to any renewals, modifications, replacements, consolidations and extensions thereof, said subordination to have the same force and effect as if the Concession Mortgage and Assignment, and any renewals, modifications, replacements, consolidations and extensions thereof had been executed, acknowledged, delivered and recorded prior to the Concession Sublease or any notice thereof.

3.2.2 In the event of foreclosure of the Concession Mortgage and Assignment, or in the event the Concession Lenders or their nominee, designee or assignee come into possession or acquire title to the premises demised under the Concession Sublease as a result of foreclosure of the Concession Mortgage and Assignment, or the exercise of their rights under the Concession Mortgage and Assignment or at law or in equity, or as a result of any other means, the Concession Lenders agree to recognize the right, title and interest of Sportservice as tenant and further agree not to disturb, diminish, alter or interfere with Sportservice's possession and occupancy of the premises demised under the Concession Sublease and Sportservice's rights or privileges thereunder shall not be diminished or interfered with for any reason; other than one which (i) would entitle BSC to terminate the Concession Sublease under its terms, or (ii) would cause, without any further action by BSC, the termination of the Concession Sublease, or (iii) would entitle BSC to dispossess Sportservice from the premises demised under the Concession Sublease, in accordance with its terms. Such recognition shall be effective and self-operative without the execution of any further instruments on the part of any of the parties hereto immediately upon the Concession Lenders or their nominee, designee or assignee coming into possession, acquiring title to the premises demised under the Concession Sublease, or succeeding to the interest of the BSC as landlord in the premises demised under the Concession Sublease. Without limiting the foregoing, within twenty (20) days after written request from the Sportservice, the Concession Lenders shall execute an instrument in confirmation of the foregoing provisions, in form and substance reasonably satisfactory to the Concession Lenders, in which the Concession Lenders shall acknowledge such recognition.

3.2.3 In the event the Concession Lenders or their nominee, designee or assignee come into possession or acquire title to the premises demised under the Concession Sublease as a result of foreclosure of the Concession Mortgage and Assignment, or the exercise of their rights under the Concession Mortgage and Assignment or at law or in equity, or as a result of any other means, the Concession Lenders or their nominee, designee or assignee and Sportservice as the tenant under the Concession Sublease shall be directly bound to each other under all of the terms, covenants and conditions of the Concession Sublease for the balance of the term thereof remaining (including, without limitation, any extensions or renewals thereof), with the same force and effect as if the Concession Lenders or their nominee, designee or assignee were the Landlord under the Concession Sublease, and Sportservice does hereby attorn to the Concession Lenders or their Appropriate Designee as its Landlord. Such attornment shall be effective and self-operative without the execution of any further instruments on the part of any of the parties hereto immediately upon the Concession Lenders or their Appropriate Designee coming into possession, acquiring title to the premises demised under the Concession Sublease, or succeeding to the interest of BSC in the premises demised under the Concession Sublease. Without limiting the foregoing, upon the election of the Concession Lenders, within twenty (20) days after written request therefore, Sportservice shall execute an instrument in confirmation of the foregoing provisions, in

form and substance satisfactory to the Concession Lenders, in which Sportservice shall acknowledge such attornment and shall confirm the terms and conditions of its tenancy or, at the request of the Concession Lenders. shall enter into a new lease with the Concession Lenders or their Appropriate Designee on the same terms as the Concession Sublease.

3.2.4 Sportservice agrees with the Concession Lenders that if the Concession Lenders or their nominee, designee or assignee shall come into possession of the premises demised under the Concession Sublease, or acquire title to the premises demised under the Concession Sublease, or otherwise succeed to the interest of Landlord under the Concession Sublease, the Concession Lenders and their nominee, designee or assignee shall not be (i) liable for any act, omission, neglect or default on the part of any prior landlord (including BSC) under the Concession Sublease, (ii) responsible for any moneys owing by or on deposit with any prior landlord (including BSC) to the credit of the Sportservice, (iii) subject to any offsets or defenses which Sportservice might have against any prior landlord (including BSC), (iv) bound by or liable for any rent or additional rent which Sportservice might have paid for more than the current month to any prior landlord (including BSC), (v) bound by any amendments, extensions or modifications of the Concession Sublease made without the prior written consent of the Concession Lenders, (vi) bound by any provision in the Concession Sublease which obligates BSC to erect or complete any building or to perform any construction work in the premises demised under the Concession Sublease, (vii) liable for or obligated to make any payments to be made by any prior landlord (including BSC) under the Concession Sublease arising from or accruing with respect to any time prior to the date on which the Concession Lenders or their nominee, designee or assignee come into possession, acquire title or otherwise succeed to the interest of BSC, or (viii) liable to Sportservice beyond the Concession Lenders' interest in the leasehold interest of BSC under the Concession Lease and the revenues received by the Concession Lenders or their nominee, designee or assignee directly from the leasehold interest of BSC under the Concession Lease.

3.2.5 Sportservice agrees that, notwithstanding any provision hereof or any provision in the Concession Sublease to the contrary, the terms of the Financing Participants Agreement shall continue to govern with respect to the disposition of any insurance proceeds or eminent domain awards, and any obligations of Landlord to restore the premises demised under the Concession Sublease. Sportservice further agrees that any and all rights of Sportservice under the Concession Sublease to receive any payments arising out of the termination of the Concession Sublease in connection with a fire or other casualty or condemnation are and shall be accrued and subordinated to the rights of the Concession Lenders under the Concession Mortgage and Assignment and the rights of the Concession Lenders under the Concession Mortgage and Assignment and documents executed incident thereto. Sportservice hereby waives and releases all of its rights to receive or collect any such payments, unless and until the Construction Lenders and the Concession Lenders have received sufficient proceeds from BSC's insurance carrier to repay the entire Construction Loan indebtedness and all other amounts secured by the Construction Mortgage and Assignment and the entire Concession Loan indebtedness and all other amounts secured by the Concession Mortgage and Assignment.

3.2.6 Sportservice agrees to provide the Concession Lenders with a copy or copies of any notice alleging the occurrence of any default by BSC as landlord under the Concession Sublease, concurrently with the giving of any such notice(s) to BSC. Sportservice hereby agrees that the Concession Lenders may elect to cure any monetary default of BSC within the applicable grace period, if any, provided to BSC under the Concession Sublease, and if BSC shall have failed to cure any such monetary default within the applicable grace period, if any, provided to BSC under the Concession Sublease, then the Concession Lenders shall have an additional thirty (30) day period within which to cover such monetary default; provided, however, that the Concession Lenders shall have no obligation, of any kind, to cure such default.

Sportservice further agrees that with respect to any non-monetary defaults of BSC as landlord under the Concession Sublease, if BSC shall have failed to cure any such non-monetary default within the applicable grace period, if any, provided to BSC as landlord in the Concession Sublease, then the Concession Lenders shall have an additional thirty (30) day period within which to cure such default, or if such default is not reasonably susceptible to cure within such thirty (30) day period, as long as the Concession Lenders have commenced and are diligently pursuing the remedies required to cure such default, then the Concession Lenders shall be afforded such additional time beyond said thirty (30) day period as may be reasonably necessary to pursue such remedies; provided, however, that the Concession Lenders shall have no obligation, of any kind whatsoever, to cure such default. The pursuit of such remedies by the Concession Lenders may include, without limitation, the commencement and completion of the foreclosure of the Concession Mortgage and Assignment, or the exercise by the Concession Lenders of their other rights and remedies pursuant to the Concession Mortgage and Assignment, or at law or in equity. In such event, the Concession Sublease shall not be terminated by Sportservice while such remedies are being diligently pursued by the Concession Lenders. A delay in the pursuit of such remedies, including, without limitation, the commencement and/or completion of foreclosure proceedings, caused by a filing under the United States Bankruptcy Code (or any similar creditor's rights laws) shall not be deemed a failure by the Concession Lenders to so proceed diligently.

3.2.7 Sportservice hereby covenants and agrees that there shall be no further subordination of the interest of Sportservice under the Concession Sublease to any mortgage, lien or other encumbrance granted by BSC or by any landlord under any of the Ground Lease, the County Sublease No. 1, the City Sublease, the Project Sublease, the Sabres Space Lease, or the Concession Lease without the prior written consent of the Concession Lenders. Any purported subordination without such prior written consent shall be null and void, and of no force and effect.

3.2.8 Reference is made to the fact that ECIDA and BSC are jointly the mortgagors under the Concession Mortgage and Assignment. In the event of foreclosure of the Concession Mortgage and Assignment, or in the event the Concession Lenders or their nominee, designee or assignee come into possession or acquire title to the premises demised under the Concession Sublease as a result of foreclosure of the Concession Mortgage and Assignment, or the exercise of their rights under the Concession Mortgage and Assignment at law or in equity, or as a result of any other means, the Concession Lenders agree to recognize any right, title and interest of CA and NFH which would have remained in effect had BSC, solely and individually, been the mortgagor under the Concession Mortgage and Assignment, rather than ECIDA and BSC jointly.

ARTICLE 4 - LANDLORD ESTOPPEL PROVISIONS AND AGREEMENTS

Section 4.1 BURA hereby represents, warrants and certifies as of this date, as follows:

4.1.1 The Ground Lease (i) is in full force and effect as of the date hereof; (ii) represents the entire agreement between BURA, as landlord therein, and the County, as tenant therein, with respect to the premises therein described; (iii) has not been modified, altered, supplemented, changed or amended, in any manner whatsoever; and (iv) has been duly executed on behalf of the BURA by a duly authorized representative thereof and constitutes a legally valid instrument, binding and enforceable against BURA in accordance with its terms.

4.1.2 Except as otherwise expressly permitted by this Agreement, BURA hereby agrees not to modify, amend, extend, terminate or otherwise change the Ground Lease without in each instance obtaining the prior written consent of the Construction Lenders and the Concession Lenders.

4.1.3 The term of the Ground Lease commenced on May 10, 1995; all conditions to landlord's obligations under the Ground Lease have been satisfied; and the term of the Ground Lease is presently scheduled to expire on August 31 for the year commencing immediately after the thirtieth (30th) anniversary of the Completion Date (as defined in the Ground Lease).

4.1.4 No payment of rent and other charges with respect to the premises demised under the Ground Lease has been payable under the Ground Lease to date; no rent or other amounts payable by the County under the Ground Lease or with respect to the premises demised therein have been paid or will be accepted in advance of the due date thereof; no payment of charges and fees are payable by BURA to the County under the Ground Lease with respect to the premises demised therein.

4.1.5 There are no obligations on the part of BURA under the Ground Lease for the performance of any work; pursuant to any and all of the approval rights of BURA provided for in the Ground Lease, BURA hereby approves the plans and specifications set forth on Exhibit B attached hereto and by this reference incorporated herein.

4.1.6 To the best knowledge of BURA, no uncured default or breach has occurred under the Ground Lease, by either BURA or the County; and, to the best knowledge of the BURA, no event has occurred which, with the passing of time or giving of notice or both, would constitute a default or breach under the Ground Lease by either BURA or the County.

Section 4.2 The County hereby represents, warrants and certifies as of this date, as follows:

4.2.1 The County Sublease No. 1 (i) is in full force and effect as of the date hereof; (ii) represents the entire agreement between the County, as landlord therein, and the City, as tenant therein, with respect to the premises therein described; (iii) has not been modified, altered, supplemented, changed or amended, in any manner whatsoever; and (iv) has been duly executed on behalf of the County by a duly authorized representative thereof and constitutes a legally valid instrument, binding and enforceable against the County in accordance with its terms.

4.2.2 Except as otherwise expressly permitted by this Agreement, the County hereby agrees not to modify, amend, extend, terminate or otherwise change the County Sublease No. 1, without in each instance obtaining the prior written consent of the Construction Lenders and the Concession Lenders.

4.2.3 The term of the County Sublease No. 1 commenced on May 10. 1995; all conditions to landlord's obligations under the County Sublease No. 1 have been satisfied; and the term of the County Sublease No. 1 Lease is presently scheduled to expire at midnight of the last day of the thirtieth (30th) Lease Year (as defined in the County Sublease No. 1).

4.2.4 No payment of rent and other charges with respect to the premises demised under the County Sublease No. 1 has been payable under the County Sublease No. 1 to date; no rent or other amounts payable by the City under the County Sublease No. 1 or with respect to the premises demised therein have been paid or will be accepted in advance of the due date thereof; no payment of charges and fees payable by the County to the City under the County Sublease No. 1 with respect to the premises demised therein have been paid to date; no amounts payable by the County to the City under the County Sublease No. 1 or with respect to the premises demised therein have been or will be paid in advance of the due date thereof.

4.2.5 There are no obligations on the part of the County under the County Sublease No. 1 for the performance of any work; pursuant to any and all of the approval rights of the County provided for in the County Sublease No. 1, the County hereby approves the plans and specifications set forth on Exhibit B attached hereto and by this reference incorporated herein.

4.2.6 To the best knowledge of the County, no uncured default or breach has occurred under the County Sublease No. 1, by either the County or the City; and, to the best knowledge of the County, no event has occurred which, with the passing of time or giving of notice or both, would constitute a default or breach under the County Sublease No. 1 by either the County or the City.

Section 4.3 The City hereby represents, warrants and certifies as of this date, as follows:

4.3.1 The City Sublease (i) is in full force and effect as of the date hereof; (ii) represents the entire agreement between the City, as landlord therein, and County, as tenant therein, with respect to the premises therein described; (iii) has not been modified, altered, supplemented, changed or amended, in any manner whatsoever; and (iv) has been duly executed on behalf of the City by a duly authorized representative thereof and constitutes a legally valid instrument, binding and enforceable against the City in accordance with its terms.

4.3.2 Except as otherwise expressly permitted by this Agreement, the City hereby agrees not to modify, amend, extend, terminate or otherwise change the City Sublease, without in each instance obtaining the prior written consent of the Construction Lenders and the Concession Lenders.

4.3.3 The term of the City Sublease commenced on May 10. 1995; all conditions to landlord's obligations under the City Sublease have been satisfied; and the term of the City Sublease is presently scheduled to expire at midnight of the last day of the thirtieth (30th) Lease Year (as defined in the City Sublease).

4.3.4 No payment of rent and other charges with respect to the premises demised under the City Sublease has been payable under the City Sublease to date; no rent or other amounts payable by County under the City Sublease or with respect to the premises demised therein have been paid or will be accepted in advance of the due date thereof; no payment of charges and fees are payable by the City to County under the City Sublease with respect to the premises demised therein.

4.3.5 There are no obligations on the part of the City under the City Sublease for the performance of any work; pursuant to any and all of the approval rights of the City provided for in the City Sublease, the City hereby approves the plans and specifications set forth on Exhibit B attached hereto and by this reference incorporated herein.

4.3.6 To the best knowledge of the City, no uncured default or breach has occurred under the City Sublease, by either the City or County ; and, to the best knowledge of the City, no event has occurred which, with the passing of time or giving of notice or both, would constitute a default or breach under the City Sublease by either the City or County.

Section 4.4 The County hereby represents, warrants and certifies as of this date, as follows:

4.4.1 The County Sublease No. 2 (i) is in full force and effect as of the date hereof; (ii) represents the entire agreement between the County, as landlord therein, and ECIDA, as tenant therein, with respect to the premises therein described; (iii) has not been modified, altered, supplemented, changed or amended, in any manner whatsoever; and (iv) has been duly executed on behalf of the County by a duly authorized representative thereof and constitutes a legally valid instrument, binding and enforceable against the County in accordance with its terms.

4.4.2 Except as otherwise expressly permitted by this Agreement, the County hereby agrees not to modify, amend, extend, terminate or otherwise change the County Sublease No. 2, without in each instance obtaining the prior written consent of the Construction Lenders and the Concession Lenders.

4.4.3 The term of the County Sublease No. 2 commenced on May 10, 1995; all conditions to landlord's obligations under the County Sublease No. 2 have been satisfied; and the term of the County Sublease No. 2 is presently scheduled to expire at midnight of the last day of the thirtieth (30th) Lease Year (as defined in the County Sublease No. 2).

4.4.4 No payment of rent and other charges with respect to the premises demised under the County Sublease No. 2 has been payable under the County Sublease No. 2 to date; no rent or other amounts payable by ECIDA under the County Sublease No. 2 or with respect to the premises demised therein have been paid or will be accepted in advance of the due date thereof; no payment of charges and fees are payable by ECIDA to the County under the County Sublease No. 2 with respect to the premises demised therein.

4.4.5 There are no obligations on the part of the County under the County Sublease No. 2 for the performance of any work; pursuant to any and all of the approval rights of the County provided for in the County Sublease No. 2, the County hereby approves the plans and specifications set forth on Exhibit B attached hereto and by this reference incorporated herein.

4.4.6 To the best knowledge of the County, no uncured default or breach has occurred under the County Sublease No. 2, by either the County or ECIDA; and, to the best knowledge of the County, no event has occurred which, with the passing of time or giving of notice or both, would constitute a default or breach under the County Sublease No. 2 by either the County or ECIDA.

Section 4.5 ECIDA hereby represents, warrants and certifies as of this date, as follows:

4.5.1 The Project Sublease (i) is in full force and effect as of the date hereof; (ii) represents the entire agreement between ECIDA, as landlord therein, and CA, as tenant therein, with respect to the premises therein described; (iii) has not been modified, altered, supplemented, changed or amended, in any manner whatsoever; and (iv) has been duly executed on behalf of the ECIDA by a duly authorized representative thereof and constitutes a legally valid instrument, binding and enforceable against ECIDA in accordance with its terms.

4.5.2 Except as otherwise expressly permitted by this Agreement, ECIDA hereby agrees not to modify, amend, terminate or otherwise change the Project Sublease, without in each instance obtaining the prior written consent of the Construction Lenders and the Concession Lenders.

4.5.3 The term of the Project Sublease commenced on May __, 1995; any conditions to landlord's obligations under the Project Sublease have been satisfied; and the term of the Project Sublease is presently scheduled to expire at midnight of the last day of the thirtieth (30th) Lease Year (as defined in the Project Sublease).

4.5.4 Pursuant to the Project Sublease, CA is presently obligated to pay, and has commenced paying, rent and other charges to ECIDA, as follows: no rent or other charges with respect to the premises demised under the Project Sublease payable under the Project Sublease have been paid to date; no rent or other amounts payable by CA under the Project Sublease or with respect to the premises demised therein have been paid or will be accepted in advance of the due date thereof; no charges or fees are payable by ECIDA to CA under the Project Sublease with respect to the premises demised therein.

4.5.5 There are no obligations on the part of ECIDA under the Project Sublease for the performance of any work; pursuant to any and all of the approval rights of ECIDA provided for in the Project Sublease, ECIDA hereby approves the plans and specifications set forth on Exhibit B attached hereto and by this reference incorporated herein.

4.5.6 To the best knowledge of ECIDA, no uncured default or breach has occurred under the Project Sublease, by either ECIDA or CA; and, to the best knowledge of ECIDA, no event has occurred which, with the passing of time or giving of notice or both, would constitute a default or breach under the Project Sublease by either ECIDA or CA.

Section 4.6 CA hereby represents, warrants and certifies as of this date, as follows:

4.6.1 The Sabres Space Lease (i) is in full force and effect as of the date hereof; (ii) represents the entire agreement between CA as landlord therein, and NFH, as tenant therein, with respect to the premises therein described; (iii) has not been modified, altered, supplemented, changed or amended, in any manner whatsoever; and (iv) has been duly executed on behalf of the CA by a duly authorized representative thereof and constitutes a legally valid instrument, binding and enforceable against CA in accordance with its terms.

4.6.2 Except as otherwise expressly permitted by this Agreement, CA hereby agrees not to modify, amend, extend, terminate or otherwise change the Sabres Space Lease, without in each instance obtaining the prior written consent of the Construction Lenders and the Concession Lenders.

4.6.3 The term of the Sabres Space Lease has not commenced. The term of the Sabres Space Lease will be scheduled to expire at midnight of the last day of the thirtieth (30th) Lease Year (as defined in the Sabres Space Lease).

4.6.4 No payment of rent and other charges with respect to the premises demised under the Sabres Space Lease has been payable under the Sabres Space Lease to date; no rent or other amounts payable by NFH under the Sabres Space Lease or with respect to the premises demised therein have been paid or will be accepted in advance of the due date thereof; no payment of charges and fees payable by CA to NFH under the Sabres Space Lease with respect to the premises demised therein have been paid to date; no amounts payable by CA to NFH under the Sabres Space Lease or with respect to the premises demised therein have been or will be paid in advance of the due date thereof.

4.6.5 With respect to work heretofore performed by CA under the Sabres Space Lease, all of the obligations on the part of CA under the Sabres Space Lease for the performance of

such work have been fully, completely and satisfactorily performed, free of any defenses and set-offs, and, to the best knowledge of CA, NFH has no claims against CA for incomplete performance or on account of any claimed defect in connection therewith; the improvements on the premises demised under the Sabres Space Lease are free from defects in design, materials and workmanship; pursuant to any and all of the approval rights of CA provided for in the Sabres Space Lease, CA hereby approves the plans and specifications set forth on Exhibit B attached hereto and by this reference incorporated herein.

4.6.6 To the best knowledge of CA, no uncured default or breach has occurred under the Sabres Space Lease, by either CA or NFH; and, to the best knowledge of CA, no event has occurred which, with the passing of time or giving of notice or both, would constitute a default or breach under the Sabres Space Lease by either CA or NFH.

Section 4.7 NFH hereby represents, warrants and certifies as of this date, as follows:

4.7.1 The Concession Lease (i) is in full force and effect as of the date hereof; (ii) represents the entire agreement between NFH, as landlord therein, and BSC, as tenant therein, with respect to the premises therein described; (iii) has not been modified, altered, supplemented, changed or amended, in any manner whatsoever; and (iv) has been duly executed on behalf of the NFH by a duly authorized representative thereof and constitutes a legally valid instrument, binding and enforceable against NFH in accordance with its terms.

4.7.2 Except as otherwise expressly permitted by this Agreement, NFH hereby agrees not to modify, amend, extend, terminate or otherwise change the Concession Lease, without in each instance obtaining the prior written consent of the Concession Lenders.

4.7.3 The term of the Concession Lease has not commenced. The term of the Concession Lease will be scheduled to expire at midnight of the last day of the thirtieth (30th) Lease Year (as defined in the Concession Lease).

4.7.4 No payment of rent and other charges with respect to the premises demised under the Concession Lease has been payable under the Concession Lease to date; no rent or other amounts payable by BSC under the Concession Lease or with respect to the premises demised therein have been paid or will be accepted in advance of the due date thereof; no payment of charges and fees payable by NFH to BSC under the Concession Lease with respect to the premises demised therein have been paid to date; no amounts payable by NFH to BSC under the Concession Lease or with respect to the premises demised therein have been or will be paid in advance of the due date thereof.

4.7.5 With respect to work heretofore performed by NFH under the Concession Lease, all of the obligations on the part of NFH under the Concession Lease for the performance of such work have been fully, completely and satisfactorily performed, free of any defenses and set-offs, and, to the best knowledge of NFH, BSC has no claims against NFH for incomplete performance or on account of any claimed defect in connection therewith; the improvements on the premises demised under the Concession Lease are free from defects in design, materials and workmanship; pursuant to any and all of the approval rights of NFH provided for in the Concession Lease, NFH hereby approves the plans and specifications set forth on Exhibit B attached hereto and by this reference incorporated herein.

4.7.6 To the best knowledge of NFH, no uncured default or breach has occurred under the Concession Lease, by either NFH or BSC; and, to the best knowledge of the NFH, no

event has occurred which, with the passing of time or giving of notice or both, would constitute a default or breach under the Concession Lease by either NFH or BSC.

Section 4.8 BSC hereby represents, warrants and certifies as of this date, as follows:

4.8.1 The Concession Sublease (i) is in full force and effect as of the date hereof; (ii) represents the entire agreement between BSC, as landlord therein, and Sportservice, as tenant therein, with respect to the premises therein described; (iii) has not been modified, altered, supplemented, changed or amended, in any manner whatsoever; and (iv) has been duly executed on behalf of BSC by a duly authorized representative thereof and constitutes a legally valid instrument, binding and enforceable against BSC in accordance with its terms.

4.8.2 Except as otherwise expressly permitted by this Agreement, BSC hereby agrees not to modify, amend, extend, terminate or otherwise change the Concession Sublease, without in each instance obtaining the prior written consent of the Concession Lenders.

4.8.3 The term of the Concession Sublease has not commenced. The term of the Concession Sublease will be scheduled to expire at midnight of the last day of the twentieth (20th) Lease Year (as defined in the Concession Sublease).

4.8.4 No payment of rent and other charges with respect to the premises demised under the Concession Sublease has been payable under the Concession Sublease to date; no rent or other amounts payable by Sportservice under the Concession Sublease or with respect to the premises demised therein have been paid or will be accepted in advance of the due date thereof; no payment of charges and fees payable by BSC to Sportservice under the Concession Sublease with respect to the premises demised therein have been paid to date; no amounts payable by BSC to Sportservice under the Concession Sublease or with respect to the premises demised therein have been or will be paid in advance of the due date thereof.

4.8.5 With respect to work heretofore performed by BSC under the Concession Sublease, all of the obligations on the part of BSC under the Concession Sublease for the performance of such work have been fully, completely and satisfactorily performed, free of any defenses and set-offs, and, to the best knowledge of BSC, Sportservice has no claims against BSC for incomplete performance or on account of any claimed defect in connection therewith; the improvements on the premises demised under the Concession Sublease are free from defects in design, materials and workmanship; pursuant to any and all of the approval rights of BSC provided for in the Concession Sublease, BSC hereby approves the plans and specifications set forth on Exhibit B attached hereto and by this reference incorporated herein.

4.8.6 To the best knowledge of BSC, no uncured default or breach has occurred under the Concession Sublease, by either BSC or Sportservice; and, to the best knowledge of the BSC, no event has occurred which, with the passing of time or giving of notice or both, would constitute a default or breach under the Concession Sublease by either BSC or Sportservice.

ARTICLE 5 - TENANT ESTOPPEL PROVISIONS AND AGREEMENTS

Section 5.1 The County hereby represents, warrants and certifies as of this date, as follows:

5.1.1 The Ground Lease (i) is in full force and effect as of the date hereof; (ii) represents the entire agreement between BURA, as landlord therein, and the County, as tenant therein, with respect to the premises therein described; (iii) has not been modified, altered,

supplemented, changed or amended, in any manner whatsoever; and (iv) has been duly executed on behalf of the County by a duly authorized representative thereof and constitutes a legally valid instrument, binding and enforceable against the County in accordance with its terms.

5.1.2 Except as otherwise expressly permitted by this Agreement, the County hereby agrees not (i) to modify, amend, extend, terminate or otherwise change the Ground Lease, or (ii) to pay any rental amounts to BURA other than in accordance with the provisions of the Ground Lease, or (iii) to make any additions, alterations or improvements to the premises therein described other than in accordance with the provisions of the Ground Lease, without in each instance obtaining the prior written consent of the Construction Lenders and the Concession Lenders.

5.1.3 The term of the Ground Lease commenced on May 10, 1995; all conditions to tenant's obligations under the Ground Lease have been satisfied; and the term of the Ground Lease is presently scheduled to expire on August 31 for the year commencing immediately after the thirtieth (30th) anniversary of the Completion Date (as defined in the Ground Lease).

5.1.4 No payment of rent and other charges with respect to the premises demised under the Ground Lease has been payable under the Ground Lease to date; no rent or other amounts payable by the County under the Ground Lease or with respect to the premises demised therein have been or will be paid in advance of the due date thereof; no payment of charges and fees are payable by BURA to the County under the Ground Lease with respect to the premises demised therein.

5.1.5 There are no obligations on the part of BURA under the Ground Lease for the performance of any work; pursuant to any and all of the approval rights of the County provided for in the Ground Lease, the County hereby approves the plans and specifications set forth on Exhibit B attached hereto and by this reference incorporated herein.

5.1.6 To the best knowledge of the County, no uncured default or breach has occurred under the Ground Lease, by either BURA or the County; and, to the best knowledge of the County, no event has occurred which, with the passing of time or giving of notice or both, would constitute a default or breach under the Ground Lease by either BURA or the County. The County has no defenses, offsets, liens, claims, counterclaims or credits against BURA.

5.1.7 The County has received no notice of any prior assignment, sale, hypothecation or pledge by BURA of the Ground Lease or the rents payable thereunder; the County has not assigned the Ground Lease, or sublet the premises demised therein, or any part thereof, except pursuant to the County Sublease No. 1 and County Sublease No. 2; the County has no right, title or interest in any of the Improvements (except as may otherwise be provided in the City Sublease), other than (i) its interest in the premises demised pursuant to the Ground Lease, and (ii) other interests of the County as expressly and specifically set forth in the Ground Lease.

Section 5.2 The City hereby represents, warrants and certifies, as follows:

5.2.1 The County Sublease No. 1 (i) is in full force and effect as of the date hereof; (ii) represents the entire agreement between the County, as landlord therein, and the City, as tenant therein, with respect to the premises therein described; (iii) has not been modified, altered, supplemented, changed or amended, in any manner whatsoever; and (iv) has been duly executed on behalf of the City by a duly authorized representative thereof and constitutes a legally valid instrument, binding and enforceable against the City in accordance with its terms.

5.2.2 Except as otherwise expressly permitted by this Agreement, the City hereby agrees not (i) to modify, amend, extend, terminate or otherwise change the County Sublease No. 1, or (ii) to pay any rental amounts to the County other than in accordance with the provisions of the County Sublease No. 1, or (iii) to make any additions, alterations or improvements to the premises therein described other than in accordance with the provisions of the County Sublease No. 1, without in each instance obtaining the prior written consent of the Construction Lenders and the Concession Lenders.

5.2.3 The term of the County Sublease No. 1 commenced on May 10, 1995; all conditions to tenant's obligations under the County Sublease No. 1 have been satisfied; and the term of the County Sublease No. 1 is presently scheduled to expire at midnight of the last day of the thirtieth (30th) Lease Year (as defined in the County Sublease No. 1).

5.2.4 No payment of rent and other charges with respect to the premises demised under the County Sublease No. 1 has been payable under the County Sublease No. 1 to date; no rent or other amounts payable by the City under the County Sublease No. 1 or with respect to the premises demised therein have been or will be paid in advance of the due date thereof; no payment of charges and fees payable by the County to the City under the County Sublease No. 1 with respect to the premises demised therein have been paid to date; no amounts payable by the County to the City under the County Sublease No. 1 or with respect to the premises demised therein have been paid or will be accepted in advance of the due date thereof.

5.2.5 There are no obligations on the part of the County under the County Sublease No. 1 for the performance of any work; pursuant to any and all of the approval rights of the City provided for in the County Sublease No. 1, the City hereby approves the plans and specifications set forth on Exhibit B attached hereto and by this reference incorporated herein.

5.2.6 To the best knowledge of the City, no uncured default or breach has occurred under the County Sublease No. 1, by either the County or the City; and, to the best knowledge of the City, no event has occurred which, with the passing of time or giving of notice or both, would constitute a default or breach under the County Sublease No. 1 by either the County or the City. The City has no defenses, offsets, liens, claims, counterclaims or credits against the County.

5.2.7 The City has received no notice of any prior assignment, sale, hypothecation or pledge by the County of the County Sublease No. 1 or the rents payable thereunder; the City has not assigned the County Sublease No. 1, or sublet the premises demised therein, or any part thereof, except pursuant to the City Sublease; the City has no right, title or interest in any of the Improvements, other than (i) its interest in the premises demised pursuant to the County Sublease No. 1, and (ii) other interests of the City as expressly and specifically set forth in the County Sublease No. 1.

Section 5.3 The County hereby represents, warrants and certifies as of this date, as follows:

5.3.1 The City Sublease (i) is in full force and effect as of the date hereof; (ii) represents the entire agreement between the City, as landlord therein, and County, as tenant therein, with respect to the premises therein described; (iii) has not been modified, altered, supplemented, changed or amended, in any manner whatsoever; and (iv) has been duly executed on behalf of the County by a duly authorized representative thereof and constitutes a legally valid instrument, binding and enforceable against County in accordance with its terms.

5.3.2 Except as otherwise expressly permitted by this Agreement, County hereby agrees not (i) to modify, amend, extend, terminate or otherwise change the City Sublease, or (ii) to pay any rental amounts to the City other than in accordance with the provisions of the City Sublease, or (iii) to make any additions, alterations or improvements to the premises therein described other than in accordance with the provisions of the City Sublease, without in each instance obtaining the prior written consent of the Construction Lenders and the Concession Lenders.

5.3.3 The term of the City Sublease commenced on May 10, 1995; all conditions to tenant's obligations under the City Sublease have been satisfied; and the term of the City Sublease is presently scheduled to expire at midnight of the last day of the thirtieth (30th) Lease Year (as defined in the City Sublease).

5.3.4 No payment of rent and other charges with respect to the premises demised under the City Sublease has been payable under the City Sublease to date; no rent or other amounts payable by County under the City Sublease or with respect to the premises demised therein have been or will be paid in advance of the due date thereof; no payment of charges and fees are payable by the City to County under the City Sublease with respect to the premises demised therein.

5.3.5 There are no obligations on the part of the City under the County Sublease No. 1 for the performance of any work; pursuant to any and all of the approval rights of the County provided for in the City Sublease, the County hereby approves the plans and specifications set forth on Exhibit B attached hereto and by this reference incorporated herein.

5.3.6 To the best knowledge of the County, no uncured default or breach has occurred under the City Sublease, by either the City or County; and, to the best knowledge of the County, no event has occurred which, with the passing of time or giving of notice or both, would constitute a default or breach under the City Sublease by either the City or County. County has no defenses, offsets, liens, claims, counterclaims or credits against the City.

5.3.7 The County has received no notice of any prior assignment, sale, hypothecation or pledge by the City of the City Sublease or the rents payable thereunder; County has not assigned the City Sublease, or sublet the premises demised therein, or any part thereof, except pursuant to the County Sublease No. 1 and County Sublease No. 2; County has no right, title or interest in any of the Improvements, other than (i) its interest in the premises pursuant to the City Sublease and the Ground Lease, (ii) its interest in personal property owned by the County and located in the premises demised under the City Sublease and the Ground Lease, and (iii) other interests of County as expressly and specifically set forth in the City Sublease and the Ground Lease.

Section 5.4 ECIDA hereby represents, warrants and certifies as of this date, as follows:

5.4.1 The County Sublease No. 2 (i) is in full force and effect as of the date hereof; (ii) represents the entire agreement between the County, as landlord therein, and ECIDA, as tenant therein, with respect to the premises therein described; (iii) has not been modified, altered, supplemented, changed or amended, in any manner whatsoever; and (iv) has been duly executed on behalf of the ECIDA by a duly authorized representative thereof and constitutes a legally valid instrument, binding and enforceable against ECIDA in accordance with its terms.

5.4.2 Except as otherwise expressly permitted by this Agreement, ECIDA hereby agrees not (i) to modify, amend, terminate or otherwise change the County Sublease No. 2, or (ii) to pay any rental amounts to the County other than in accordance with the provisions of the County

Sublease No. 2, or (iii) to make any additions, alterations or improvements to the premises therein described other than in accordance with the provisions of the County Sublease No. 2, without in each instance obtaining the prior written consent of the Construction Lenders and the Concession Lenders.

5.4.3 The term of the County Sublease No. 2 commenced on May 10. 1995; any conditions to tenant's obligations under the County Sublease No. 2 have been satisfied; and the term of the County Sublease No. 2 is presently scheduled to expire at midnight of the last day of the thirtieth (30th) Lease Year (as defined in the County Sublease No. 2).

5.4.4 No payment of rent and other charges with respect to the premises demised under the County Sublease No. 2 has been payable under the County Sublease No. 2 to date; no rent or other amounts payable by ECIDA under the County Sublease No. 2 or with respect to the premises demised therein have been or will be paid by ECIDA in advance of the due date thereof; no payment of charges and fees are payable by the County to ECIDA under the County Sublease No. 2 with respect to the premises demised therein.

5.4.5 There are no obligations on the part of the County under the County Sublease No. 2 for the performance of any work; pursuant to any and all of the approval rights of ECIDA provided for in the County Sublease No. 2, ECIDA hereby approves the plans and specifications set forth on Exhibit B attached hereto and by this reference incorporated herein.

5.4.6 To the best knowledge of ECIDA, no uncured default or breach has occurred under the County Sublease No. 2, by either the County or ECIDA; and, to the best knowledge of the ECIDA, no event has occurred which, with the passing of time or giving of notice or both, would constitute a default or breach under the County Sublease No. 2 by either the County or ECIDA. ECIDA is not aware of any defenses, offsets, liens, claims, counterclaims or credits against the County to the payment by ECIDA of any amounts owing by ECIDA to the County under the County Sublease No. 2.

5.4.7 ECIDA has received no notice of any prior assignment, sale, hypothecation or pledge by the County of the County Sublease No. 2 or the rents payable thereunder; ECIDA has not assigned the County Sublease No. 2, or sublet the premises demised therein, or any part thereof, except pursuant to the Project Sublease and the Construction Mortgage and Assignment; ECIDA has no right, title or interest in any of the Improvements, other than (i) its interest in the premises pursuant to the County Sublease No. 2, (ii) its interest in personal property owned by the ECIDA and located in the premises demised under the County Sublease No. 2 and the Project Sublease, and (iii) other interests of ECIDA as expressly and specifically set forth in the County Sublease No. 2 and the Project Sublease.

Section 5.5 CA hereby represents, warrants and certifies as of this date, as follows:

5.5.1 The Project Sublease (i) is in full force and effect as of the date hereof; (ii) represents the entire agreement between ECIDA, as landlord therein, and CA, as tenant therein, with respect to the premises therein described; (iii) has not been modified, altered, supplemented, changed or amended, in any manner whatsoever; and (iv) has been duly executed on behalf of the CA by a duly authorized representative thereof and constitutes a legally valid instrument, binding and enforceable against CA in accordance with its terms.

5.5.2 Except as otherwise expressly permitted by this Agreement, CA hereby agrees not (i) to modify, amend, terminate or otherwise change the Project Sublease, or (ii) to pay any rental amounts to ECIDA other than in accordance with the provisions of the Project Sublease,

or (iii) to make any additions, alterations or improvements to the premises therein described other than in accordance with the provisions of the Project Sublease, without in each instance obtaining the prior written consent of the Construction Lenders and the Concession Lenders.

5.5.3 The term of the Project Sublease commenced on May __, 1995; all conditions to tenant's obligations under the Project Sublease have been satisfied; and the term of the Project Sublease is presently scheduled to expire at midnight of the last day of the thirtieth (30th) Lease Year (as defined in the Project Sublease).

5.5.4 Pursuant to the Project Sublease, CA is presently obligated to pay, and has commenced paying, rent and other charges to ECIDA, as follows: NONE. All rent and other charges with respect to the premises demised under the Project Sublease payable under the Project Sublease have been paid to date; no rent or other amounts payable by CA under the Project Sublease or with respect to the premises demised therein have been or will be paid in advance of the due date thereof; no payment of charges and fees payable by ECIDA to CA under the Project Sublease with respect to the premises demised therein have been paid to date; no amounts payable by ECIDA to CA under the Project Sublease or with respect to the premises demised therein have been paid or will be accepted in advance of the due date thereof.

5.5.5 There are no obligations on the part of the ECIDA under the Project Sublease for the performance of any work; pursuant to any and all of the approval rights of CA provided for in the Project Sublease, CA hereby approves the plans and specifications set forth on Exhibit B attached hereto and by this reference incorporated herein.

5.5.6 To the best knowledge of CA, no uncured default or breach has occurred under the Project Sublease, by either ECIDA or CA; and, to the best knowledge of the CA, no event has occurred which, with the passing of time or giving of notice or both, would constitute a default or breach under the Project Sublease by either ECIDA or CA. CA has no defenses, offsets, liens, claims, counterclaims or credits against ECIDA.

5.5.7 CA has received no notice of any prior assignment, sale, hypothecation or pledge by ECIDA of the Project Sublease or the rents payable thereunder, except as set forth in the Construction Mortgage and Assignment, and documents executed incident thereto; CA has not assigned the Project Sublease, or sublet the premises demised therein, or any part thereof, except pursuant to the Sabres Space Lease and the Construction Mortgage and Assignment; CA has no right, title or interest in any of the Improvements, other than (i) its interest in the premises pursuant to the Project Sublease, (ii) its interest in personal property owned by the CA and located in the premises demised under the Project Sublease, and (iii) other interests of CA as expressly and specifically set forth in the Project Sublease.

Section 5.6 NFH hereby represents, warrants and certifies as of this date, as follows:

5.6.1 The Sabres Space Lease (i) is in full force and effect as of the date hereof; (ii) represents the entire agreement between CA as landlord therein, and NFH, as tenant therein, with respect to the premises therein described; (iii) has not been modified, altered, supplemented, changed or amended, in any manner whatsoever; and (iv) has been duly executed on behalf of the NFH by a duly authorized representative thereof and constitutes a legally valid instrument, binding and enforceable against NFH in accordance with its terms.

5.6.2 Except as otherwise expressly permitted by this Agreement, NFH hereby agrees not (i) to modify, amend, extend, terminate or otherwise change the Sabres Space Lease, or (ii) to pay any rental amounts to CA other than in accordance with the provisions of the Sabres

Space Lease, or (iii) to make any additions, alterations or improvements to the premises therein described other than in accordance with the provisions of the Sabres Space Lease, without in each instance obtaining the prior written consent of the Construction Lenders and the Concession Lenders.

5.6.3 The term of the Sabres Space Lease has not commenced. The term of the Sabres Space Lease will be scheduled to expire at midnight of the last day of the thirtieth (30th) Lease Year (as defined in the Sabres Space Lease).

5.6.4 No payment of rent and other charges with respect to the premises demised under the Sabres Space Lease has been payable under the Sabres Space Lease to date; no rent or other amounts payable by NFH under the Sabres Space Lease or with respect to the premises demised therein have been or will be paid in advance of the due date thereof; no payment of charges and fees payable by CA to NFH under the Sabres Space Lease with respect to the premises demised therein have been paid to date; no amounts payable by CA to NFH under the Sabres Space Lease or with respect to the premises demised therein have been paid or will be accepted in advance of the due date thereof.

5.6.5 With respect to work heretofore performed by CA under the Sabres Space Lease, all of the obligations on the part of CA under the Sabres Space Lease for the performance of such work have been fully, completely and satisfactorily performed, free of any defenses and set-offs, and NFH has no claims against CA for incomplete performance or on account of any claimed defect in connection therewith; the improvements on the premises demised under the Sabres Space Lease are free from defects in design, materials and workmanship; pursuant to any and all of the approval rights of NFH provided for in the Sabres Space Lease, NFH hereby approves the plans and specifications set forth on Exhibit B attached hereto and by this reference incorporated herein.

5.6.6 To the best knowledge of NFH, no uncured default or breach has occurred under the Sabres Space Lease, by either CA or NFH; and, to the best knowledge of the NFH, no event has occurred which, with the passing of time or giving of notice or both, would constitute a default or breach under the Sabres Space Lease by either CA or NFH. NFH has no defenses, offsets, liens, claims, counterclaims or credits against CA.

5.6.7 NFH has received no notice of any prior assignment, sale, hypothecation or pledge by CA of the Sabres Space Lease or the rents payable thereunder, except to the Construction Lenders; NFH hereby consents to the assignment of the Sabres Space Lease, and the rental amounts payable thereunder to the Construction Lenders, in connection with the Construction Loan and agrees to pay all rent and other sums directly to the Construction Lenders upon receipt of notice from the Construction Lenders of the exercise of their rights to receive such amounts; NFH has not assigned the Sabres Space Lease, or sublet the premises demised therein, or any part thereof, except pursuant to the Concession Lease; NFH has no right, title or interest in any of the Improvements, other than (i) its interest in the premises pursuant to the Sabres Space Lease, (ii) its interest in personal property owned by the NFH and located in the premises demised under the Sabres Space Lease, and (iii) other interests of NFH as expressly and specifically set forth in the Sabres Space Lease.

5.6.8 The interest of CA under the Sabres Space Lease is to be assigned to the Construction Lenders solely as security for the purposes specified in the Assignment of Leases and Rents (referred to in Section 1.5 hereof), and the Construction Lenders shall have no duty, liability or obligation of any kind whatsoever, to NFH under the Sabres Space Lease, unless and until the Construction Lenders assume such liability in writing, in accordance with the terms thereof, except as contemplated in Section 3.1.2 and 3.1.3 hereof.

Section 5.7 BSC hereby represents, warrants and certifies as of this date, as follows:

5.7.1 The Concession Lease (i) is in full force and effect as of the date hereof; (ii) represents the entire agreement between NFH, as landlord therein, and BSC, as tenant therein, with respect to the premises therein described; (iii) has not been modified, altered, supplemented, changed or amended, in any manner whatsoever; and (iv) has been duly executed on behalf of the BSC by a duly authorized representative thereof and constitutes a legally valid instrument, binding and enforceable against BSC in accordance with its terms.

5.7.2 Except as otherwise expressly permitted by this Agreement, BSC hereby agrees not (i) to modify, amend, extend, terminate or otherwise change the Concession Lease, or (ii) to pay any rental amounts to NFH other than in accordance with the provisions of the Concession Lease, or (iii) to make any additions, alterations or improvements to the premises therein described other than in accordance with the provisions of the Concession Lease, without in each instance obtaining the prior written consent of the Concession Lenders.

5.7.3 The term of the Concession Lease has not commenced. The term of the Concession Lease is scheduled to expire at midnight of the last day of the thirtieth (30th) Lease Year (as defined in the Concession Lease).

5.7.4 No payment of rent and other charges with respect to the premises demised under the Concession Lease has been payable under the Concession Lease to date; no rent or other amounts payable by BSC under the Concession Lease or with respect to the premises demised therein have been or will be paid in advance of the due date thereof; no payment of charges and fees payable by NFH to BSC under the Concession Lease with respect to the premises demised therein have been paid to date; no amounts payable by NFH to BSC under the Concession Lease or with respect to the premises demised therein have been paid or will be accepted in advance of the due date thereof.

5.7.5 With respect to work heretofore performed by NFH under the Concession Lease, all of the obligations on the part of NFH under the Concession Lease for the performance of such work have been fully, completely and satisfactorily performed, free of any defenses and set-offs, and BSC has no claims against NFH for incomplete performance or on account of any claimed defect in connection therewith; the improvements on the premises demised under the Concession Lease are free from defects in design, materials and workmanship; pursuant to any and all of the approval rights of BSC provided for in the Concession Lease, BSC hereby approves the plans and specifications set forth on Exhibit B attached hereto and by this reference incorporated herein.

5.7.6 To the best knowledge of BSC, no uncured default or breach has occurred under the Concession Lease, by either NFH or BSC; and, to the best knowledge of the BSC, no event has occurred which, with the passing of time or giving of notice or both, would constitute a default or breach under the Concession Lease by either NFH or BSC. BSC has no defenses, offsets, liens, claims, counterclaims or credits against NFH.

5.7.7 BSC has received no notice of any prior assignment, sale, hypothecation or pledge by NFH of the Concession Lease or the rents payable thereunder; BSC has not assigned the Concession Lease, or sublet the premises demised therein, or any part thereof, except pursuant to the Concession Sublease and the Concession Mortgage and Assignment; BSC has no right, title or interest in any of the Improvements, other than (i) its interest in the premises demised pursuant to the Concession Lease, (ii) its interest in personal property owned by BSC and located in the

premises demised under the Concession Lease, and (iii) other interests of BSC as expressly and specifically set forth in the Concession Lease.

Section 5.8 Sportservice hereby represents, warrants and certifies as of this date, as follows:

5.8.1 The Concession Sublease (i) is in full force and effect as of the date hereof; (ii) represents the entire agreement between BSC, as landlord therein, and Sportservice, as tenant therein, with respect to the premises therein described; (iii) has not been modified, altered, supplemented, changed or amended, in any manner whatsoever; and (iv) has been duly executed on behalf of Sportservice by a duly authorized representative thereof and constitutes a legally valid instrument, binding and enforceable against Sportservice in accordance with its terms.

5.8.2 Except as otherwise expressly permitted by this Agreement, Sportservice hereby agrees not (i) to modify, amend, extend, terminate or otherwise change the Concession Sublease, or (ii) to pay any rental amounts to BSC other than in accordance with the provisions of the Concession Sublease, or (iii) to make any additions, alterations or improvements to the premises therein described other than in accordance with the provisions of the Concession Sublease, without in each instance obtaining the prior written consent of the Concession Lenders.

5.8.3 The term of the Concession Sublease has not commenced. The term of the Concession Sublease is scheduled to expire at midnight of the last day of the twentieth (20th) Lease Year (as defined in the Concession Sublease).

5.8.4 No payment of rent and other charges with respect to the premises demised under the Concession Sublease has been payable under the Concession Sublease to date; no rent or other amounts payable by Sportservice under the Concession Sublease or with respect to the premises demised therein have been or will be paid in advance of the due date thereof; no payment of charges and fees payable by BSC to Sportservice under the Concession Sublease with respect to the premises demised therein have been paid to date; no amounts payable by BSC to Sportservice under the Concession Sublease or with respect to the premises demised therein have been paid or will be accepted in advance of the due date thereof.

5.8.5 With respect to work heretofore performed by BSC under the Concession Sublease, all of the obligations on the part of BSC under the Concession Sublease for the performance of such work have been fully, completely and satisfactorily performed, free of any defenses and set-offs, and Sportservice has no claims against BSC for incomplete performance or on account of any claimed defect in connection therewith; the improvements on the premises demised under the Concession Sublease are free from defects in design, materials and workmanship; pursuant to any and all of the approval rights of Sportservice provided for in the Concession Sublease, Sportservice hereby approves the plans and specifications set forth on Exhibit B attached hereto and by this reference incorporated herein.

5.8.6 To the best knowledge of Sportservice, no uncured default or breach has occurred under the Concession Sublease, by either BSC or Sportservice; and, to the best knowledge of Sportservice, no event has occurred which, with the passing of time or giving of notice or both, would constitute a default or breach under the Concession Sublease by either BSC or Sportservice. Sportservice has no defenses, offsets, liens, claims, counterclaims or credits against BSC.

5.8.7 Sportservice has received no notice of any prior assignment, sale, hypothecation or pledge by BSC of the Concession Sublease or the rents payable thereunder, except to the Concession Lenders; Sportservice hereby consents to the assignment of the Concession

Sublease, and the rental amounts payable thereunder to the Concession Lenders, in connection with the Concession Loan and agrees to pay all rent and other sums directly to the Concession Lenders upon receipt of notice from the Concession Lenders of the exercise of their rights to receive such amounts; Sportservice has not assigned the Concession Sublease, or sublet the premises demised therein, or any part thereof; Sportservice has no right, title or interest in any of the Improvements, other than (i) its interest in the premises pursuant to the Concession Sublease, (ii) its interest in personal property owned by the Sportservice and located in the premises demised under the Concession Sublease, and (iii) other interests of Sportservice as expressly and specifically set forth in the Concession Sublease.

5.8.8 The interest of the BSC under the Concession Sublease is to be assigned to the Concession Lenders solely as security for the purposes specified in the Collateral Assignment of Leases and Rents (referred to in Section 1.6 hereof), and the Concession Lenders shall have no duty, liability or obligation of any kind whatsoever, to Sportservice under the Concession Sublease, unless and until the Concession Lenders assume such liability in writing, in accordance with the terms thereof, except as contemplated in Section 3.2.2 and 3.2.3 hereof.

ARTICLE 6 - MISCELLANEOUS

Section 6.1 This Agreement shall bind and inure to the benefit of the parties hereto and their successors and assigns. As used herein, the term "Lessee" or "Tenant" shall include the respective tenant under each of the Leases and its successors and assigns; the term "Lessor" or "Landlord" shall include the respective landlord under each of the Leases and its successors and assigns; the terms "foreclosure" and "foreclosure sale" as used herein shall be deemed to include the acquisition of Landlord's estate in the premises demised under any of the Leases by voluntary deed (or assignment) in lieu of foreclosure; and the term "Mortgagees" shall include (i) the Construction Lenders herein specifically named with respect to the Construction Mortgage and Assignment, all of the other lending institutions which are co-lenders in connection with the Construction Loan, any designee of any or all of the Construction Lenders, and any of their respective successors and assigns, including, without limitation any purchaser of the premises demised under the Project Sublease at a foreclosure sale; and (ii) the Concession Lenders herein specifically named with respect to the Concession Mortgage and Assignment, all of the other lending institutions which are co-lenders in connection with the Concession Loan, any designee of any or all of the Concession Lenders , and any of their respective successors and assigns, including, without limitation any purchaser of the premises demised under the Concession Lease at a foreclosure sale.

Notwithstanding any other provision of this Section 6.1, and except as this Agreement may expressly provide differently in other sections hereof, and except with respect to the exercise by ECIDA of its rights of assignment under Section 16.2(a) of the Project Sublease, no non-Lender party to this Agreement may assign any of its rights or delegate any of its obligations hereunder unless (a) simultaneously (i) all such rights are assigned, and all such obligations are delegated, to the same party, (ii) such party also becomes the assignee of all such assigning party's rights and the delegee of all such assigning party's duties, under any of the Construction Mortgage and Assignment, the Concession Mortgage and Assignment and/or any Lease, provided any such mortgage, assignment and/or lease permits such assignment and delegation, and (iii) such assigning party assigns to such party all of its other rights in or to, and delegates all of its other obligations regarding, all or part of the Site, any improvements thereto, or the Improvements; (b) such assignee agrees to abide by the terms of this Agreement; and (c) each Lender gives its prior written consent thereto, such consent not to be unreasonably withheld. Each non-Lender party to this Agreement hereby covenants that upon any assignment of its interest in or to all or part of the Site, any improvements thereto or the Improvements under any mortgage, lease or otherwise, it shall, as a

condition to such assignment, assign its interest hereunder to such party, and require such party to agree to abide by the terms of this Agreement (and for purposes of an assignment by ECIDA to the County, the County shall be deemed to so agree by execution of this Agreement). For the purposes of this Section 6.1, each reference to a document shall include all amendments, modifications, renewals and extensions thereof.

Section 6.2 Any notice to be delivered hereunder shall be in writing and shall be sent registered or certified mail, return receipt requested, addressed to the parties as follows:

If intended for BURA:

City of Buffalo Urban Renewal Agency
Room 290, City Hall
Buffalo, New York 14202
Attn.: Commissioner of Community Development

with a copy to:

Buffalo Urban Renewal Agency
Room 92, City Hall
Buffalo, New York 14202
Attn.: General Counsel

If intended for the City:

City of Buffalo
Room 201, City Hall
Buffalo, New York 14202
Attn.: Mayor

with a copy to:

Corporate Counsel
Room 1101, City Hall
Buffalo, New York 14202

with a copy to:

Kavinoky & Cook
120 Delaware Avenue
Buffalo, New York 14202
Attn.: Arnold B. Gardner, Esq.

If intended for the County:

County Office Building
95 Franklin Street
Buffalo, New York 14202
Attn.: Commissioner - Department of Environment and Planning

Richard Schechter, Esq.
Assistant County Attorney

69 Delaware Avenue, Suite 300
Buffalo, New York 14202

with a copy to:

Nixon, Hargrave, Devans & Doyle
1600 Main Place Tower
Buffalo, New York 14202
Attn.: Charles P. Jacobs, Esq.

If intended for ECIDA:

Erie County Industrial Development Agency
300 Liberty Building
Buffalo, New York 14202
Attn.: Executive Director and Chief Lending Officer

with a copy to:

Hurwitz & Fine, P.C.
1300 Liberty Building
Buffalo, New York 14202
Attn.: Robert P. Fine, Esq.

If intended for CA:

Crossroads Arena LLC,
140 Main Street
Buffalo, New York 14202
Attn.: Executive Vice President, Arena, Inc.

with a copy to:

Robert O. Swados, Esq.
Jane F. Clemens, Atty.
Cohen, Swados, Wright, Hanifin, Bradford & Brett
70 Niagara Street
Buffalo, NY 14202

with a copy to:

Gerald S. Lippes, Esq.
Lippes, Silverstein, Mathias & Wexler
700 Guaranty Building
28 Church Street
Buffalo, NY 14202

If intended for NFH:

Niagara Frontier Hockey, L.P.
140 Main Street
Buffalo, New York 14202

Attn.: President and Chief Executive Officer

with a copy to:

Legal Department
Memorial Auditorium
140 Main Street
Buffalo, New York 14202

with a copy to:

Robert O. Swados, Esq.
Jane F. Clemens, Atty.
Cohen, Swados, Wright, Hanifin, Bradford & Brett
70 Niagara Street
Buffalo, NY 14202

If intended for BSC:

Buffalo Sabres Concession LLC
140 Main Street
Buffalo, New York 14202
Attn.: Executive Vice President, Arena, Inc.

with a copy to:

Robert O. Swados, Esq.
Jane F. Clemens, Atty.
Cohen, Swados, Wright, Hanifin, Bradford & Brett
70 Niagara Street
Buffalo, NY 14202

with a copy to:

William E. Mathias, II, Esq.
Lippes, Silverstein, Mathias & Wexler
700 Guaranty Building
28 Church Street
Buffalo, NY 14202

If intended for Sportservice:

New York Sportservice, Inc.
438 Main Street
Buffalo, New York 14202
Attn.: G. Gail Edwards, Vice President and Treasurer and
Janice R. Trybus, Senior Assistant General Counsel

and

Sportservice, Corporation
438 Main Street

Buffalo, New York 14202
Attn: President

with a copy to:

Philip J. Szabla, Esq.
Albrecht, Maguire, Heffern & Gregg, P.C.
2100 Main Place Tower
Buffalo, NY 14202

If intended for Marine:

Marine Midland Bank
c/o Regional Commercial Banking Department
One Marine Midland Center, Lobby Level
Buffalo, New York 14203
Attn: Manager

with a copy to:

James H. Watz, Esq.
Phillips, Lytle, Hitchcock, Blaine & Huber
3400 Marine Midland Center
Buffalo, NY 14203

If intended for Key:

Key Bank of New York
50 Fountain Plaza
Buffalo, New York 14203
Attn: James L. Rykowski

with a copy to:

Joseph R. Cavan, Esq.
210 Ellicott Square Building
Buffalo, NY 14203

If intended for Shawmut:

Shawmut Bank, N.A.
One Federal Street
Boston, MA 02211
Attn: David A. Splaine, Managing Director

with a copy to:

Jordan P. Krasnow, Esq.
Goulston & Storrs, P.C.
400 Atlantic Avenue
Boston, MA 02110-3333

If intended for Fleet:

Fleet Bank
10 Fountain Plaza
Buffalo, New York 14202
Attn.: John Larry, Vice President

with a copy to:

Thomas A. Palmer, Esq.
Jaeckle, Fleischmann & Mugel
Fleet Bank Building
12 Fountain Plaza
Buffalo, NY 14202

Section 6.3 In case of any conflict between the terms of this Agreement and of any Lease, the terms of this Agreement shall control.

Section 6.4 This Agreement, excepting Article 3 thereof, may not be modified, changed or amended, except in writing signed (i) by each party then holding Landlord's interest under each of the Leases then in effect; (ii) by each party then holding Tenant's interest under each of the Leases then in effect; (iii) by the Construction Lenders, until the Construction Mortgage and Assignment have been fully released; and (iv) by the Concession Lenders, until the Concession Mortgage and Assignment have been fully released. Section 3.1 of this Agreement may not be modified, changed or amended, except in writing signed by the Landlord and Tenant under the Sabres Space Lease and the Construction Lenders. Section 3.2 of this Agreement may not be modified, changed or amended, except in writing signed by the Landlord and Tenant under the Concession Sublease and the Concession Lenders. Copies of any modifications, changes or amendments to this Agreement shall be forwarded to all parties hereto simultaneously with the execution thereof.

Section 6.5 With respect to ECIDA, it is agreed that ECIDA and its officers, members, employees, agents and directors shall have no personal liability hereunder, nor in their capacity as officers, members, employees, agents and directors. No provision, covenant or agreement contained in this Agreement or any obligation herein imposed upon ECIDA or the breach thereof shall constitute or give rise to or impose upon ECIDA a pecuniary liability or a charge upon its general credit. All covenants, stipulations, promises, agreements and obligations of ECIDA contained herein shall be the covenants, stipulations, promises, agreements and obligations of ECIDA and not of any member, director, employee, officer or agent of ECIDA in his or her individual capacity. Any action required of ECIDA hereunder is specifically conditioned upon any reasonable cost and expense of ECIDA and its counsel, if any, being first paid or provided for to ECIDA's satisfaction.

Section 6.6 If any provision of this Agreement or the application thereof to any party hereto or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application, validity and enforceability of such provisions to other parties hereto or circumstances shall not be affected thereby and shall be enforced to the fullest extent permitted by law. In the event a party's actions under, or enforcement or application of, a provision in this Agreement is found to be invalid because of such party's action, such finding shall not affect another party's ability to enforce or apply the same provision.

Section 6.7 In the event of any conflict between the terms of this Agreement and the Financing Participants' Agreement, the terms of the Financing Participants' Agreement shall govern.

Section 6.8 Each party hereto agrees that this Agreement shall be deemed incorporated in each Lease to which such party hereto is either a landlord or a tenant for all purposes as if fully set forth therein.

Section 6.9 In entering into this Agreement, each of BURA, the City, the County and ECIDA is acting in a proprietary rather than a governmental capacity.

Section 6.10 This Agreement shall be construed in accordance with and governed by the laws of the State of New York(without regard to conflicts of laws rules).

Section 6.11 JURISDICTION AND VENUE; WAIVER OF JURY TRIAL. THE PARTIES HERETO HEREBY ACKNOWLEDGE THAT THE TRANSACTION EVIDENCED HEREBY IS A COMMERCIAL TRANSACTION. THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY (A) SUBMIT TO PERSONAL JURISDICTION IN AND OVER ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, AND (B) WAIVE ANY AND ALL PERSONAL RIGHTS UNDER THE LAWS OF ANY STATE TO OBJECT TO JURISDICTION WITHIN THE STATE OF NEW YORK OR VENUE IN ANY PARTICULAR FORUM WITHIN THE STATE OF NEW YORK. THE PARTIES HERETO AGREE THAT, IN ADDITION TO ANY METHODS OF SERVICE OF PROCESS PROVIDED FOR UNDER APPLICABLE LAW, ALL SERVICE OF PROCESS IN ANY SUCH SUIT, ACTION OR PROCEEDING MAY BE MADE BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, DIRECTED TO ANY PARTY HERETO AT THE ADDRESS SET FORTH ABOVE, AND SERVICE SO MADE SHALL BE COMPLETE FIVE (5) DAYS AFTER THE SAME SHALL BE SO MAILED. INITIATING SUCH SUIT, ACTION OR PROCEEDING OR TAKING SUCH ACTION IN ANY STATE SHALL IN NO EVENT CONSTITUTE A WAIVER OF THE AGREEMENT CONTAINED HEREIN THAT THE LAWS OF THE STATE OF NEW YORK SHALL GOVERN THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER OR THE SUBMISSION HEREIN MADE BY THE PARTIES HERETO TO PERSONAL JURISDICTION WITHIN THE STATE OF NEW YORK. THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY AND ALL RIGHTS TO A TRIAL BY JURY IN ANY JURISDICTION AND IN ANY COURT WITH RESPECT TO, IN CONNECTION WITH, OR ARISING OUT OF THIS AGREEMENT OR THE OBLIGATIONS HEREUNDER, OR ANY CLAIM OR DISPUTE HOWSOEVER ARISING HEREUNDER BETWEEN OR AMONG THE PARTIES. THE PARTIES HERETO FURTHER CONFIRM THAT THE FOREGOING WAIVERS ARE INFORMED AND FREELY MADE.

Section 6.12 The non-Lender parties hereto agree that each and every provision of this Agreement is material and that the Lenders will suffer irreparable injury in the event that any provision of this Agreement is not performed in accordance with its specific terms or is otherwise breached by a non-Lender party. It is accordingly agreed that the Lenders will be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof, all without limiting any other relief or remedy to which the Lenders may be entitled at law or equity, or under this Agreement or any other agreement related to or arising out of the transactions contemplated herein.

Section 6.13 If, under New York State law, an interest in property created or authorized by this Agreement (or by any instrument executed and delivered in connection with the execution

and delivery of this Agreement) would be invalid unless it must vest, if at all, within a specific time period, then any such interest in property which shall not have vested earlier than twenty-one (21) years after the death of the last to die of the following named persons living on the date of signing of this Agreement shall vest on the last day of such twenty-first (21st) year:

Daniel J. DePofi
428 Chicora Road
Lewiston, New York 14092
and
Lawrence Quinn
21 St. Catherines Court
Buffalo, New York 14222.

Section 6.14 This Agreement may be signed in any number of counterparts, each of which shall be an original for all purposes.

MEMORANDUM OF LEASE AGREEMENT

The undersigned, ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a corporate governmental agency, duly organized and existing under the laws of the State of New York, having its principal office at Suite 300, Liberty Building, 424 Main Street, Buffalo, New York 14202, as Lessor, and CROSSROADS ARENA LLC, a limited liability company organized under the laws of the State of New York, with an office at Memorial Auditorium, 140 Main Street, Buffalo, New York 14202, as Lessee, entered into a certain Agency Lease Agreement for the lease of real property and personal property, dated as of May 10, 1995 (the "Agency Lease Agreement").

Such Agency Lease Agreement covers (a) a leasehold interest in the real property more particularly described in Exhibit A, attached hereto and made a part hereof, (b) any buildings, structures or improvements affixed or attached to such real property, and (c) certain personal property located thereon as more particularly described in Exhibit B, attached hereto and made a part hereof ("a", "b" and "c" are collectively referred to herein as the "Project").

Such Agency Lease Agreement provides for the rental of the Project from the Lessor and for the payment by the Lessee of rent payable pursuant to such Lease Agreement over a lease term continuing until midnight of the last day of the 30th Lease Year, as that term is defined in the Agency Lease Agreement, unless such term is earlier terminated or extended for one or more extension terms as provided therein.

A copy of the Agency Lease Agreement is available for public inspection at the office of the Lessor.

IN WITNESS WHEREOF, the Lessor and the Lessee have caused this Memorandum of Lease Agreement to be executed in their respective names, as of May 10, 1995, but effective ~~May~~ June 2, 1995.

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

By: _____
Ronald W. Coan, Executive Director

CROSSROADS ARENA LLC

By: Arena, Inc., Manager

By: _____
Lawrence Quinn,
Executive Vice President

STATE OF NEW YORK)
) SS.:
COUNTY OF ERIE)

On the 23rd day of May, 1995, before me personally came RONALD W. COAN, to me known, who being by me duly sworn, did depose and say that he resides at Amherst, New York; that he is the Executive Director of the ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY, the agency described in and which executed the above instrument; and that he signed his name thereto by authority of the Board of Directors of said agency.

Notary Public

TIMOTHY J QUINLIVAN
Notary Public State of ...
Qualified in Erie County
My Commission Expires February 10, 1996

STATE OF NEW YORK)
) SS.:
COUNTY OF ERIE)

On the 17th day of May, 1995, before me personally came LAWRENCE QUINN, to me known, who being by me duly sworn, did depose and say that he resides at 21 St.Catherines Ct., Buf., NY, New York; that he is the Executive Vice President of ARENA, INC., the Manager of CROSSROADS ARENA LLC, the limited liability company described in and which executed the above instrument; and that he signed his name thereto by authority of the board of directors of said corporation of behalf of said limited liability company.

Notary Public

DIANE W. CAPICOTTO
Notary Public, State of New York
Qualified in Niagara County
My Commission Expires May 31, 1995

LEASE AGREEMENT

by and between

CROSSROADS ARENA LLC
as Landlord

and

NIAGARA FRONTIER HOCKEY, L.P.
as Tenant

Dated: As of May 10, 1995

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2	Initial Luxury Suite Amenities
3	[Reserved]
4	[Reserved]
5	[Reserved]
6	Designation of NFHLP's Exclusive Areas
7	Initial Club Seat Amenities
8	Map of The Crossroads Parking Facilities
9	[Reserved]
10	Schedule of Rental Payments by NFHLP
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12	Box Office Operation Agreement
13	Sales Agency Agreement for Luxury Suites and Club Seats between NFHLP & Landlord
14	Initial Form of Suite License
15	[Reserved]
16	Landlord - NFHLP Marketing and Sales Advertising Agreement

17 Designation of Broadcast Facilities

18 List of Consents, etc. Required for Landlord's Performance Under Lease

19 List of Consents, etc. Required for NFHLP's Performance Under Lease

20 [Reserved]

21 Non-Disturbance Agreement Among BURA, the City, the County, the ECIDA, Landlord & NFHLP

22 [Reserved]

23 [Reserved]

24 [Reserved]

25 Non-Disturbance Agreement by Superior Mortgagees

26 Permitted Assignments

27 Non-Relocation Agreement among NFHLP, NFHMC, and the City

28 Designation of Major Sponsor Luxury Suite

29 Designation of Naming Rights Grantee Luxury Suite

30 Designation of Party Suite

31 [Reserved]

32 Schedule of Costs

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35. [Reserved]

36. Non-Competition Agreement

37. Designation of Pavilion Building

38. ECIDA Requirements

SCHEDULES

Schedule A Definitions

THIS LEASE AGREEMENT ("Lease"), by and between **CROSSROADS ARENA LLC**, a New York limited liability company with offices currently at Memorial Auditorium, 140 Main Street, Buffalo, New York 14202 **("Landlord")**, and **NIAGARA FRONTIER HOCKEY, L.P.**, a Delaware limited partnership with offices currently at Memorial Auditorium, 140 Main Street, Buffalo, New York, 14202 **("NFHLP")**:

WHEREAS, pursuant to Prior Leases the Landlord has a leasehold interest in The Crossroads Site appended as Exhibit 1 hereto upon which a facility to be known as The Crossroads Sports and Entertainment Complex, together with related parking lots and/or parking ramp(s) is to be constructed pursuant to a Development and Construction Agreement dated the date hereof, by and among Landlord, the New York State Urban Development Corporation, a public benefit corporation created by Chapter 174 of the laws of 1968, the County of Erie, a municipal corporation of the State of New York, the Erie County Industrial Development Agency, a public benefit corporation created pursuant to Article 18-A of the General Municipal Law, the City of Buffalo, a municipal corporation of the State of New York and Buffalo Urban Renewal Agency;

WHEREAS, pursuant to the Prior Leases the Landlord is entitled to enter into this Agreement;

WHEREAS, NFHLP is the owner of the Buffalo Sabres National Hockey League membership and associated franchise;

WHEREAS, NFHLP wishes to lease The Crossroads as its permanent home arena for the play of NHL games and related uses, and Landlord wishes to lease The Crossroads to NFHLP upon the terms and conditions set forth in this Lease;

NOW THEREFORE, for and in consideration of the mutual covenants, conditions and agreements herein provided and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord hereby demises, leases and lets to NFHLP, and NFHLP hereby rents and takes from Landlord, the Premises, and Landlord and NFHLP hereby covenant and agree as follows:

ARTICLE I - DEFINITIONS

All capitalized terms used herein which are not otherwise defined in the text shall have the meaning stated on Schedule A attached hereto.

ARTICLE II - CONSTRUCTION OF THE CROSSROADS

Notwithstanding the commencement of the term of this Lease, Landlord hereby undertakes to construct The Crossroads in accordance with the Plans and Specifications and pursuant to the Development and Construction Agreement and will use its best efforts to complete The Crossroads by October 1, 1996, but no later than June 30, 1997.

ARTICLE III - DEMISE, LEASE TERM AND COMMENCEMENT OF LEASE TERM

Section 3.1 **Demise**. Landlord hereby leases to NFHLP, and NFHLP hereby leases from Landlord, the Premises for the Lease Term (as defined in Section 3.7 hereof), upon the terms and conditions set forth herein. The parties agree that the interest herein granted is a leasehold interest in real estate and not a license or other interest.

Section 3.2 Intentionally deleted.

Section 3.3 **Use of Exclusive Areas**. NFHLP shall have an exclusive leasehold interest in and use of the Exclusive Areas as identified on Exhibit 6 attached, on a year-round (365 or 366 days) basis throughout the Lease Term with full rights of access to and use thereof for its officers, directors, employees, agents and invitees except as may be reasonably limited by Landlord due to emergencies or as may be required to perform maintenance, repair or reconstruction pursuant to this Lease. The respective Exclusive Areas shall be used only for their intended purpose as shown on Exhibit 6. Except to the extent required by law, or upon the written approval of NFHLP, Landlord will not grant access to or permit use of the Exclusive Areas by any third party. Landlord, its affiliates and their respective employees and agents shall have access to the Exclusive Areas for maintenance of building systems, provision of janitorial services, and as necessary in emergency situations, in accordance with this Lease.

Section 3.4 Intentionally deleted.

Section 3.5 **Use of Non-Exclusive Areas by NFHLP**. NFHLP's leasehold interest in the Non-Exclusive Areas of the Premises for Permitted Uses shall be as follows:

Section 3.5.1 **Common Areas**. NFHLP shall have non-exclusive access to all portions of the Common Areas which are necessary or appropriate to the use of the Exclusive Areas twenty-four (24) hours per day, three hundred and sixty-five or six (365 or 366) days per year during the Lease Term except as may be reasonably limited by Landlord for maintenance, repair or emergency services, renovation and reconstruction. Such right of access may not be used to obtain unauthorized attendance at Other Events.

Section 3.5.2 **Hockey Event Dates**. Subject to Landlord's scheduling of Other Events pursuant to Section 4.9 hereof, NFHLP shall have exclusive access to the Common Areas on each day on which a Hockey Event is to be held commencing eleven (11) hours prior to and ending three (3) hours after the Hockey Event, except as otherwise reasonably required by Landlord for set-up or tear-down work occurring before or after a Hockey Event.

Section 3.5.3 **Hockey Related Event Dates.** NFHLP shall have exclusive access to the Common Areas on each day on which a Hockey Related Event is to be held commencing and ending at reasonable times prior to and after the Hockey Related Event, as may be reasonably agreed to by NFHLP and Landlord, provided that such exclusive access period for any one Hockey Related Event shall not exceed the equivalent of a Game Day without Landlord's prior consent.

Section 3.6 **Inseparability of NFHLP Rights**. NFHLP's rights to use the Common Areas pursuant to Sections 3.1 through 3.5 are integral and essential to the purpose of this Lease.

Section 3.7 **Lease Term**. The term of this Lease ("Lease Term") shall begin on the Commencement Date and, subject to NFHLP's option rights pursuant to Article XXVIII, shall expire at midnight on the last day of the thirtieth (30th) Lease Year.

Section 3.8 **Commencement Date**. Subject to Sections 3.9 and 3.10, the Commencement Date shall be that date upon which the Premises are Substantially Beneficially Completed. Landlord shall notify NFHLP of the anticipated Commencement Date in writing sixty (60) days prior thereto (the "Delivery Notice"), and NFHLP agrees to accept possession of the Premises upon the Commencement Date, which shall not be earlier than the date stated in the Delivery Notice.

Section 3.9 **NFHLP's Option to Delay the Commencement Date**. If the Delivery Notice specifies that the Commencement Date will occur on or after March 1st, but prior to October 1st in any given year, NFHLP shall have the option to delay the Commencement Date until October 1st of that year by written notice given to Landlord within two (2) weeks after NFHLP's receipt of the Delivery Notice.

Section 3.10 **Early Entry**. NFHLP shall have the right to enter the Premises in advance of the Commencement Date at such time as any part of the Exclusive Areas can be occupied for the purpose of fitting out and improving the Exclusive Areas for NFHLP's use and utilizing them on a preliminary basis ("Early Entry") which fit out and improvement shall be subject to review and approval by Landlord. Such Early Entry shall not include the use of the Exclusive Areas by the general public except as provided in Section 10.3. NFHLP shall have no rental obligations for use of the Premises during the Early Entry period. During the Early Entry Period: (a) NFHLP shall be responsible for payment of Utilities related to NFHLP's use of the Premises which shall be prorated on a basis reasonably acceptable to Landlord and NFHLP, (b) NFHLP shall be responsible for insurance as set forth in Section 17.3 of this Lease and (c) NFHLP shall be bound by all other non-rent provisions of this Lease relating to the portion of the Premises so entered upon, as if the Lease Term had commenced. Landlord shall notify NFHLP of the anticipated Early Entry date in writing forty-five (45) days prior thereto and NFHLP may enter the Premises or the portion of the Premises designated in the notice on the date specified in such Early Entry notice unless notified by Landlord in writing that the Early Entry date will be delayed. Landlord may suspend such Early Entry upon reasonable notice to NFHLP to accommodate construction of the Premises.

Section 3.11 **Notices Concerning Construction Progress**. Landlord agrees to keep NFHLP informed on a monthly basis as to the progress of the construction of The Crossroads. Landlord and NFHLP agree to meet on or before December 1st each year until the Delivery Notice has been issued, for the purpose of anticipating the exact Commencement Date.

ARTICLE IV - USE OF PREMISES AND SCHEDULING OF EVENTS

Section 4.1 **Permitted Use of Premises by NFHLP**. Pursuant to and consistent with Article III and the other provisions of this Lease, NFHLP shall be permitted to use the Exclusive Areas and Non-Exclusive Areas for their Permitted Uses and with

respect to Hockey Events and Hockey Related Events, all as further described in Sections 4.2, 4.3 and 4.4 of this Lease.

Section 4.2 **Practice Sessions**. Landlord will provide NFHLP with a list of available ice time for Practice Sessions on the first day of every month from August through June (or earlier if the Buffalo Sabres are eliminated from Play-Offs). NFHLP shall have the right, upon forty-eight (48) hours notice to Landlord, to exclusive use of the Sports Arena for Practice Sessions and non-exclusive use of the related Common Areas on those dates subject to: (i) maintenance, repairs or renovations of the Premises; and (ii) Other Events which have been scheduled prior to the 48 hour notice period; provided that if "set-up" or "tear-down" work in connection with such previously scheduled Other Events is necessary in order to hold a Practice Session, the costs associated with such "set-up" or "tear-down" work shall be borne by NFHLP. The parties acknowledge NFHLP's right to conduct Practice Sessions for the Buffalo Sabres and Visiting Teams on Game Days without any costs for set up or tear down.

Section 4.3 **Training Camp**. NFHLP shall have the right, upon forty-eight (48) hours prior notice to Landlord, and subject to (a) Other Events which have been scheduled prior to the 48 hour notice period, (b) maintenance, repairs or renovations of the Premises, and (c) "set-up" or "tear-down" work in connection with Other Events, to exclusive use of the Sports Arena, press facilities and Box Office (in addition to the Exclusive Areas), for Training Camp, which is held open to the public and non-exclusive use of the related Common Areas on those dates, except the rights to the press facilities shall be subject to any other use for Other Events scheduled immediately after such Training Camp. NFHLP agrees not to charge for any public admission to Training Camp without Landlord's prior written consent.

Section 4.4 **Pre-Season And Regular Season NHL Games**. Landlord will notify NFHLP on or before each November 1st (during the Term of this Lease or prior to completion of construction on November 1 of the year before construction is expected by Landlord to be completed) of at least one hundred (100) dates of availability for Hockey Events for the ensuing Hockey Season, including at least one Friday or Saturday and one Tuesday or Wednesday for each week thereof, subject to NHL Rules, except as provided in Section 4.9. On or before each December 1st (during the Term of this Lease or prior to completion of construction on November 1 of the year before construction is expected by Landlord to be completed), NFHLP will select sixty-five (65) dates from the 100 dates to be reserved as "Prospective Game Days", to be reasonably distributed throughout the Hockey Season, including a minimum of thirty-two (32) dates on either Friday or Sunday evenings

and notify Landlord of such selection. Fifty-six (56) Prospective Game Days will be with respect to Regular Season Games, and nine (9) will be with respect to Pre-Season Games. Landlord agrees to reserve those 65 Prospective Game Days until the NHL releases its final regular season schedule for that Hockey Season, after which Prospective Game Days for which no game is scheduled shall be released for the scheduling of Other Events. If, prior to the release of the final NHL Regular Season schedule for any given Hockey Season, Landlord receives a request from another tenant, licensee or potential licensee for a date identified as a Prospective Game Day, NFHLP agrees, upon notice from Landlord, to make reasonable efforts to have the NHL substitute an alternate available date. The number of Prospective Game Days and Game Days shall be adjusted, as necessary, so that the number of Prospective Game Days shall always be at least equal to the minimum number required by the NHL for scheduling purposes, and the number of Game Days shall equal the number of Sabres Regular and Pre-Season Games scheduled by the NHL for that particular Hockey Season.

Section 4.5 **Potential Conflicts with Rescheduled Games**. Landlord shall reserve other dates, if any, which may be requested by NFHLP after the Regular Season schedule is established in the event any Hockey Event is postponed, cancelled, or must be rescheduled due to weather, labor disputes, or other similar reasons beyond the control of NFHLP ("Rescheduled Hockey Events") unless the date requested has been reserved previously for the holding of Other Events or Landlord can demonstrate to NFHLP that such date is subject to an Other Event which is reasonably anticipated to be held on such date. If a Rescheduled Hockey Event conflicts with an Other Event, and Landlord's reasonable efforts to reschedule the Other Event fail, Landlord agrees to: (a) reserve for NFHLP's use any part of the Rescheduled Game Day which remains available in Landlord's reasonable judgment; and (b) otherwise, to reserve for NFHLP's use NFHLP's next preferred Rescheduled Game Day which does not conflict with an Other Event in a manner to preclude NFHLP's use.

Section 4.6 **Play-off Games**. NFHLP shall notify Landlord within two (2) Business Days after its receipt of the dates established by the NHL for Play-Off Games ("Designated Play-off Dates") for each Hockey Season together with any other relevant information in its possession. Landlord shall respond by reserving all requested dates which are available and using its best efforts to furnish the others requested. Landlord shall propose alternate dates for the number of dates not available. Upon NFHLP's elimination from the playoffs in any Hockey Season or if it is conclusively determined that no further Play-Off Games will be held, the Designated Play-off Dates shall be released to Landlord for the scheduling of Other Events pursuant to Section 4.9.

Section 4.7 **Hockey Related Events**. NFHLP shall have access to the Premises at no additional rental charge for no more than seventy-five (75) days per Lease Year for Hockey Related Events (other than Practice Sessions) provided, however, that the maximum aggregate number of Hockey Events and Hockey Related Events per Lease Year for which NFHLP can use the Premises for no additional rental charge shall be 130 (other than Practice Sessions). NFHLP and Landlord agree to cooperate in selecting dates and times for Hockey Related Events which will not conflict with Other Events.

Section 4.8 **Scheduling**. Landlord and NFHLP agree to use all reasonable efforts to maximize the number of available dates for Other Events, including any other prospective sports franchise tenants. All requests for dates for Hockey Events and Hockey-Related Events other than those submitted pursuant to Section 4.4 shall be subject to acceptance by Landlord, provided that Landlord shall not refuse any such request unless it specifies a commercially reasonable reason that such use would conflict with maximization of revenues of Landlord.

Section 4.9 **Landlord's Reserved Rights to Use and Sublet**. Subject to the provisions of this Lease, Landlord reserves the right to use or sublet the Non-Exclusive Areas for Other Events not conflicting with Hockey Events or Hockey Related Events ("Reserved Rights"). Landlord has the right to reserve twenty-one (21) days during any single Lease Year for Other Events which shall have priority over the scheduling of Hockey Events and Hockey-Related Events except that Landlord shall not select dates which have historically been selected as the dates for Hockey Events by NFHLP. In no event may Landlord reserve more than seven (7) days during any month during the Hockey Season. (Such number of days shall be prorated during any Partial Lease Year). Landlord's exercise of its Reserved Rights shall not unreasonably interfere with NFHLP's rights to the Premises, including Landlord's best efforts to insure that Other Events will be scheduled with anticipated ending times at least four (4) hours prior to the commencement of, and commencement times no sooner than two (2) hours after the anticipated ending time of a Hockey Event. With respect to Hockey Related Events, NFHLP will use its best efforts to cooperate with Landlord in scheduling of Hockey Related Events in order to maximize scheduling of The Crossroads by Landlord for Other Events. In any event, Landlord shall use its best efforts to schedule Other Events with adequate commencement and ending times so that patrons of Other Events will have sufficient time to vacate or enter, as appropriate, the Premises prior to the entry or after exit, as appropriate, of Hockey Event or Hockey Related Event patrons. Landlord agrees to use its best efforts to: (a) minimize the frequency of ice removal during the Hockey Season in connection with its exercise of the Reserved Rights and otherwise; and (b) allow sufficient time for changeovers between an

Other Event and a Hockey Event to prepare an ice surface which is sufficient in quality for the conduct of the Hockey Event, as reasonably determined by NFHLP. In connection with the exercise by Landlord of its Reserved Rights in accordance with this Section, NFHLP shall use its best efforts to schedule Hockey Events and Hockey Related Events with adequate commencement and ending times to allow patrons of Other Events to vacate or enter, as appropriate, the Premises prior to the entry or exit, as appropriate, of Hockey Event or Hockey Related Event patrons.

Section 4.10 Other Hockey Activities. During the Term of this Lease NFHLP shall have the exclusive right to conduct, arrange for or otherwise control the play, practice or exhibition of any ice hockey activities at The Crossroads, whether major or minor professional, secondary school, college or amateur. NFHLP and Landlord shall negotiate an additional rental charge beyond the rental obligations set forth in Section 5.1 for use of The Crossroads for any such ice hockey activity which exceeds the maximum allowable days of use as provided in Section 4.7, which rental charge shall be determined as provided in Section 5.1(b).

Section 4.11 Landlord's Right of Access And Inspection. Landlord shall have the right of entry onto the Premises (including the Exclusive Areas) to perform its obligations pursuant to this Lease at all appropriate times, and NFHLP shall not impair Landlord's rights to perform its obligations in any way. Except for those obligations set forth in Article VI which are to be performed by Landlord during a Hockey Event or in the event of an emergency, Landlord shall provide reasonable prior notice of its proposed entry into the Exclusive Areas for the performance of its obligations. Landlord retains the right of entry into and the exclusive control of the Common Areas at all times, without abridging or restricting NFHLP's right of access to the Common Areas as provided in Section 3.5.1. Landlord further agrees not to perform any repairs to the Hockey Essential Portions of the Premises during any Hockey Event, except in an emergency, in which case Landlord agrees to exercise reasonable efforts to prevent and reduce as much as possible any interference with the performance of, and the patrons' enjoyment of, the Hockey Event.

Section 4.12 Hockey Event Access to the Premises. NFHLP shall provide security for and control access to the Premises, including but not limited to, the press boxes and the Sports Arena on each date of a Hockey Event or Hockey Related Event during the hours required pursuant to Sections 3.5.2 and 3.5.3. In exercising this control, NFHLP or its agents may exclude from entry, eject or cause to be ejected, or, if required by law, require Landlord to exclude from entry, eject or cause to be ejected, any person for any reasonable, legal cause. If required by law, Landlord agrees to implement reasonable and appropriate

security measures to prevent the entry and expedite the removal of any unauthorized persons pursuant to this Section 4.12. NFHLP agrees not to request the exclusion from entry or ejection of any authorized person, except for cause.

Section 4.13 Game Day Access by Visiting Team. The Visiting Team shall have access to the Visiting Team Locker Rooms during the entire Game Day.

ARTICLE V - RENT AND REIMBURSABLES

Section 5.1 Rental Obligations.

(a) Initial Rent. NFHLP agrees to pay Landlord $1,500,000.00 (U.S.) for the first twelve (12) months of its occupancy of the Premises dating from the Commencement Date and expiring upon the first anniversary thereof ("Initial Rent").

(b) Increased Rent. The Initial Rent shall be increased for every succeeding twelve (12) month period throughout the Lease Term commencing on the first day of the thirteenth (13th) month immediately following the Commencement Date ("Rent Year") as indicated on Exhibit 10. Beginning for the sixteenth Rent Year, rent shall be increased over rent paid for the previous Rent Year by the sum of (i) 3% of the previous Rent Year's rent plus (ii) the amount, if any, expressed as a percentage by which the average gross revenues from ticket sales for Hockey Events for such current Rent Year has increased over gross revenues from ticket sales for Hockey Events for the previous Rent Year by more than 3%; provided, however, in no event shall rent in any Rent Year be increased by more than 5% over the rent paid for the prior Rent Year. An example of the computation is shown on the attached Exhibit 10. In the event NFHLP uses the Sports Arena for more than 130 Hockey Events and Hockey-Related Events during any single Lease Year, NFHLP shall pay Additional Event Rent. The amount of such Additional Event Rent for each such additional Event shall be equal to the rent charged to third parties for a comparable Hockey Event, Hockey-Related Event or Other Event, as applicable.

Section 5.2 Time of Payment. During the first 15 Rent Years, NFHLP shall remit rent to Landlord on or before the seventh day of each month during the Lease Term, ^ an amount equal to one-twelfth (1/12) of its rent for that particular Rent Year, as detailed in Exhibit 10, attached. Commencing with the sixteenth Rent Year, NFHLP shall remit to Landlord on or before the seventh day of each month, an amount equal to one-twelfth of the amount of rent indicated in Column A on Exhibit 10. A final installment of rent representing any increased rent due to the increase described in Section 5.1(b) shall be made within 30

days of the completion of such Rent Year. If any installment of the rent is not paid within fifteen (15) days of the date it becomes due, NFHLP shall pay to Landlord on demand a late charge of four percent (4%) thereof.

Section 5.3 Rent Offset.

(a) NFHLP shall have the right, from time to time, to set off and deduct from any rental payments owed by NFHLP to Landlord pursuant to this Lease amounts equal to any and all Taxes levied in violation of Section 9.01(b) to the Operating Agreement to the extent actually paid by NFHLP. NFHLP shall have the right to contest any Taxes so levied in violation of Section 9.01(b) of the Operating Agreement in accordance with applicable law or contract procedures. Any interest or penalties incurred by NFHLP in the process of contesting any such Taxes may also be set off and deducted from NFHLP's rental obligations only if NFHLP is successful in such challenge. If NFHLP is unsuccessful in such challenge, NFHLP may not offset such interest and penalties. Such right of offset may not be exercised more than one (1) year after the right of offset first accrued.

(b) NFHLP shall have the right, from time to time, to set off and deduct from any rental payments owed by NFHLP to Landlord pursuant to this Lease any amounts expended by NFHLP which are the responsibility of Landlord pursuant to Article VI of this Lease and which NFHLP has expended as necessary for the operation of the Premises in accordance with Industry Standards to the extent actually paid by NFHLP and to the extent Landlord agrees such expenditure is appropriate or such expenditure is required by arbitration pursuant to Article XXV hereof. Such right of offset may not be exercised more than one (1) year after the right of offset first accrued.

ARTICLE VI - RESPONSIBILITIES AND PROVISION OF SERVICES

Section 6.1 Landlord's Game Day Responsibilities. Landlord shall provide all services, utilities, and equipment (except athletic equipment, including but not limited to, hockey pucks and sticks) as necessary or appropriate for the operation of the Premises for each Hockey Event and Hockey Related Event as follows:

Section 6.1.1 General Services And Related Equipment. Landlord shall provide sufficient, qualified staff and equipment (except athletic equipment, including but not limited to, hockey pucks and sticks) in good working order and otherwise meeting Industry Standards and NHL Rules for the provision of: public address facilities, heating, air conditioning, ventilation, plumbing, and lighting; internal wiring and interface panels necessary for color television transmission of the game and related interviews, spot-lighting

and other special effects; water for normal lavatory, cleaning and drinking consumption by the public and NFHLP; cleaning services and supplies to clean and maintain the Premises prior to and as necessary during the Hockey Event; tables and chairs required for scorers, goal judges and other off-ice officials; snow plowing of the Premises (except for Crossroads Parking Facilities) extending to the curbline; and provision of pre-game and post-game changeover and maintenance in a manner which will not materially interfere with the presentation of the Hockey Event and the ingress or egress of patrons.

Section 6.1.2 Hockey Event Rink, Services And Equipment. Landlord shall provide for each Hockey Event in accordance with Industry Standards and NHL Rules: (i) an ice rink in accordance with the Plans, and otherwise strictly complying with the NHL Rules (the "Ice Rink"); (ii) two (2) ice resurfacers in good working order; (iii) all required goals and backup goals, nets, lines and striping; (iv) dasherboards; (v) protective glass extending 10 feet high at the ends of the Ice Rink and 5 feet high at the sides, as measured from the top of the dasherboards; (vi) team benches; (vii) two (2) photographers' booths; (viii) a timekeeper's booth; (ix) two (2) player penalty boxes; (x) on-ice officials box; (xi) two (2) goal judge boxes; (xii) goal lights; (xiii) adequate signs, markers, tables and chairs as required; (xiv) line marking; (xv) telephone hookups from each bench on ice level to the respective coach and assistant coaches in the NFHLP Luxury Suite, press area and the coaches' rooms; (xvi) five (5) radio and television booths; (xvii) a room meeting NHL standards as an emergency medical room; and (xviii) all other special equipment and facilities necessary or appropriate for such Hockey Event, and any upgrades, increases or modifications of the Ice Rink, services and equipment as shall be required by the NHL Rules, subject to and in accordance with the provisions of Article XV.

Section 6.1.3 Scoreboards. The parties agree that the scoreboards and video screens shall from time to time be renovated, upgraded or replaced by Landlord using monies from The Crossroads Renewal and Replacement Reserve Account (or other Crossroads capital and operating accounts where practical) as required to maintain The Crossroads within the parameters of Industry Standards and NHL Rules.

Section 6.2 Landlord's Responsibilities for Practice Sessions And Other Hockey Events. Landlord shall provide the items listed in Section 6.1.2 (i) through (vi) for Practice Sessions. Unless otherwise directed by NFHLP, Landlord shall provide the services and items listed in Sections 6.1.1 for all Hockey Events other than Practice Sessions and for all Hockey Related Events and shall provide the services listed in 6.1.2 (in their entirety) for all Hockey Events other than Practice Sessions and for all Hockey Related Events utilizing the Sports Arena for the play of hockey.

Section 6.3 **Responsibilities of NFHLP**. NFHLP shall provide at NFHLP's cost and expense all necessary security, box-office personnel, ushers, ticket takers, and other personnel required to conduct all Hockey Events and Hockey Related Events.

Section 6.4 **Utilities**. Landlord shall install and maintain all necessary utilities to the Premises including, but not limited to, electricity, telephone, water, sewer, heat, gas, television cable (collectively, the "Utilities"), as well as installation and maintenance of the Ice Rink. NFHLP shall be responsible for payment of the monthly charges for (i) the Utilities servicing the Team Store, Waterfront Market Restaurant, and Aud Club; and (ii) telephone service charges to the Exclusive Areas. Landlord agrees to accommodate NFHLP's reasonable requests in connection with the furnishing of Utilities.

Section 6.5 **General Upkeep and Maintenance of the Premises**. Subject to Sections 6.3 and 20.1 of this Lease, Landlord agrees to provide maintenance, refurbishment, repair, safety and security as necessary for general purposes and Other Events, sanitation, housekeeping, cleaning and upkeep, and to maintain the mechanical and physical condition of the Premises in accordance with Industry Standards, including all fixtures, equipment, furnishings, improvements, advertising areas or space, facilities and systems existing in or servicing the Premises, except as provided in Section 6.6. Subject to Section 20.1 of this Lease, Landlord shall make all repairs and replacements, structural or otherwise, in, on and to the Premises as required to maintain it in good order, condition and repair in accordance with Industry Standards. Landlord further agrees not to reduce or diminish any of the facilities, services, equipment or improvements provided pursuant to this Lease, or make any alterations to the Premises which will materially, adversely impact upon NFHLP's rights or operations without NFHLP's prior written consent, which consent will not be unreasonably withheld. NFHLP shall have the reasonable right to disapprove of any decoration, sound, advertising or any other item which may significantly affect the use of The Crossroads for Hockey Events.

Section 6.6 **Responsibility for Exclusive Areas**. Notwithstanding Landlord's general obligations of upkeep and maintenance of the Premises pursuant to Section 6.5, NFHLP shall be responsible at its sole cost and expense (i) for the safety, security, sanitation, housekeeping, cleaning and upkeep only of the Exclusive Areas; (ii) for the upkeep, maintenance, repair, replacement and addition of all Concessions Equipment used in connection with the Concessions Facilities; and (iii) for the upkeep and maintenance of the Parking Facilities pursuant to Section 7.1 of this Lease. Subject to Section 20.1 of this

Lease, Landlord shall remain responsible for all other aspects of upkeep, maintenance, repairs and reconstruction of the Exclusive Areas.

Section 6.7 Alterations And Improvements by NFHLP. After the Commencement Date, NFHLP shall make (a) interior, nonstructural alterations, installations, decorations, additions and improvements to the Exclusive Areas, including plumbing, fixtures, and electrical systems which are minor in nature, such as switches, cables, outlets and fixtures, or other apparatus of like nature and (b) any repairs, replacements, reconstruction or modification required pursuant to Section 6.6 of this Lease, without Landlord's consent if the cost thereof is $100,000 or less (unless such repair, replacement, modification or reconstruction relates to Concession Equipment in which case such threshold amount shall be $700,000) ("Minor Non-Consent Changes") and with Landlord's consent if the cost is $100,000 or greater (unless such repair, replacement, modification or reconstruction relates to Concession Equipment in which case such threshold amount shall be $700,000) ("Major Consent Changes"). No Major Consent Changes shall be made without the Landlord's prior consent which shall not be unreasonably withheld. All Major Consent Changes and Minor Non-Consent Changes, including the preparation of plans, specifications and engineering reports prepared therefor: (a) shall be done at NFHLP's sole cost and expense in a good and workmanlike manner, free of all material defects (except where required due to Landlord's failure to perform pursuant to this Lease); (b) shall not weaken or impair the structural strength of the Premises; (c) shall not fundamentally affect the character or suitability of the Premises for use as a public sports and entertainment complex; (d) shall not lessen or impair its value; (e) shall comply with all applicable Laws; and (f) shall be accomplished in a manner which will not unreasonably interfere with the operation of the Premises. NFHLP agrees to provide Landlord with copies of the construction plans and specifications as appropriate for any such Major Consent Changes or Minor Non-Consent Changes, at least forty-eight (48) hours prior to commencement of construction of Minor Non-Consent Changes and five (5) Business Days prior to commencement of construction of Major Consent Changes as well as any required permits. NFHLP agrees to obtain or cause to be obtained, performance bonds for all Major Consent Changes. All Minor Non-Consent Changes and Major Consent Changes made pursuant to this Section 6.7 shall become Landlord's property and shall remain upon and be surrendered with the Premises, as a part thereof, and NFHLP shall deliver to Landlord appropriate documents to convey title promptly upon installation thereof to such property free and clear of all liens, charges, encumbrances, security interests or claims. Notwithstanding the foregoing, NFHLP may remove any trade fixtures or items of personalty purchased by NFHLP which are not subject to the rent offset provisions of Section 5.3(b) of this Lease which may be taken without structural damage or injury to the mechanical or electrical

systems of the Premises. Landlord shall have the reasonable right to disapprove of any decoration, sound, advertising, or any other item which affects the use of The Crossroads for Other Events or Landlord's Reserved Rights.

Section 6.8 Remedy for Failure to Comply With This Article. If either NFHLP or Landlord, as applicable, is of the reasonable opinion that the other party is not satisfying its obligations pursuant to this Article, NFHLP or Landlord, as appropriate, shall notify the other party in writing of those actions it considers necessary to remedy the unsatisfactory situation. Upon receipt of such notice, the party so notified shall use its best efforts to remedy the problem and comply with Industry Standards and NHL Rules within thirty (30) days. If compliance is not achieved within thirty (30) days, the disputed matter shall be submitted to dispute resolution in accordance with Article XXV of this Lease.

Section 6.9 Emergency Self-Help. If Landlord fails to perform any of the terms, covenants or conditions under this Article VI which Landlord is required to perform or comply with in accordance with this Lease with respect to an emergency or which is necessary or appropriate to the staging of a Hockey Event, including particularly the obligations set forth in Section 6.1 and 6.4 ("Self-Help Condition"), NFHLP may exercise appropriate self-help remedies ("Self-Help Right") as hereinafter provided. If any Self-Help Condition exists, NFHLP shall immediately notify Landlord of the existence of such Self-Help Condition in reasonable detail. If such Self-Help Condition shall remain uncured after a reasonable period of time after NFHLP has notified Landlord of the existence of such Self-Help Condition, which time in no event shall exceed ten days, taking into account both the need to perform such term, covenant or condition prior to or during a Hockey Event as the case may be and the expedited time necessary to reasonably cure such Self-Help Condition, then NFHLP may exercise its Self-Help Right with respect to such Self-Help Condition by notifying Landlord of its intention to exercise such Self-Help Right and performance of such Self-Help Right by proceeding to perform such term, covenant or condition as Landlord's agent. In the event that NFHLP exercises it Self-Help Right with respect to a Self-Help Condition, then NFHLP shall be reimbursed in full by Landlord for the full out-of-pocket costs and expenses actually incurred by NFHLP, together with interest thereon at the prime rate of interest then announced by Marine Midland Bank from the date of such payment by NFHLP within fifteen days after demand therefor served on Landlord by NFHLP, unless Landlord shall commence Dispute Resolution in accordance with Article XXV within fifteen days after receiving NFHLP's demand. After NFHLP has exercised its Self-Help Right pursuant to this Section, Landlord shall have the right to initiate Dispute Resolution in accordance with Article XXV to determine (a) whether an uncured Self-Help Condition actually existed at the time of NFHLP's exercise of Self-Help Right or (b) the amount of

NFHLP's demand for payment as provided above in connection with such Self-Help Condition. If the Dispute Resolution is favorable to NFHLP, Landlord shall pay to NFHLP the amount awarded under the Dispute Resolution within ten days after demand therefor, together with interest thereon as provided above and failing such payment, NFHLP may offset the amount of damages against the next payment of rent due.

ARTICLE VII - PARKING

Section 7.1 NFHLP to Provide Parking. As described in Article III, the use of the portion of the Premises which constitutes the Crossroads Parking Facilities shall be for the operation of a public parking facility. NFHLP will operate or lease to a parking operator ("Parking Operator") to operate the Crossroads Parking Facilities in accordance with this Lease. The prices paid by patrons for parking privileges shall be determined by NFHLP or the Parking Operator with NFHLP's consent. Landlord shall not substantially alter the Crossroads Parking Facilities and shall not exercise any consent rights, or enter into negotiations or any agreements with respect thereto without NFHLP's prior written consent. NFHLP or the Parking Operator will be responsible for general maintenance, snow removal, lighting, security, striping and resurfacing at the Crossroads Parking Facilities. At NFHLP's request and subject to The Crossroads Urban Renewal Plan, Landlord will fence and gate all or portions of The Crossroads Parking Facilities to the extent funds are available in the Renewal and Replacement Account.

Section 7.2 Preferred Parking Option. Landlord agrees to purchase and NFHLP agrees to sell to Landlord for use by Luxury Suite and Club Seat licensees (the "Preferred Parking Option") a license to use the number of parking spaces required to meet Landlord's obligations under the Luxury Suite and Club Seat licenses actually entered into, up to a maximum of 1,900 parking spaces in the Crossroads Parking Facilities from NFHLP at an initial price per Event of $5.00 for each surface parking space and $8.00 for each structured parking space in the first year of operation; provided that NFHLP may revise such prices from time to time in its reasonable discretion, provided such increase shall not exceed any annual license fee increase limits in the applicable Luxury Suite or Club Seat licenses. Landlord shall exercise the Preferred Parking Option by written notice to NFHLP not later than fifteen (15) days after the Commencement Date of the number of parking spaces it wishes to initially purchase for the initial Partial Year or Lease Year, as applicable. Thereafter by no later than September 1 of each year during the Term of this Lease, the Preferred Parking Option shall be exercised with respect to the number of Events included in the packages of Luxury Suites and Club Seats previously sold for the period from

September 1 through August 31 of the Lease Year beginning on such September 1. In addition, Landlord may exercise the Preferred Parking Option by written notice to NFHLP within fourteen (14) days after subsequent Luxury Suites or Club Seats are sold or Luxury Suite or Club Seat Ticket Options are exercised. Payment shall be due promptly upon receipt of funds from the appropriate licensee of Luxury Suites and Club Seats.

Section 7.3 Parking for Broadcast and Telecast Vehicles. Landlord agrees to provide a designated parking area reserved for broadcast and telecast vehicles, vans and other equipment during Hockey Events as described in Exhibit 8 attached.

Section 7.4 Revenues. NFHLP shall be entitled to retain all of the gross parking income ("Parking Revenues") derived from the Crossroads Parking Facilities, except for any Parking Revenues to be shared with a National Basketball Association franchise playing at least twenty-five percent (25%) of its regular season home games at The Crossroads pursuant to a revenue sharing agreement to be entered into with such franchise at the time.

Section 7.5 Complimentary Parking. Landlord shall have the right to five (5) complimentary parking spaces in the Crossroads Parking Facilities.

ARTICLE VIII - BOX OFFICE AND TICKET SALES

Section 8.1 Box Office. NFHLP shall operate and staff the Box Office for all Events pursuant to the Box Office Operation Agreement, attached as Exhibit 12. If either Landlord or NFHLP, as applicable, is of the reasonable opinion that the other party is not satisfying its obligations pursuant to the Box Office Operation Agreement, the aggrieved party shall notify the other party in writing of those actions it considers necessary to remedy the unsatisfactory situation. Upon receipt of such notice, the party so notified shall use its best efforts to remedy the problem within thirty (30) days. If compliance is not achieved within such thirty (30) day period, the disputed matter shall be submitted to dispute resolution in accordance with Article XXV of this Lease.

Section 8.2 NFHLP's Right to Sell and Distribute Hockey Tickets. Subject to Section 8.1 and Article IX of this Lease, NFHLP shall have exclusive control of the pricing, marketing, inventory control and sales of all tickets for Hockey Events and Hockey Related Events, including Club Seat tickets and Luxury Suite tickets, whether through its own employees, professional ticket sellers, or otherwise at The Crossroads and/or

other locations, and shall retain all revenues therefrom. NFHLP may distribute unlimited complimentary general tickets and media passes to Hockey Events and Hockey Related Events in its sole discretion. NFHLP may distribute up to fifty (50) complimentary Club Seats to Hockey Events or Hockey Related Events in its sole discretion. In the event any Club Seat ticket is not purchased as part of a Club Seat Package thirty (30) days prior to a Hockey Event or Hockey Related Event, NFHLP may sell such Club Seat ticket to the general public at the Premium Luxury Ticket Price plus an additional Landlord handling charge of ten percent (10%) of the Premium Luxury Ticket Price so charged. NFHLP shall remit such handling charge to Landlord within 24 hours after completion of such Hockey Event or Hockey Related Event.

Section 8.3 Ticket Surcharge. NFHLP shall remit to Landlord monthly, within five (5) Business Days after the end of the preceding month, a two and one-quarter percent (2.25%) ticket surcharge ("Ticket Surcharge") on the face value of all Event tickets, including Club Seat tickets and Luxury Suite tickets sold by NFHLP pursuant to the Box Office Operation Agreement. The Ticket Surcharge shall not apply to any complimentary tickets or passes distributed by NFHLP unless New York State Sales Tax is payable with respect to such complimentary tickets. The 2% portion of the Ticket Surcharge shall be applied only during such period(s) as required by the Operating Agreement.

ARTICLE IX - LUXURY SUITES AND CLUB SEATS

Section 9.1 NFHLP Sales Agency.

(a) Landlord and NFHLP shall enter into the Sales Agency Agreement attached as Exhibit 13 by which Landlord shall appoint NFHLP as Landlord's exclusive agent to lease Club Seats and Luxury Suites on a commission basis (the "Sabres Sales Commission"). Landlord shall determine the rental rates for Luxury Suites to licensees and the price for Club Seats to licensees during the Lease Term, and the rights and amenities provided therewith. Attached to this Lease as Exhibit 14 is the initial form of Suite License intended to be used. Before the Commencement Date, Landlord will provide the initial form of Club Seat license intended to be used to NFHLP which shall be subject to NFHLP's comment and approval. Such forms of Luxury Suite and Club Seat license agreements may be amended or modified by agreement of the parties hereto; provided, however, the obligations of NFHLP thereunder may not be increased without the prior written consent of NFHLP.

(b) NFHLP shall collect all revenues arising from the rental, license or sale of Luxury Suites and Club Seats on behalf of Landlord pursuant to the Sales Agency Agreement ("Sales Agency Revenues") and shall cause all such proceeds to be deposited directly in a Landlord bank account. If gross Sales Agency Revenues in any Lease Year after the first full Lease Year of operation of the Premises are less than sixty percent (60%) of the Sales Agency Revenues for the first full Lease Year, Landlord or NFHLP may notify the other party in writing of the actions it considers necessary for such other party to take to increase the Sales Agency Revenues. Upon receipt of such notice, the party so notified shall apprise the notifying party in writing within ten (10) days whether it will adopt all or some of the proposed actions and/or different actions. If the notified party has not undertaken the proposed actions to increase sales revenues within thirty (30) days after the notifying party's initial written notice, the aggrieved party may submit the Sales Agency Revenue dispute to dispute resolution in accordance with Article XXV of this Lease.

Section 9.2 Obligations of Landlord Regarding Luxury Suites. Not less than thirty (30) days before the beginning of any Hockey Season during the Lease Term, Landlord shall purchase from NFHLP in cash for each Luxury Suite theretofore licensed and for which payment has been received: (a) all Luxury Suite tickets to Hockey Events for the ensuing Hockey Season, (b) all NFHLP provided Luxury Suite Amenities for which Landlord is obligated to reimburse NFHLP, and (c) all parking spaces for the Luxury Suite packages pursuant to Section 7.2. After the start of any Hockey Season, Landlord shall purchase from NFHLP in cash all Luxury Suite tickets for Hockey Events or Hockey Related Events included in the basic Luxury Suite package within forty-eight (48) hours after Landlord's receipt of immediately available funds arising from the license of any Luxury Suite or immediately upon the sale of tickets for Hockey Events or Hockey Related Events not included in the basic Luxury Suite package which the Luxury Suite holder elects to purchase.

Section 9.3 Play-Off Games. Landlord shall create the Ticket Reserve Account on or prior to the Commencement Date and shall maintain such account during the Lease Term. On or before September 1 of each Lease Year, Landlord shall deposit into the Ticket Reserve Account an amount equal to the price of 12 tickets for 4 Play-Off Games for each Luxury Suite License granted for the ensuing Lease Year to the extent that license fees have been paid in immediately available funds by the applicable Luxury Suite Licensee. For any Luxury Suite thereafter rented, licensed or sold, Landlord shall deposit into the Ticket Reserve Account an amount equal to the price of 12 tickets for 4 Play-Off Games for each Luxury Suite so rented, licensed or sold once immediately available funds are received from the applicable Luxury Suite licensee. Landlord shall only be obligated to purchase Play-Off

Tickets for Luxury Suites from NFHLP to the extent Play-Off Games are played. Upon commencement of ticket sales for any Play-Off Game: (a) NFHLP shall provide Landlord with twelve (12) Play-Off Game tickets for each Luxury Suite license in effect for such home Play-Off Game and (b) Landlord shall remit to NFHLP the monies held in the Ticket Reserve Account to the extent necessary to pay for such tickets after first paying any Contingency Payment for prior years. Any unpaid Contingency Payment will be carried over to the following Hockey Season until the Contingency Payment has been paid in full. If the balance in the Ticket Reserve Account on November 1 of any Lease Year exceeds $500,000.00, the amount in excess of $500,000.00 shall be released to Landlord. If a Contingency Payment exists at any time that Landlord refinances any indebtedness relating to or secured by a lien on a portion or all of Landlord's interest in The Crossroads, any net proceeds remaining from such refinancing after payment of (1) outstanding principal and accrued interest on the then existing financing together with costs of refinancing and the amounts, if any, required by the refinancing lender to be applied toward improvements of the Arena and a condition of such refinancing, (2) City Infrastructure Costs and (3) accrued and unpaid Ground Rent, shall be used to pay any Contingency Payment.

Section 9.4 Obligations of Landlord Regarding Club Seats. Not less than thirty (30) days before the beginning of any Hockey Season during the Lease Term, Landlord shall purchase from NFHLP in cash for each Club Seat sold, licensed or rented and for which payment has been received: (a) Club Seat tickets to Hockey Events; (b) all NFHLP-provided Club Seat Amenities included in the Club Seat Packages; and (c) all parking spaces for the Club Seat Packages pursuant to Section 7.2 and the Club Seat license agreement. With respect to any Club Seat Packages sold during the Lease Term, Landlord shall remit cash to NFHLP for the foregoing items within forty-eight (48) hours after its receipt of immediately available funds for the fee for such Club Seat License. To the extent Play-Off Game tickets are included with any Club Seat Package, Landlord shall pay NFHLP for Play-Off Game tickets at least five (5) days in advance of each Play-Off Game.

Section 9.5 Complimentary Luxury Suites And Club Seats. NFHLP shall be entitled to ten (10) complimentary Club Seats for Other Events. These 10 Club Seats are

included in the 50 to which reference is made at Section 8.2. Each of (i) the Major Sponsor of Landlord and (ii) the Naming Rights Grantee shall be entitled to complimentary use and occupancy of one Luxury Suite designated in Exhibits 28 and 29, attached, during all Events. NFHLP shall provide one (1) complimentary parking space to all Events and 18 complimentary tickets to all Hockey Events and Hockey-Related Events to the Major Sponsor and the Naming Rights Grantee free of charge for the term of any agreement between Landlord and such Major Sponsor or Naming Rights Grantee, as applicable, and Landlord shall cause the sponsors of all Other Events to provide tickets to the Major Sponsor and the Naming Rights Grantee free of charge. Each of the Major Sponsor and the Naming Rights Grantee shall be entitled to complimentary access to the Crossroads Club. The Ticket Surcharge shall not apply to complimentary tickets distributed to the Naming Rights Grantee and the Major Sponsor pursuant to this Section 9.5 unless New York State Sales Tax is payable with respect to such complimentary tickets.

Section 9.6 Obligations of NFHLP Regarding Luxury Suites and Club Seats. NFHLP agrees to sell to Landlord all tickets (including those sold pursuant to the Luxury Suite Ticket Option) and parking spaces (including those sold pursuant to the Preferred Parking Option) in connection with the sale, rental or license of Luxury Suite and Club Seat Packages as further described in Sections 7.2, 9.2, 9.3 and 9.4 of this Lease. NFHLP agrees not to increase the price charged to Landlord for the foregoing tickets and parking spaces annually (i) by more than the proportionate increase in rental rates for Luxury Suites or the price for Club Seats, as applicable, or (ii) to an amount in excess of the highest priced ticket available for sale for an area of seating that is at least three hundred (300) or more seats at The Crossroads, outside of the Luxury Suite and Club Seating areas. NFHLP further agrees to provide concession services to the Club Seat holders and Luxury Suite licensees. NFHLP shall charge the Luxury Suite licensees and Club Seat holders directly for the charges for any concessions purchased, provided, NFHLP will furnish waiter/waitress service directly to the Luxury Suites and Club Seats in the aisles at no charge to Landlord.

ARTICLE X - CONCESSIONS, NOVELTIES AND PUBLICATIONS

Section 10.1 Furnishing of Concessions, Novelties and Publications. As described in Article III, the use of the portion of the Premises designated on Exhibit 6 as Concession Areas shall be used for the operation and sale of concessions, novelties and publications, offices of the Concessionaire and locker rooms for employees. In consideration of this Lease, NFHLP, at its sole cost and expense, shall have the exclusive right to operate or lease for the operation of all food and beverage service within the perimeter of the

Premises including the Exclusive Areas and concession stands, walk-in vendors in the Arena, Aud Club, Waterfront Market Restaurant, outdoor deck and Crossroads Club, and the sale of all novelties and publications (except promotional novelties and publications sold or distributed in connection with Civic Events) and shall exercise such rights in accordance with Quality Arena Standards, including catering service for the Luxury Suites, the Party Suite, Club Seats and any pushcart, portable or other temporary vending sites on the Premises, including sidewalks, and sidewalks adjacent to parking areas and Landlord agrees not to grant or lease such rights to any other party. NFHLP, at its sole cost and expense, shall provide all personnel, waiters and waitresses, goods, supplies, food and beverages necessary to operate the foregoing concession food and beverage sales and services. Landlord agrees not to set up any push carts or other portable or temporary vending facilities on sidewalk or right of ways surrounding the Premises.

Section 10.2 Concessions, Novelties, Publications And Parking Revenues. NFHLP shall receive and may retain one hundred percent (100%) of (i) Concessions Revenues and (ii) Parking Revenues, pertaining to all Events. Notwithstanding the foregoing, if an NBA franchise agrees to play at least twenty-five percent (25%) of its regular season home games at The Crossroads, NFHLP will relinquish to such NBA franchise the right to receive the portion of Concessions Revenues and Parking Revenues that would otherwise be payable to NFHLP with respect to NBA games under the agreements with the Concessionaire and the Parking Operator pursuant to a revenue sharing agreement to be executed by NFHLP and such NBA franchise. The sole rights of such NBA franchise will be: (1) to receive payment of that portion of the Concessions Revenues and Parking Revenues otherwise payable to NFHLP pursuant to agreements with the Concessionaire and the Parking Operator with respect to NBA games only; (2) to receive an accounting by each of the Concessionaire and Parking Operator with respect to such revenues; and (3) to sell novelties from suitable facilities within The Crossroads, other than the Exclusive Areas. Nothing contained herein shall provide the NBA franchise with the right to possess, occupy or operate any Exclusive Area at any time.

Section 10.3 Team Store. NFHLP shall operate or may contract for the operation of the Team Store at its sole cost and expense but in accordance with Quality Arena Standards. NFHLP shall have the right to name and rename the Team Store in its sole discretion. The selection of inventory, setting of product prices, interior decoration, hours of operation and staffing of the Team Store shall be in NFHLP's sole discretion and at NFHLP's sole expense. Notwithstanding the provisions of Article III, if the Team Store is completed before the Commencement Date, NFHLP shall have the option of assuming occupancy of the Team Store and opening the Team Store at any time prior to the

Commencement Date for $4,000.00 per month provided NFHLP obtains the portions of insurance described in Article XVII applicable to the Team Store, and NFHLP shall be bound by all other non-rent provisions (including Section 6.4) of this Lease relating to the Team Store, as if the Lease Term had commenced.

Section 10.4 The Aud Club, Crossroads Club, Waterfront Market Restaurant and Other Concessions Facilities. Subject to the terms and conditions of this Lease, NFHLP shall have the exclusive right to operate at its cost and retain all revenues from all restaurant and food and beverage service within the perimeter of the Crossroads Site, including the Aud Club, Crossroads Club, the Waterfront Market Restaurant and all other Concessions Facilities within the perimeter of the Crossroads Site. Any membership or admission fees charged with respect to The Aud Club or Crossroads Club shall be the sole property of NFHLP. NFHLP may rent and cater within the Aud Club, Crossroads Club, or the Waterfront Restaurant for private functions and NFHLP shall retain all revenues derived therefrom. NFHLP may cater through the Aud Club or the Waterfront Market to outside the Arena.

Section 10.5 Sublease of Exclusive Areas Devoted to Concessions and Other Rights Set Forth in Article X. It is recognized that the areas devoted to concessions and the Crossroads Parking Facilities are being subleased to BSC who in turn is sub-subleasing these rights to New York Sportservice, Inc. Landlord hereby consents to such subleases and incorporates herein as part of this Lease, the Non-Disturbance Agreement as if fully set forth herein.

ARTICLE XI - ADVERTISING RIGHTS AND REVENUES

Section 11.1 Landlord's Exclusive Advertising Rights.

(a) Landlord and NFHLP shall enter into the Landlord-NFHLP Marketing and Advertising Agreement, substantially in the form of Exhibit 16, by which Landlord appoints NFHLP as Landlord's exclusive agent, subject to Section 11.2, to market the posting or exhibiting of any signs, advertisements, show bills, lithographs, posters, cards of any description, the scoreboard(s), or any other advertising matter in or on any portion of the Premises (the "In-Arena Advertising Venues"). Such In-Arena Advertising Venues shall include, but not be limited to, the scoreboard(s), video screen(s), message boards, interior and exterior signage, concourse and pavilion signage panels, public address system, ice surface, ice resurfacing equipment and dasherboards. Notwithstanding the foregoing, five (5) backlit sign panels in the concourse and three (3) in the Sports Arena (consistent in size

and location with other backlit panels in the Arena) may be designated for the exclusive use of NFHLP for NFHLP only promotional use at no charge to NFHLP.

(b) NFHLP shall remit to Landlord all revenues from In-Arena Advertising Venues less commissions due pursuant to the Landlord-NFHLP Marketing and Sales Advertising Agreement. If revenues from In-Arena Advertising Venues in any year after the first full Lease Year of operation of the Premises are less than sixty percent (60%) of the revenues from In-Arena Advertising Venues for the first full Lease Year, Landlord may notify NFHLP in writing of the actions it considers necessary for NFHLP to take to increase revenues from the In-Arena Advertising Venues. Upon receipt of such notice, NFHLP shall notify Landlord in writing within ten (10) days whether it will adopt all or some of the Landlord's proposed actions and/or different actions. If NFHLP has not adopted Landlord's proposed actions within thirty (30) days after the initial written notice, Landlord may submit the In-Arena Advertising Venue dispute to dispute resolution in accordance with Article XXV of this Lease.

Section 11.2 NFHLP's Advertising And Promotional Rights. Notwithstanding Section 11.1, NFHLP shall have the exclusive right to contract on its own account for individual and series or season-long game sponsorships and promotions for charitable, civic and other purposes, and to participate in current or future NHL marketing programs such as the On-Ice Brand Program, and others which may require pre-emption of Landlord advertising agreements (upon at least thirty (30) days advance notice to Landlord from NFHLP) with respect to the dasherboards, ice surface and ice resurfacing equipment. Such sponsorships and promotions shall include, without limitation, on-ice exhibitions prior to or after Hockey Events, or during intermissions, and special nights such as Fan Appreciation Night. NFHLP shall also have exclusive rights to any advertising or promotional programs directly related to in-arena concessions and/or brand name food or beverage sales. NFHLP shall have exclusive control of any advertising or promotional use of team uniforms and equipment, as well as any temporary signs of a promotional nature which may be installed and removed during Game Days. NFHLP shall also have the right to install retired team jerseys and championship banners in the rafters, and to contract for advertisements appearing on Hockey Event tickets, ticket envelopes, season ticket packages and marketing brochures. NFHLP shall further have the right to prominently display the Sabres name, logo and schedule of Hockey Events in and around the Premises, subject to Landlord's approval. If a marquee is constructed or erected by or under the control of Landlord in, on or about the Premises, Landlord agrees to display the Sabres name and logo thereon. NFHLP shall bear all costs and receive and retain all revenues exclusive of Naming Rights Proceeds arising from the exercise of its rights pursuant to this Section.

ARTICLE XII - RADIO, BROADCAST AND CABLECAST RIGHTS

Section 12.1 NFHLP's Exclusive Rights with Respect to Hockey Events and Hockey Related Events. NFHLP shall have the exclusive right to produce, broadcast, televise, record, telegraph, disseminate, reproduce or transmit by broadcast or cable television, closed circuit television, pay television, subscription television, radio, telephone, or by any other method of reproduction, transmission or communication, whether instantaneous or delayed, all Hockey Events and Hockey Related Events or any portions thereof (collectively, the "Hockey Broadcast Rights"), and to control, operate, license and sell all such activities or the rights thereto and to receive and collect for its own account all receipts and revenues resulting therefrom. Notwithstanding any provision in Article XI, NFHLP shall have the exclusive right to sell or contract for the sale of advertising with respect to the Hockey Broadcast Rights. NFHLP shall be solely responsible for all costs associated with the exercise of the Hockey Broadcast Rights. In the event NFHLP stages or produces an Other Event at The Crossroads pursuant to the provisions of this Lease, NFHLP shall pay the Transmissions Fee if applicable pursuant to Section 9.02 of the Operating Agreement. Landlord may not charge any origination fee in connection with the Hockey Broadcast Rights.

Section 12.2 Landlord's Obligations with Respect to NFHLP Broadcast Rights. Landlord agrees to provide the broadcast facility connections identified on Exhibit 17 with such reasonable modifications as may be covered by the Project Budget (as defined in the Development Agreement) in accordance with the Development Agreement.

ARTICLE XIII - SCOREBOARD(S), VIDEO SCREEN(S) AND MESSAGE BOARDS

NFHLP shall provide trained personnel to operate the scoreboard(s), video screen(s) and message boards in accordance with Quality Arena Standards for each Event so required. Landlord shall reimburse NFHLP for scoreboard, video screen and message board personnel costs associated with all Other Events in accordance with the Schedule of Costs attached hereto as Exhibit 32. NFHLP shall, on behalf of Landlord, cause the scoreboard, video screen and message board operators to display advertising matter on the scoreboard(s), video screen(s) and message boards pursuant to Section 11.1 of this Lease during all Hockey Events provided that:

(a) NFHLP shall be entitled to four (4) minutes during each intermission and ten (10) minutes during each of the periods before and after each Hockey Event to display messages on the video screen(s) and message boards pertaining to future Hockey Events without charge; and

(b) During Hockey Events, the scoreboard operator shall display hockey information with respect to the game itself and acknowledgements and information concerning upcoming Hockey Events, subject to any advertising sold for time-out periods.

In the event either party fails to discharge its responsibilities pursuant to this Article within thirty (30) days of written notice of non-compliance from the aggrieved party, the dispute may be submitted to dispute resolution in accordance with Article XXV of this Lease.

ARTICLE XIV - NFHLP AGENCY TO MARKET NAMING RIGHTS

NFHLP acknowledges that Landlord will enter into a commercial agreement for naming rights for the Premises which may result in the change of name for the Premises from The Crossroads (the "Naming Rights Agreement"). Landlord and NFHLP will enter into a Naming Rights Agency Agreement ("Naming Rights Agency Agreement") whereby Landlord appoints NFHLP as Landlord's exclusive agent to market the naming rights for the Premises upon a commission basis (which shall not exceed fifteen percent (15%) of the revenues derived from NFHLP's marketing of the naming rights). All revenues or consideration paid by the grantee of such naming rights (less any commission payable to NFHLP pursuant to the Naming Rights Agency Agreement) will be the sole property of Landlord, subject to the provisions of the Development Agreement and the Sales Agency Agreement. NFHLP agrees to honor the terms and conditions of the Naming Rights Agreement.

ARTICLE XV - COMPLIANCE WITH NHL RULES

Except as otherwise provided in this Lease, Landlord and NFHLP shall each undertake their responsibilities and obligations under this Lease so that the Premises will at all times comply with NHL Rules. Landlord agrees to use its best efforts to effect the

necessary improvements or alterations required to effect such compliance as soon as reasonably possible after receipt of notice from NFHLP requesting such improvements or alterations to the extent provided in Article XVI. In the event that Landlord fails to discharge its responsibilities pursuant to this Article within thirty (30) days after written notice of non-compliance from NFHLP, the dispute may be submitted to dispute resolution in accordance with Article XXV of this Lease, unless a Self-Help Condition exists in which case NFHLP may exercise its Self-Help Remedy pursuant to Article VI.

ARTICLE XVI - RENOVATIONS

Section 16.1 Renovations Necessary to Maintain Quality Arena Standards and NHL Rules. Landlord shall construct and install such improvements to the Premises as are necessary to maintain it in accordance with Quality Arena Standards and NHL Rules (as required by Article XV) in a timely manner. In no event shall reference to NHL Rules require a change in the seating capacity of the Crossroads by more than 10%, enlargement of the Crossroads Parking Facilities, increase in the number of retail facilities or any expenditures in excess of $5,000,000 in the aggregate. To finance the construction and installation of such improvements Landlord shall use funds payable from (i) any reserve funds established in connection with any Superior Mortgagee's financing to the extent they may be available; (ii) any reserve and replacement funds; and (iii) net available cash flow. If the foregoing funds are insufficient for Landlord to finance such improvements, NFHLP may construct and install such improvements as are necessary to maintain the Premises in accordance with Quality Arena Standards and NHL Rules following Dispute Resolution, if necessary pursuant to Article XXV as to whether such improvement is required in order to meet Quality Arena Standards or NHL Rules and Landlord shall reimburse NFHLP for all costs associated therewith from net available cash flow. If Landlord fails to promptly reimburse NFHLP for such costs, NFHLP's only monetary remedy shall be to set-off such costs from the rental payments due hereunder. In the event that a Self-Help Condition exists, the provisions of Section 6.9 shall apply. In the event CALLC is not obligated pursuant to this Section 16.1 to finance the construction and installation of improvements to the Premises which are necessary to maintain it in accordance with the NHL Rules, then NFHLP shall have the right, but not the obligation, to undertake to construct and install such improvements as its sole cost and expense.

Section 16.2 Optional Renovations. Landlord shall have the right to cause replacements, improvements, alterations, additions and renovations to the Premises which are not otherwise required pursuant to this Lease, by Article XV, Section 16.1 or otherwise,

which shall be subject to NFHLP's approval (which shall not be unreasonably withheld) only (a) if the Exclusive Areas are affected; or (b) if the Non-Exclusive areas are affected and the cost of such replacement, improvement, alteration, addition or renovation exceeds $500,000. Landlord agrees to provide NFHLP with plans, drawings and construction schedules as appropriate for (a) any changes, involving the Exclusive Areas, whether or not such changes require NFHLP's approval, and (b) if such change involves the Non-Exclusive Areas only if such change requires NFHLP's approval.

Section 16.3 Procedure for Renovations. In exercising its rights and discharging its responsibilities pursuant to this Article, or otherwise undertaking renovations or improvements, Landlord shall submit final working drawings and specifications (if appropriate) prepared by a licensed architect for each such improvement or renovation pursuant to Section 16.1 and 16.2 for NFHLP's approval which approval will not be unreasonably withheld. Landlord shall commence approved renovations or improvements as soon as reasonably possible, completing them in a good and workmanlike manner, in accordance with all applicable Laws. Landlord agrees to use its best efforts in effecting all such renovations or improvements to avoid interference with Hockey Events and Hockey Related Events and NFHLP's operations as much as reasonably possible. At NFHLP's request, Landlord shall provide monthly construction reports, if appropriate, including estimated completion dates for each portion of the renovation or improvement. In the event Landlord fails to discharge its responsibilities pursuant to this Article within thirty (30) days of written notice of non-compliance from NFHLP the dispute may be submitted to dispute resolution in accordance with Article XXV of this Lease.

Section 16.4 Costs; All Renovations Property of Landlord. All renovations to the Premises pursuant to this Article shall be at Landlord's cost, and immediately upon construction shall become and remain the property of Landlord as its interest may be defined pursuant to the terms of the Prime Building Lease. NFHLP shall have no right, title or interest (including lien interest) in any such renovations except as lessee.

Section 16.5 Limitation Upon Renovations by NFHLP. NFHLP agrees that it shall have no right to make any alterations or improvements to the Premises, except (a) as provided in Sections 6.6 and 6.7 and (b) for the purpose of completing any renovations commenced by Landlord which have been abandoned by Landlord or which have been unreasonably delayed.

ARTICLE XVII - INSURANCE

Section 17.1 Landlord's Insurance Obligations. Landlord agrees to obtain at its own expense, and to keep in full force and effect during the Lease Term and any Renewal Lease Terms, the insurance policies described below, with an insurance carrier or carriers which are rated A, Class X or better, or the equivalent thereof, according to *Best's Key Rating Guide*, and are duly registered with and authorized to issue such policies by the Commissioner of the Insurance Department of the State of New York. NFHLP shall be named as an additional insured on all liability policies purchased by Landlord or for its benefit as described in this Article. Each insurance policy obtained by Landlord or any subcontractor or agent thereof pursuant to this Article shall specifically preclude cancellation, non-renewal, or any modification which limits or reduces coverages or policy limits without at least thirty (30) days prior written notice to NFHLP. Landlord shall be responsible for all insurance premiums and fees incurred with respect to the policies designated in Sections 17.1.1 through 17.1.9. In the event that Landlord fails to make any payment when due, or otherwise neglects to maintain any coverages or policy limits required herein, NFHLP shall have the option of making the necessary payment and/or purchasing the required coverage and policy limits, and obtaining full reimbursement from Landlord for such payment or purchase upon demand, with interest.

Section 17.1.1 Commercial General Liability Insurance. Landlord shall obtain Commercial General Liability Insurance for the entire Premises on an occurrence form to include, without limitations, all premises and operations liability, personal injury and advertising injury liability, contractual liability (covering, to the extent it is commercially available, the liability assumed by Landlord under this Lease), independent contractor's liability, broad form property damage liability, (including completed operations), products and completed operations liability, with no "X" (explosion), "C" (collapse) and "U" (underground) exclusions. Policy limits shall be in amounts of not less than $1,000,000 per occurrence with a $2,000,000 Products Liability Aggregate and a $2,000,000 General Aggregate.

Section 17.1.2 Property Insurance. From the Delivery Date throughout the entire Lease Term and any Renewal Lease Terms, Landlord shall maintain property damage insurance, including debris removal, insuring the buildings, structures, facilities, fixtures, machinery, equipment and other property constituting a part of The Crossroads, written on "all risk" form (to the extent commercially available and as customarily provided; otherwise, written as closely approximate to "all risk" as feasible) and at all times in an amount equal to at least 100% of the actual replacement value of The Crossroads excluding slab and

foundation with an agreed amount endorsement waiving coinsurance. For the purposes of this Article, "full replacement value" shall mean the replacement cost as commonly provided in commercial property insurance forms. The initial full replacement value shall be based upon the construction cost of the Crossroads. The initial value shall then be updated annually, based upon construction cost and/or inflationary cost indexes commonly used in the insurance industry, in order to arrive at the full replacement value for the next five years. Thereafter, an independent appraiser shall be retained to establish the full replacement value of the Crossroads and such appraisal shall be updated annually thereafter by the appraiser as provided in Section 10.01(c)(i) of the Operating Agreement. Complete reappraisals shall not be required more frequently than every ten (10) years. The cost of such appraisals and reappraisals shall constitute and be paid as an item of Operating Cost and Expense pursuant to the Operating Agreement unless the UDC requires additional or more frequent appraisals, in which case the cost shall be borne by the UDC as provided in Section 10.01(c)(i) of the Operating Agreement. Landlord shall also be required to maintain at least $25,000,000 of flood and earthquake insurance with reasonable deductibles, and insurance for such other risks for which a prudent landlord in the Western New York area would obtain coverage, as long as it is commercially available at reasonable rates. A joint loss agreement between the property insurer and the boiler and machinery insurer shall be included under the Property Insurance.

Section 17.1.3 Builder's Risk Insurance. From the date hereof through the Delivery Date, and during any period of subsequent construction on the Premises, Landlord shall maintain "builder's risk" insurance on an "all risk", completed value form to the extent commercially available (otherwise, perils as closely approximate to "all risk" as feasible), insuring on a Replacement Cost basis against direct loss of property, work in progress, and including coverage for delayed completion business interruption and extra expense.

Section 17.1.4 Boiler and Machinery Insurance. Landlord shall maintain boiler and machinery insurance from the earlier of the Delivery Date or the date on which exposures covered under this form of insurance exist, through the Lease Term and any Renewal Lease Terms. Such coverage shall be provided on a comprehensive form insuring against direct loss of property and business interruption/rental value/extra expenses with a joint loss agreement with any other property insurer of Landlord, which shall include without limitation, all air conditioning and heating equipment, ice making plants, piping, miscellaneous electrical apparatus, boilers and all related equipment/machinery, pressure vessels and/or systems, high and low pressure piping and machinery, if any, all of which are at any time installed in or on the Premises. Such insurance shall be maintained on a Replacement Cost basis.

Section 17.1.5 Workers' Compensation Insurance. From the date hereof through the Lease Term and any Renewal Lease Terms, Landlord shall maintain workers' compensation and employers' liability insurance for all of its employees in accordance with the laws of the State of New York.

Section 17.1.6 Automobile Liability Insurance. From the date hereof through the Lease Term and any Renewal Lease Terms, Landlord shall maintain liability insurance for all vehicles which it owns, leases, hires or uses with policy limits of at least $1,000,000 combined single limit each accident bodily injury and property damage liability.

Section 17.1.7 Criminal Loss Exposure Insurance. From the date hereof through the Lease Term and any Renewal Lease Terms, Landlord shall maintain criminal loss exposure insurance for loss of money and/or securities with policy limits of not less than $500,000 for each Employee Dishonesty Loss.

Section 17.1.8 Business Interruption Insurance. From the date hereof through the Lease Term and any Renewal Lease Terms, Landlord shall maintain business interruption insurance written on an actual loss sustained basis and including loss of rents and extra expense insurance in connection with the Builder's Risk Insurance.

Section 17.1.9 Umbrella Liability Insurance. From the date hereof through the Lease Term and any Renewal Lease Terms, Landlord shall maintain umbrella liability insurance, the limits of which will be equal to or greater than $50,000,000 per occurrence. These limits shall be applicable to the Premises and activities in, on or about the Premises and Landlord's business. Should the limits not apply separately, then Landlord may be required to maintain higher limits of liability as may be reasonably required by NFHLP. The policy limits of the primary general, automobile and employers' liability policies required by Section 17.1 shall be not less than those stipulated as scheduled underlying limits of the umbrella policy. Umbrella liability coverage shall be on an occurrence form, and shall be structured to the extent possible so as to avoid any coverage gap or "concurrent limit gap" between the primary policies and the umbrella/excess policies, thereby providing continuous uninterrupted policy limits to the total coverage limits.

Section 17.1.10 Other Customarily Maintained or Legally Required Forms of Insurance. Landlord agrees to obtain and maintain throughout the Lease Term and any Renewal Lease Terms, all other forms of insurance, if any, which may be legally required or shall become customarily maintained by or legally required of operator/owners of other

entertainment/sports complexes located in the United Sates, at such policy limits and with such coverages necessary for Landlord's exposures and risks of loss which shall meet the reasonable requirements of NFHLP.

Section 17.2 Insurance Obligations of Landlord Subcontractors And Agents. In exercising its rights to subcontract or appoint agents pursuant to this Lease, Landlord hereby agrees to require that all contractors and subcontractors having employees on or about the Premises at any time provide and maintain throughout the term of their respective relationships with Landlord workers' compensation and employers' liability insurance, as well as any other form of insurance necessary for the exposures and risks of loss related to the services or work being provided.

Section 17.3 NFHLP's Insurance Obligations. NFHLP agrees to obtain at its own expense, and to keep in full force and effect during the Lease Term and any Renewal Lease Terms, the insurance policies described below, with an insurance carrier(s) rated A, Class X or better, or the equivalent thereof, according to *Best's Key Rating Guide*, and duly registered with and authorized to issue such policies by the Commissioner of the Insurance Department of the State of New York. Landlord, BURA, ECIDA, UDC, the City and the County and their respective lenders, successors and assigns shall each be named as an additional insured on all liability policies purchased by NFHLP or for its benefit as described in this Article. Each insurance policy obtained by NFHLP or any subcontractor or agent thereof pursuant to this Article shall specifically preclude cancellation, non-renewal, or any modification which limits or reduces coverages or policy limits without at least thirty (30) days prior written notice to Landlord and any additional insured or loss payee. NFHLP shall be responsible for all insurance premiums and fees incurred with respect to the policies designated in Sections 17.3.1 through 17.3.8. In the event that NFHLP fails to make any payment when due, or otherwise neglects to maintain any coverages or policy limits required herein, Landlord shall have the option of making the necessary payment and/or purchasing the required coverage and policy limits, and obtaining full reimbursement from NFHLP for such payment or purchase upon demand, with interest. In the event that Landlord and NFHLP have independent insurance, NFHLP's insurance shall be deemed primary insurance as respects any loss which may be covered by both Landlord's and NFHLP's insurance.

Section 17.3.1 Commercial General Liability Insurance. NFHLP shall obtain commercial general liability insurance for the Exclusive Areas, for the entire Premises to the extent of its leasehold interest therein, and covering its operations pursuant to or permitted by this Lease or any relationship between Landlord and NFHLP whether or not such relationship is governed by a written instrument on an occurrence form to include,

without limitation, operations liability, personal injury liability, contractual liability (covering, to the extent it is commercially available, the liability assumed by NFHLP under this Lease), and as and when appropriate, the following: independent contractor's liability, broad form property damage liability (including completed operations), host liquor liability, products and completed operations liability, and sports participants legal liability coverages. Policy limits shall be in amounts of not less than $1,000,000 per occurrence with a $2,000,000 Products Liability Aggregate and a $2,000,000 General Aggregate.

Section 17.3.2 Property Insurance. From the Delivery Date and throughout the entire Lease Term and any Renewal Lease Terms, NFHLP shall maintain insurance for property damage by fire and allied perils under an "all risk" form to the extent commercially available (otherwise, perils as closely approximate to "all risk" as feasible), insuring on a Replacement Cost basis against direct loss to property and on an actual loss sustained basis with respect to resulting business interruption/rental value/extra expense losses. NFHLP shall also be required to maintain at least $5,000,000 of flood and earthquake insurance on its property with reasonable deductibles and insurance for such other risks which a prudent tenant in the Western New York area would obtain, as long as it is commercially available at reasonable rates. NFHLP agrees to obtain a builder's risk policy for Replacement Cost for the duration of any exposure for which such a policy is appropriate to address additional risks.

Section 17.3.3 Workers' Compensation Insurance. From the commencement of the first Hockey Event or occupancy of the Premises by NFHLP through the Lease Term and any Renewal Lease Terms, NFHLP agrees to maintain workers' compensation and employers' liability insurance for all of its employees in accordance with the laws of the State of New York.

Section 17.3.4 Automobile Liability Insurance. From the commencement of the first Hockey Event or occupancy of the Premises by NFHLP through the Lease Term and any Renewal Lease Terms, NFHLP shall maintain liability insurance for all vehicles which it owns, leases, hires or uses with policy limits of at least $1,000,000 combined single limit each accident bodily injury and property damage liability.

Section 17.3.5 Criminal Loss Exposure Insurance. From the commencement of the first Hockey Event or occupancy of the Premises by NFHLP through the Lease Term and any Renewal Lease Terms, NFHLP shall maintain criminal loss exposure insurance for loss of money and/or securities with policy limits of not less than $500,000 for each Employee Dishonesty Loss.

Section 17.3.6 Business Interruption Insurance. From the commencement of the first occupancy of the Premises by NFHLP through the Lease Term and any Renewal Lease Terms, NFHLP shall maintain business interruption insurance written on an actual loss sustained basis.

Section 17.3.7 Umbrella Liability Insurance. From the commencement of the first Hockey Event or occupancy of the Premises by NFHLP through the Lease Term and any Renewal Lease Terms, NFHLP shall maintain umbrella liability insurance with limits equal to or greater than $20,000,000 per occurrence, which shall be separately applicable to NFHLP, including, but not limited to, NFHLP's operations pursuant to this Lease pursuant to or permitted by this Lease or any relationship between Landlord and NFHLP whether or not such relationship is governed by a written instrument. Should the limits not apply separately, then NFHLP may be required to maintain higher limits of liability as may be reasonably required by Landlord. The policy limits of the primary general, automobile and employers' liability policies required by Section 17.3 shall be not less than those stipulated as scheduled underlying the limits of the umbrella policy. Umbrella liability coverage shall be on an occurrence form, and shall be structured to the extent possible so as to avoid any coverage gap or "concurrent limit gap" between the primary policies and the umbrella/excess policies thereby providing continuous, uninterrupted policy limits to the total coverage limits.

Section 17.3.8 Other Customarily Maintained or Legally Required Forms of Insurance. NFHLP agrees to obtain and maintain throughout the Lease Term and any renewals thereof, all other forms of insurance, if any, which may be legally required or shall become customarily maintained or legally required of NHL teams in the United States, at such policy limits and with such coverages necessary for NFHLP's exposures and risks of loss as shall meet the reasonable requirements of Landlord.

Section 17.4 Insurance Obligations of NFHLP Subcontractors And Agents. In exercising its rights to subcontract or appoint agents pursuant to this Lease, NFHLP hereby agrees to require that all contractors and subcontractors having employees on or about the Premises at any time provide and maintain throughout the term of their respective relationships with NFHLP workers' compensation and employers' liability insurance, as well as any other form of insurance necessary for the exposures and risks of loss related to the services or work being provided.

Section 17.5 General Insurance Requirements of Landlord And NFHLP. All of the insurance policies required pursuant to this Article shall meet the following requirements:

(a) All property damage or "all risk" insurance shall be written on at least 100% Replacement Cost of The Crossroads (excluding slab and foundation) with an agreed amount endorsement, waiving coinsurance. A deductible of no greater than $50,000 shall be maintained unless otherwise agreed by the parties hereto. The initial values, annual updates and reappraisals shall all be determined and required in accordance with Section 17.1.2 hereof.

(b) All liability insurance policies except as specified below shall be written on an occurrence (non-claims made) form, with a severability of interest provision. If Landlord or NFHLP can only obtain such insurance on a "claims-made" basis, then the party obtaining such "claims-made" coverage (Landlord or NFHLP): (1) shall maintain a retroactive date not later than the Commencement Date; (2) if the retroactive date is advanced or if the policy is non-renewed, cancelled, or is otherwise materially changed, the party maintaining "claims-made" coverage shall purchase, at its own expense, an Extended Reporting Endorsement. The endorsement must provide an extended reporting period ("Tail" coverage) in compliance with the current minimum standards promulgated by the Insurance Department of the State of New York in Regulation No. 121 (11 NYCRR 73) or any subsequent amendments or revisions; (3) the party maintaining "claims-made" coverage shall maintain such coverage without interruption during the Lease Term, any Renewal Lease Terms and subsequently thereafter for a period of time equal to the length of any Extended Reporting Period requirement as specified above. If the retroactive date is advanced or if the policy is non-renewed, cancelled, or is otherwise materially changed during this period of time, the party agrees to purchase, at its own expense, an Extended Reporting Endorsement that is in compliance with the minimum insurance standards promulgated by the Insurance Department of the State of New York as cited above.

(c) All policies shall have anniversary/renewal dates of not less than one (1) year unless otherwise agreed.

(d) Landlord and NFHLP shall each deliver to the Public Sector Participants and the Private Financing Participants signed certificates of insurance with respect to the discharge of their respective obligations pursuant to this Article within five (5) days of the date provided herein for the commencement and renewal of that type of insurance. Upon receipt and renewal of each such policy, Landlord and NFHLP shall deliver to each other,

at the other's request, certified, true copies of the original policies and all endorsements, attachments and modifications thereof. Neither the insurance coverages and policy limits required herein, nor the acceptance of delivery of any certificate of insurance shall constitute approval or agreement by either party that the insurance requirements herein have been satisfied or that the insurance policy shown in the certificate of insurance complies with this Article.

(e) Costs and expenses of defending any claim, including outside legal fees and expenses, shall be provided in addition to the limits of liability on all liability policies required under this Article unless coverage on such a basis is not commercially available at reasonable cost.

Section 17.6 Compliance with Policies. Neither party shall violate or knowingly permit the violation of any of the conditions or provisions of any of their respective insurance policies, and each agrees to perform and satisfy the requirements of such policies. NFHLP and Landlord each further agree to forbear any action which would violate any of the conditions or provisions of Landlord's or NFHLP's insurance policies, as applicable, of which it has received notice, or which shall cause the premiums therefore to increase, without Landlord's or NFHLP's consent, as appropriate.

Section 17.7 Separate Insurance. Neither party shall carry separate insurance or additional insurance, concurrent in coverage or contributing in the event of loss, with any insurance required to be furnished under this Article if the effect would be to reduce the protection to the other party or the payment to be made under either party's insurance policies.

Section 17.8 Waiver of Subrogation. Landlord and NFHLP each (to the extent of the indemnification actually provided or the amount of insurance proceeds actually paid) hereby release the other from any and all liability or responsibility to the other or anyone claiming through or under them by way of subrogation or otherwise for any loss or damage to their respective property caused by fire and allied perils, even if such fire or other casualty shall have been caused by the fault or negligence of the other party, or anyone for whom such party may be responsible. All insurance policies procured pursuant to this Article shall contain a clause or endorsement permitting a waiver of subrogation and stating that any such release shall not adversely affect or impair the policies or prejudice the rights of the releasor to recover thereunder.

Section 17.9 Failure to Maintain Required Coverages and Limits. In the event that any loss, claim, liability, damage, or injury ("Loss") occurs that would have been covered by the minimum coverages and limits that either party is obliged to maintain pursuant to this Article, but is not due to a party's failure to maintain and remit premiums for such insurance, then to the extent that the cost of the Loss would have been insured, the party in breach of the applicable insurance obligation shall bear such Loss, except to the extent of any deductible which would normally apply.

Section 17.10 Combined Insurance Programs. It is understood that, to the extent it is legal, allowable by the respective insurance companies and deemed desirable by Landlord and NFHLP, Landlord and NFHLP may elect to be insured under a single insurance program maintained by Landlord with each party being a named insured on the respective policies, subject to Landlord being reimbursed for or paying NFHLP for that portion of the premises payable by Landlord attributable to the underwriting of NFHLP's insurance coverage. Under such circumstances, Landlord and NFHLP will maintain the highest liability limits of those stipulated in this Article and may mutually agree to maintain higher liability limits. It is further understood that the commercial general and excess umbrella liability and workers' compensation insurance requirements under this Article may be met through the establishment of an Owner Controlled Insurance Program ("OCIP") during the period of construction through the Delivery Date and that such OCIP will cover Landlord, NFHLP, the general contractor and all subcontractors. The liability limits under such OCIP shall exceed the limits stipulated under Section 17.1.8 of this Article, to the extent customarily maintained for such projects and commercially available at reasonable rates.

Section 17.11 Adjustment of Coverage. In the event that either party shall at any time deem the limits of the liability insurance then carried to be either excessive or insufficient, that party shall so notify the other party, including the basis for and approximate amount by which the limits are deemed inappropriate. Within thirty (30) days of the other party's receipt of such notice, the parties, subject to the approval of their respective lenders shall negotiate revised, reasonable limits for such insurance which shall thereafter be carried until further changed pursuant to the provisions hereof. If the parties are unable to agree upon revised limits for such insurance within one hundred and twenty (120) days of the notice presented pursuant to this Section 18.11, the issue shall be submitted to an impartial third person selected by the parties, whose decision shall be binding upon them until such limits shall again be changed pursuant to the provisions of this Section. The expenses of obtaining the impartial determination shall be borne equally by the parties.

ARTICLE XVIII - CASUALTY

Section 18.1 Notice of Damage. In the case of any damage to or destruction of the Premises ("Destructive Event"), Landlord or NFHLP, as applicable, shall notify the other that a Destructive Event has occurred within 48 hours of having become aware of the occurrence of the Destructive Event ("Notice of Destructive Event"). Notwithstanding the foregoing, Landlord shall only be required to notify NFHLP of a Destructive Event which affects the Exclusive Areas or, with respect to the Non-Exclusive Areas, which affects NFHLP's use of the Premises. Landlord or NFHLP's failure to deliver the Notice of Destructive Event will not relieve Landlord or NFHLP of any of their respective rights or obligations under this Article, including termination rights under Section 18.7. The Notice of Destructive Event shall describe the nature and extent of such damage or destruction.

Section 18.2 Adjustment of Insurance Proceeds and the Cost of Reconstruction. Landlord shall have the sole right to adjust any insurance settlement arising from any Destructive Event (other than Destructive Events related to Concession Equipment), which it shall promptly and reasonably pursue, subject to the rights of any Private Financing Participants as provided in The Financing Participants Agreement, if applicable or of the rights of the Principal Public Participants as provided in the Operating Agreement. Concurrently with pursuing such adjustment, Landlord shall obtain estimates of the cost to repair or replace the damage or destruction which was or could have been the subject of a Notice of Destructive Event.

Section 18.3 Landlord's Notice. As soon as reasonably practicable after the Notice of Destructive Event, Landlord shall notify NFHLP in writing ("Landlord's Notice") of:

(i) the extent of damage or destruction to the Premises, and whether such damage or destruction renders the Premises Unsuitable (as hereinafter defined) ("Substantial Destruction") or if the damage to or destruction of the Premises is less than Substantial Destruction ("Non-Substantial Destruction");

(ii) the estimated cost of Reconstruction;

(iii) the amount of insurance proceeds that will be available for such Reconstruction; and

(iv) the length of time needed to complete such Reconstruction, if such Reconstruction is to be performed.

Landlord shall deliver the Landlord's Notice to NFHLP no more than thirty (30) days after the Notice of Destructive Event, or such longer period as shall be extended by agreement of the parties as required by the nature of the Destructive Event or the then-existing circumstances. All notice periods provided in this Article which commence upon the date of the Landlord's Notice shall commence (a) if delivered in accordance herewith on the date of the Landlord's Notice, or (b) if not delivered or if delivered without agreement of the parties hereto on a date more than thirty (30) days after the Notice of Destructive Event, then on the thirtieth (30th) day after the Notice of Destructive Event.

For the purposes of this Article, "Unsuitable" shall mean a condition caused by a Destructive Event whereby:

(a) (i) fewer than 14,000 general seats (and/or 80% of Luxury Suites and Club Seats which are then licensed) will be available for Hockey Events; or (ii) fewer than eighty percent (80%) of the Concessions Facilities will be available for Hockey Events; or (iii) a medical room meeting NHL standards for medical facilities will not be available for Hockey Events; or (iv) two (2) locker rooms (which may be any combination of Sabres Team Locker Room and/or Visiting Team Locker Room) with training rooms sufficient for taping will not be available for Hockey Events; or (v) press box, radio and television rooms meeting Industry Standards will not be available for Hockey Events; or (vi) the Hockey Essential Portions of the Premises otherwise will fail to meet subsections (i), (ii), (iii)(3), (iii)(4), (iii)(7), (iii)(8), (iii)(10), or (iii)(14) of the Substantially Beneficially Completed standard; or

(b) the estimated cost of Reconstruction exceeds $5,000,000 which shall be increased annually for purposes of this Section 18.3(b) only commensurate with any increase in the Buffalo Construction Cost Index; or

(c) that the Premises will not be available for Hockey Events because the Premises have been closed for public health and/or safety reasons for a period of time in excess of sixty (60) consecutive days following the Landlord's Notice; or

(d) that the length of time needed to complete the Reconstruction exceeds sixty (60) days from the date of the Landlord's Notice.

Section 18.4 Landlord's Obligation to Reconstruct.

(a) Non-Substantial Destruction. Following Non-Substantial Destruction, and provided that at least five (5) years remain of the Lease Term or two (2) years remain of any Renewal Lease Term which has been exercised, Landlord shall as soon as reasonably possible after delivery of the Landlord's Notice (but in no event more than 90 days thereafter), commence the Reconstruction of the Premises.

(b) Substantial Destruction. Following Substantial Destruction and provided that (i) at least five (5) years remain of the Lease Term or two (2) years remain of any Renewal Lease Term which has been exercised; and (ii) the Superior Mortgagee has agreed to make insurance proceeds available to fund the cost of Reconstruction, Landlord shall as soon as reasonably possible after delivery of the written plan pursuant to §18.6(i) hereof (but in no event more than 90 days thereafter unless extended by agreement of the parties), commence the Reconstruction of the Premises.

Section 18.5 Use of the Premises During Reconstruction.

(a) In the case of Non-Substantial Destruction, if NFHLP and Landlord reasonably determine (after consultations with Landlord's architect and/or general contractors, as appropriate), that NFHLP can play its Hockey Events at the Premises without unreasonably interfering with the progress of the Reconstruction, NFHLP shall (i) continue to use the Premises pursuant to this Lease, and to play its Hockey Events at the Premises, and (ii) continue to pay rent under this Lease. Landlord shall use all reasonable best efforts to effect the Reconstruction in a manner that will not unreasonably interfere with NFHLP's use and occupancy of the Premises.

(b) In the case of Substantial Destruction of the Premises (i) NFHLP may utilize an alternate venue for Hockey Events pending Reconstruction of the Hockey Essential Portions to a level which does not render the Premises Unsuitable under Section 18.3(iv)(a) or (c), and (ii) the rent hereunder shall be abated during Reconstruction commencing upon the date of the Destructive Event which renders the Premises Unsuitable under Section 18.3(iv)(a) or (c) at a per diem rental rate and ending upon the date that the Premises are no longer Unsuitable. Upon the occurrence of Substantial Destruction, NFHLP may elect to waive its rights to utilize an alternate venue for Hockey Events and to abate rent, all in accordance with the previous sentence, pending completion of Reconstruction provided that playing Hockey Events at the Premises will not unreasonably interfere with the Reconstruction. In the event NFHLP elects to continue to play Hockey Events at the Premises following Substantial Destruction, there will be no abatement of rent and Landlord

will use all reasonable best efforts to effect the Reconstruction in a manner that will not unreasonably interfere with NFHLP's use and occupancy of the Premises.

(c) During the period of the Reconstruction, Landlord shall notify NFHLP from time to time, but not less frequently than monthly, of the progress of the Reconstruction, including the estimated date when the Premises will be reconstructed to a level which does not render the Premises Unsuitable under Section 18.3(iv)(a) or (c).

Section 18.6 Financing of Reconstruction.

(i) Substantial Destruction. Within 45 days after the Landlord's Notice, Landlord agrees to provide NFHLP with a written plan pursuant to which the Premises shall be reconstructed to a level which does not render the Premises Unsuitable under Section 18.3(iv)(a) or (c) and which will include the following points:

(a) A description of and undertaking to use all reasonable best efforts to obtain financing for the Reconstruction on commercially reasonable terms;

(b) To the extent that there are available (i) insurance proceeds, (ii) funds payable to Landlord from any reserve fund established in conjunction with any Superior Mortgagee's financing; (iii) any Renewal and Replacement Account funds, and (iv) operating funds of Landlord not to exceed five percent (5%) of the cost of Reconstruction, Landlord shall apply such amounts to the cost of Reconstruction and, if such amounts are insufficient to fund the cost of Reconstruction, Landlord shall endeavor to obtain additional Reconstruction financing on commercially reasonable terms.

(c) If notwithstanding the efforts described in subsection (a) above and the availability of the amounts described in subsection (b) above, Landlord is unable to obtain sufficient financing on commercially reasonable terms for the Reconstruction within the four month period set forth in Section 18.7, NFHLP shall have the right to obtain financing for the remaining shortfall after application of the above described amounts to the cost of Reconstruction and to deduct the cost of such financing (including payments of principal and interest) from Rent or terminate this Lease in accordance with Section 18.7.

(ii) Non-Substantial Destruction. Subject to Section 18.4 hereof, if the Destructive Event constitutes Non-Substantial Destruction, Landlord shall complete the Reconstruction, regardless of the availability of insurance proceeds received, and Landlord may use amounts available in accordance with subsection (i)(b) hereof to complete the Reconstruction. If, notwithstanding the provision of the amounts in accordance with

subsection (i)(b), Landlord is unable to obtain sufficient financing on commercially reasonable terms for the Reconstruction within the four month period set forth in Section 18.7, NFHLP shall have the right to obtain financing for the remaining shortfall after application of the foregoing amounts to the cost of Reconstruction.

Section 18.7 Termination Rights.

(i) In the event of Substantial Destruction, and provided that at least five (5) years remain of the Lease Term or two (2) years remain of any Renewal Lease Term which has been exercised, and any Superior Mortgagee's refusal to permit Landlord to use the available property insurance proceeds for the Reconstruction after delivery of the written plan by Landlord provided pursuant to Section 18.6 (i), and if after four (4) months of good faith effort thereafter, Landlord cannot obtain a commitment for commercially reasonable and sufficient Reconstruction financing and if NFHLP so elects under Section 18.6(i)(c) to seek financing and NFHLP cannot obtain a commitment for commercially reasonable and sufficient financing which can be closed within two (2) months thereafter, Landlord or NFHLP, at either's option, shall have the right to terminate this Lease upon written notice; provided, however, that in no event shall Landlord be obligated to undertake or complete Reconstruction of the Premises in the circumstance where the Superior Mortgagee has refused to allow the insurance proceeds to be used for Reconstruction if the cost thereof exceeds the aggregate of (i) insurance proceeds payable to Landlord for direct loss of property under both Landlord's and NFHLP's policies as a result of such Destructive Event and (ii) reserve funds available to Landlord for such Reconstruction. Upon such termination, there shall be no further liability of Landlord to NFHLP or of NFHLP to Landlord, except with respect to claims which arose prior to such termination.

(ii) In the event that Substantial Destruction which renders the Premises Unsuitable under Section 18.3(iv)(a), (b),or (c) occurs within the last five (5) years of the Lease Term or the last two (2) years of any Renewal Lease Term which has been exercised, either Landlord or NFHLP may terminate this Lease upon written notice to the other party within ninety (90) days after the date of the Landlord's Notice. Upon such termination there shall be no further liability of Landlord to NFHLP or NFHLP to Landlord, except with respect to claims which arose prior to such termination.

(iii) In the event that the Reconstruction has not commenced within three (3) months or been completed within twenty four (24) months after the date (a) with respect to Non-Substantial Destruction, of the Landlord's notice, or (b) with respect to Substantial Destruction, of a written plan provided by Landlord pursuant to Section 18.6(i) (unless extended by agreement of the parties), NFHLP or the Landlord shall have the right to

terminate this Lease upon ninety (90) days written notice; provided, however, if such Reconstruction is commenced prior to the end of such ninety (90) day notice period, such notice shall be void. Upon such termination there shall be no further liability of Landlord to NFHLP except with respect to claims which arose prior to such termination.

Section 18.8 Disputes. All disputes arising under this Article XVIII relating to the interpretation or applicability of or conformance with Quality Arena Standards, and/or Industry Standards or the compliance with NHL Rules, shall be resolved by dispute resolution in accordance with Article XXV of this Lease.

ARTICLE XIX - FORCE MAJEURE

Neither NFHLP nor Landlord shall be deemed in default with respect to its failure to perform any of the covenants, terms or conditions of this Lease if such failure is due to any matter or condition ("Force Majeure") beyond the reasonable control of a party, such as but not limited to, strike, lockout or labor dispute (whether or not legal), inability to procure materials due to Force Majeure conditions affecting materialmen and supplies, governmental moratorium, civil disorder, riot, insurrection, war, unavoidable accident, fire, earthquake, unusually severe and abnormal weather conditions not anticipatable, public emergency, casualty or fuel shortage, or any other cause beyond the reasonable control of the party obligated to perform. The non-performing party shall use its best efforts to overcome the Force Majeure condition, avoid delay or mitigate the effects thereof and notify the other party within three (3) Business Days after discovering the Force Majeure event of the nature of the event, and estimate of the resulting delay. The extension of performance time required by the Force Majeure event shall be agreed to by the parties in writing commensurate with such interfering occurrence. Force Majeure shall not apply to: (i) payments required pursuant to this Lease; (ii) collection of amounts payable by third parties, including insurance policy proceeds; or (iii) any other obligations, the delay of which subjects the other party to criminal or civil penalties, with respect to all of which time shall be of the essence. In the event of a Force Majeure which affects the ability of NFHLP to play Hockey Events, NFHLP shall have the right to: (1) serve as a promoter of the Premises for Other Events for dates reserved for it for Hockey Games and Hockey and Hockey-Related Events, the proceeds of which it may retain; or (2) to play in other venues.

ARTICLE XX - INDEMNIFICATION

Section 20.1 Indemnification of Landlord by NFHLP. NFHLP shall indemnify, defend and hold harmless Landlord and, as appropriate, its agents, officers, directors, members (except NFHLP) or employees ("Landlord Indemnitees"), from and against any and all demands, losses, judgments, damages, suits, claims, actions, property damage, liens, liabilities (including, without limitation, insurance deductibles and liabilities in excess of liability insurance) and expenses (including, without limitation, all reasonable attorneys' fees and expenses), in law or in equity, of every kind and nature whatsoever, which any Landlord Indemnitee actually and reasonably suffers or sustains or which may be asserted by reason of or arising from any: (i) injury to or death of any person related to use of the Premises by NFHLP or NFHLP Indemnitees (including but not limited to players and other NFHLP employees); (ii) any negligent act, omission or intentional misconduct of NFHLP or any NFHLP Indemnitee; (iii) damage to or destruction of property caused by use or occupancy of the Premises by NFHLP or NFHLP Indemnitees or any portions thereof, including, without limitation, the conduct or management of its business in any portion of the Exclusive Areas but excluding the Ice Rink in connection with Hockey Events; (iv) NFHLP's breach of any of its warranties or representations pursuant to Article XXI; (v) NFHLP's violation of any NHL Rules; and (vi) NFHLP's breach of any covenant or failure to perform under this Lease. NFHLP, upon notice from Landlord, shall at its sole cost and expense resist and defend any such action or other legal proceeding brought against a Landlord Indemnitee by reason of any claim, demand, loss or cause of action indemnified pursuant to this Section. NFHLP's obligations to indemnify Landlord and the Landlord Indemnitees pursuant to this Section shall survive the expiration or Termination of this Lease.

Section 20.2 Indemnification of NFHLP by Landlord. Landlord shall indemnify, defend and hold harmless NFHLP and, as appropriate, its agents, officers, directors or employees and Affiliates (except for Landlord and Landlord Indemnitees), ("NFHLP Indemnitees"), from and against any and all demands, losses, judgments, damages, suits, claims, actions, property damage, liens, liabilities (including, without limitation, insurance deductibles and liabilities in excess of liability insurance) and expenses (including, without limitation, all reasonable attorneys' fees and expenses), in law or in equity, of every kind and nature whatsoever, which any NFHLP Indemnitee actually and reasonably suffers or sustains or which may be asserted by reason of or arising from: (i) any negligent act, omission or intentional misconduct of Landlord or any Landlord Indemnitee; (ii) injury to or death of any person (including without limitation, spectators, players and other NFHLP employees, and Landlord employees) except for any such injury or death related to the use of the Premises by NFHLP (including players and NFHLP Indemnities); (iii) damage to or

destruction of property caused by Landlord's use or occupancy of the Premises (or any portion thereof), including, without limitation, the conduct or management of its business in any portion of the Premises, including the grant of subleases or licenses for Other Events; (iv) Landlord's breach of any of its warranties or representations pursuant to Article XXI; and (v) Landlord's breach of covenant, or failure to perform under this Lease. Landlord, upon notice from NFHLP, at its sole cost and expense, shall resist and defend any action or other legal proceeding brought against an NFHLP Indemnitee by reason of any claim, demand, loss or cause of action indemnified pursuant to this Section. Landlord's obligations to indemnify NFHLP Indemnitees pursuant to this Section shall survive the expiration or termination of this Lease.

Section 20.3 Limitations Upon Indemnification Obligations. Nothing in this Article shall require Landlord or NFHLP to indemnify the NFHLP Indemnitees or Landlord Indemnitees, respectively, for: (i) any negligent act, omission or willful misconduct by such indemnitee or a co-indemnitee; (ii) any act or omission of such party's employees, agents or directors occurring outside the scope of their employment, duties or position; or (iii) any Loss (other than deductibles and liabilities in excess of insurance coverage) covered pursuant to insurance policies which the other party is obliged to maintain pursuant to Article XVII, regardless of whether such policies are in effect at the time of the Loss.

ARTICLE XXI - REPRESENTATIONS AND WARRANTIES

Section 21.1 Representations and Warranties of Landlord. Landlord hereby represents and warrants that:

(i) It is a duly organized and validly existing limited liability company in good standing under the laws of the State of New York and has made all required filings to effect and maintain its status;

(ii) It has full power and authority to execute and deliver this Lease, consummate the transactions provided for herein, and perform its obligations hereunder in a full and timely manner. All consents of any other person or entity and all licenses, permits, approval(s), authorization(s), exemption(s), notice(s), report(s), registration(s), filing(s), or declaration(s) required by any governmental authority in connection with Landlord's execution and delivery of this Lease and/or Landlord's performance hereunder have been obtained;

(iii) The execution and delivery of this Lease and the consummation of the transactions contemplated hereby have been duly authorized by all necessary action on the part of Landlord, and this Lease constitutes a valid, legal and binding obligation of Landlord, enforceable according to its terms;

(iv) The execution and delivery of this Lease and the consummation of the transactions contemplated hereby do not and will not conflict with or result in a breach of or default or loss of any benefit under any provision of Landlord's organization documents, bylaws or other governing charter documents, or any material agreement, instrument or obligation to which Landlord is bound which would have an adverse effect upon or give any other party the right to terminate or modify the rights or benefits granted to NFHLP pursuant to this Lease;

(v) The Prior Leases to which Landlord is a party have been validly executed by Landlord, and no default has occurred which has not been waived or cured by the respective party. To the best of Landlord's knowledge, no circumstances now exist which with (or without) the giving of notice, the passage of time or both, would constitute a default under the Prior Leases to which Landlord is a party. Landlord has performed all obligations and made all payments required under the Prior Leases to which Landlord is a party, and to the extent any obligations or payments remain, they will be performed by Landlord or waived by the party to whom performance is owed; and

(vi) There are no orders, judgments or decrees outstanding or any claim, action, suit or legal, administrative, arbitration or other proceeding or governmental investigation pending or, to the best of Landlord's knowledge, threatened, against or affecting Landlord or the Premises or which would prevent the consummation of the transactions contemplated by this Lease, or materially impair Landlord's ability to perform under this Lease.

Section 21.2 Representations And Warranties Of NFHLP and NFHMC. NFHLP and NFHMC (both for itself and on behalf of NFHLP), hereby jointly and severally represent and warrant that:

(i) NFHLP is a limited partnership duly organized and validly existing under the laws of the State of Delaware, is qualified to do business in New York, and has made all required filings to effect and maintain its status;

(ii) NFHLP's general partner, Niagara Frontier Hockey Management Corporation ("NFHMC"), is a corporation duly organized and validly existing under the laws of the State of New York, and has made all required filings to effect and maintain its status;

(iii) Each of NFHLP and NFHMC has full power and authority to execute and deliver this Lease, consummate the transactions provided for herein, and perform its respective obligations hereunder in a full and timely manner. All consents of any other person or entity and all license(s), permit(s), approval(s), authorization(s), exemption(s), notice(s), report(s), registration(s), filing(s) or declaration(s) required by any governmental authority in connection with NFHLP's and NFHMC's execution and delivery of this Lease and/or NFHLP's and NFHMC's performance hereunder have been obtained;

(iv) The execution and delivery of this Lease and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate or other action on the part of NFHLP and NFHMC, and this Lease constitutes a valid, legal and binding obligation of NFHLP and NFHMC, enforceable according to its terms;

(v) The execution and delivery of this Lease and the consummation of the transactions contemplated hereby do not and will not conflict with or result in a breach of or default or loss of any benefit under any provision of NFHLP's partnership agreement, NFHMC's articles of incorporation, bylaws or other governing corporate or charter documents, or any material agreement, instrument or obligations to which either NFHLP or NFHMC is bound which would have an adverse effect upon or give any other party the right to terminate or modify the rights or benefits granted to Landlord pursuant to this Lease;

(vi) There are no orders, judgments or decrees outstanding or any claim, action, suit or legal, administrative, arbitration or other proceeding or governmental investigation pending or, to the best of NFHLP's knowledge, threatened, against or affecting NFHLP or NFHMC which would prevent the consummation of the transactions contemplated by this Lease, or materially impair NFHLP's ability to perform under this Lease;

(vii) NFHLP is in compliance with the NHL Rules (except for such non-compliance which would not materially affect the ability of NFHLP to perform its obligations hereunder), as amended, and the franchise granted to NFHLP by the NHL is in good standing with the NHL and will be maintained by NFHLP in good standing. The execution and delivery of this Lease and the consummation of the transactions contemplated hereby will not conflict with or result in a breach of, or default or loss of any benefit under any provision of NHL Rules;

(viii) NFHLP is in compliance with all terms and conditions of the operating agreement of CALLC (together with amendments thereto or replacements or substitutions therefore); and

(ix) NFHLP is in compliance with the Concessionaire Agreement and shall not materially default in or breach the Concessionaire Agreement. The execution and delivery of this Lease and the consummation of the transactions contemplated hereby will not conflict or result in any breach of, or default or loss of any benefit under any provision of the Concessionaire Agreement.

Section 21.3 Reaffirmation at Commencement Date and Renewal Lease Term. Landlord and NFHLP each agree to deliver to the other a certificate reaffirming its representations and warranties pursuant to this Article on the Commencement Date and the first day of any Renewal Lease Term, with any modifications necessary to reflect changed facts or circumstances. These representations and warranties are a material inducement hereto to enter into this Lease and but for said representations and warranties, said parties would not enter into this Lease. The representations and warranties made herein shall survive the execution and delivery of this Lease and shall continue in full force and effect until the termination of this Lease.

ARTICLE XXII - COVENANTS

Section 22.1 Covenant As To Use and Relocation. During the Lease Term and any Renewal Lease Term, NFHLP agrees to comply with the Non-Relocation Agreement by and among NFHLP, NFHMC and the City, the County and UDC attached as Exhibit 27.

Section 22.2 Covenant As To ECIDA Requirements. During the Lease Term and any Renewal Lease Term, NFHLP covenants and agrees that it shall comply with the ECIDA Requirements attached to this Lease as Exhibit 38.

Section 22.3 NFHLP's Covenant as to Compliance with Laws. During the Lease Term and any Renewal Lease Term, NFHLP agrees that it shall, comply with all applicable governmental laws, rules, regulations and ordinances relating to its use of the Premises.

Section 22.4 NFHLP's Covenant as to Affirmative Action Plan. During the Lease Term and any Renewal Lease Term, NFHLP will implement the Affirmative

Action Plan with respect to its operations pursuant to or permitted by this Lease or in any relationship between Landlord and NFHLP whether or not such relationship is evidenced by a written instrument.

Section 22.5 Covenant As To Non-Competition. Landlord covenants and agrees with NFHLP that it has entered into the Non-Competition Agreement with the City and BURA in the form attached to this Lease as Exhibit 36.

Section 22.6 Landlord's Covenant as to Compliance with Laws. Landlord agrees that it shall, comply and cause the Premises to comply with all applicable governmental laws, rules, regulations and ordinances, except for such non-compliance which is attributable to the action or inaction of NFHLP.

Section 22.7 Covenant as to Renewals. In the event that NFHLP exercises any of its option rights to renew this Lease pursuant to Article XXVIII, Landlord shall exercise its corresponding renewal options for each of the Prior Leases to which it is a party.

Section 22.8 Covenant Regarding Prior Leases. Landlord hereby covenants to comply with all terms and conditions of any Prior Leases applicable to it.

ARTICLE XXIII - EVENTS OF DEFAULT AND TERMINATION

Section 23.1 Events of Default by Landlord. The following constitute events of default by Landlord:

(i) Landlord's failure to make any payments under this Lease when due, which remains uncured for a period of thirty (30) days following Landlord's receipt from NFHLP of written notice thereof, absent (x) a good faith dispute as to the payment obligation or (y) the ability of NFHLP to offset against rental payments owed by NFHLP to Landlord pursuant to Section 5.3 of this Lease;

(ii) Landlord's failure to perform any material agreement, term, covenant or condition pursuant to this Lease which remains uncured for a period of sixty (60) days following Landlord's receipt from NFHLP of written notice thereof and, if applicable, following completion of dispute resolution pursuant to Article XXV of this Lease;

(iii) Landlord makes a purported assignment or transfer of Landlord's rights or obligations hereunder in violation of Article XXX;

(iv) Any termination of Landlord's rights and interests under the Prime Building Lease or the Development and Construction Agreement, as the result of any default by Landlord thereunder permitting such termination.

Section 23.2 Events of Default by NFHLP. The following constitute events of default by NFHLP:

(i) NFHLP's failure to make any payments under this Lease when due, which failure remains uncured for a period of thirty (30) days following NFHLP's receipt from Landlord of written notice thereof, absent a good faith dispute as to the payment obligation;

(ii) NFHLP's failure to perform any material agreement, term, covenant or condition pursuant to this Lease which failure remains uncured for a period of sixty (60) days following NFHLP's receipt from Landlord of written notice thereof;

(iii) A purported assignment or transfer of NFHLP's rights or obligations hereunder that violates Article XXX;

(iv) NFHLP or NFHMC becomes the subject of an order for relief, commences a voluntary case, or is the subject of an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, which is not stayed, withdrawn or settled within sixty (60) days thereafter;

(v) NFHLP or NFHMC files for reorganization, becomes insolvent, or has appointed a receiver or other, similar officer for its affairs by any court of competent jurisdiction, whether or not with NFHLP's or NFHMC's consent (unless dismissed, bonded or discharged within sixty (60) days thereafter);

(vi) NFHLP or NFHMC admits in writing its inability to pay its debts as they become due;

(vii) NFHLP or NFHMC conceals, removes, or permits to be concealed or removed, any part of its property, with intent to hinder, delay or defraud its creditors or any of them, or makes or suffers a transfer of any of its property which may be fraudulent under any bankruptcy, fraudulent conveyance or similar law; or suffers or permits, while insolvent, any creditor to obtain a lien upon any of its property through legal proceedings which is not vacated or discharged within 30 days from the date thereof; or

(viii) NFHLP breaches the Non-Relocation Agreement.

Section 23.3 Termination. In the event of a default as specified above, the non-defaulting party shall have the option to terminate this Lease and all of the other party's rights hereunder, in which event the defaulting party shall be liable for any resulting damages to the other party; provided, however, (i) if Landlord is the defaulting party pursuant to Section 23.1(iv) NFHLP shall attorn to and become the tenant of any successor-in-interest to Landlord pursuant to Section 27.4 of this Lease; and (ii) if Landlord is the defaulting party pursuant to Section 23.1(ii), NFHLP will not have any right to terminate the Lease if NFHLP has failed to make any payments under this Lease when due, whether to Landlord or in escrow to an independent third party. If NFHLP is the defaulting party, Landlord shall have the option, in its sole discretion to: (i) permit NFHLP to complete the existing Lease Term or any Renewal Lease Term which has been exercised while terminating all future options to renew; or (ii) require NFHLP to immediately surrender possession of the Premises, failing which Landlord may enter upon and take possession of the Premises, and expel or remove NFHLP and any other occupant therefrom; and/or (iii) prohibit and lock out NFHLP from the Premises, and bring summary dispossess proceedings, or any suitable action or proceeding at law.

Section 23.4 Damages and Remedies. For a breach during the Lease Term, the exercise by either party of any remedy arising by virtue of the occurrence of an event of default pursuant to Sections 23.1 and 23.2 shall not be considered exclusive, but either party may exercise any and all other rights or remedies provided by this Lease or by law or equity. Landlord or NFHLP may elect to sue the other hereunder with or without terminating this Lease. The termination of the Lease Term pursuant to this Section 23.4 shall not extinguish the right of either party to collect damages including, without limitation, direct and consequential damages arising from the breach of this Lease by the other party.

NFHLP shall pay to Landlord all rent and other sums including, but not limited to claims subject to insurance or indemnification provisions under this Lease which would be payable hereunder by NFHLP if no termination and re-entry had occurred. Landlord may, at any time after termination of this Lease, recover from NFHLP the worth at that time (discounted to present value at the time of termination) of the excess, if any, of the amount of the rent reserved in this Lease for the balance of the Lease Term (had such termination not occurred) over the then reasonable rental value of the Premises for the same period. The "reasonable rental value" shall be the amount which Landlord can reasonably be expected to obtain as rent for the remaining balance of the Lease Term (to its normal expiration date,

excluding unexercised renewal periods and the additional Lease Term), had such termination and default not occurred.

Landlord will credit against sums owed by NFHLP the net proceeds, if any, of any reletting or operation after deducting Landlord's reasonable expenses in connection with the reletting and operation. Reasonable expenses shall include, but not be limited to, repossession costs, brokerage commissions, legal expenses, employee expenses, alteration costs reasonably incurred and other reletting expenses.

Section 23.5 No Waivers. No failure by any party hereto to insist upon the strict performance of any provision of this Lease or to exercise any right, power or remedy consequent to any breach thereof, and no waiver of any breach, or the acceptance of full or partial rent during the continuance thereof, shall constitute a waiver of any such breach or of any provision. No waiver of any breach shall affect or alter (i) this Lease, which shall continue in full force and effect, or (ii) the rights of any party hereto with respect to any other breach then existing or any subsequent breach.

Section 23.6 Payment by Landlord of NFHLP's Defaulted Payments. In case of failure on the part of NFHLP to pay any money, or do any act to satisfy any of the obligations or covenants which it is required to pay, do, or satisfy under the provisions of this Lease, Landlord may, at its option, after 10 days' prior written notice to NFHLP, pay any and all of the sums, or do any or all such acts which require the payment of money, or incur any reasonable expense to remedy the failure of NFHLP to perform any one or more of the covenants herein contained. NFHLP shall repay to Landlord an Additional Rent the sums advanced by Landlord on demand together with interest at the Prime Rate plus 3 percentage points from the date payment is made by Landlord. Nothing contained herein shall obligate Landlord in any way to so cure any of NFHLP's defaults; such right to cure shall be in addition to and not in lieu of any other right or remedy.

ARTICLE XXIV - NFHLP SPECIAL COVENANTS - COVENANTS TO COMPLY WITH NON-COMPETE

Section 24.1 Comparable Event. For purposes of this Lease "Comparable Event" means sporting events, concerts and other events of a type typically conducted at The Crossroads.

Section 24.1.1 Competing Facility. For purposes of this Lease, "Competing Facility" shall mean any indoor sports, entertainment, or multi-use arena or amphitheater, located within 60 miles of The Crossroads, having a capacity for total attendance of 10,000 to 20,000 individuals, to which the general public is from time to time invited, with an admission charge, for Comparable Events, provided that Pilot Field shall be excluded from the definition of Competing Facility.

Section 24.1.2 Participate In. For purposes of this Lease, "Participate In" shall mean to, directly or indirectly, own, manage, operate, control or participate in the ownership, management, operation or control. The term Participate In does not include War Memorial Stadium in Rochester, New York, as long as NFHLP owns or is affiliated with the Amerks.

Section 24.2 Covenants of NFHLP. During the Lease Term and any Renewal Lease Term, neither NFHLP nor its subsidiaries or persons controlled by or under common control with NFHLP shall Participate In any Competing Facility or Participate In a Person that directly or indirectly owns, manages, or operates a Competing Facility. Notwithstanding the remedies of Landlord for NFHLP's default under this Lease, Landlord agrees that its sole remedy in the event of a breach by NFHLP of NFHLP's obligations under this Article XXIV shall be to seek to obtain an injunction or decree of specific performance together with a judgment for attorneys fees and other expenses incurred by Landlord in connection therewith from any court of competent jurisdiction to restrain or compel NFHLP in connection with NFHLP's obligations pursuant to this Article XXIV and for an accounting and payment to Landlord by NFHLP of its profits derived from a Competing Facility.

Section 24.3 Judicial Interpretation. If any provision contained in this Article XXIV shall be deemed to be invalid, illegal, or unenforceable by reason of its extent, duration, or geographic scope, or otherwise, then the court making such determination shall have the right to reduce such extent, duration, geographical scope or other provisions, and in its reduced form such restriction shall then be enforceable in the manner contemplated by Section 24.2. If the court determines this provision to be invalid in its entirety, then this provision shall be eliminated from this Lease.

ARTICLE XXV - DISPUTE RESOLUTION

Section 25.1 Applicability. When specified in this Agreement and all disputes relating to the interpretation of Quality Arena Standards, Industry Standards or NHL

Rules, the applicable dispute (a "Dispute") shall be resolved by dispute resolution in accordance with this Article XXV. Except as otherwise specified in this Lease, the parties shall be able to resort to judicial, administrative, or other legal proceedings or other rights or remedies as allowed by this Lease, at law or in equity. In the event either party believes a Dispute exists, it shall give written notice to the other specifying in reasonable detail the nature of such Dispute ("Initial Notice"). The parties shall seek in good faith to negotiate a settlement of the Dispute, including, without limitation, by agreeing to reasonable requests of the other to hold a meeting to discuss such Dispute. If the parties cannot settle a Dispute between themselves within thirty (30) days after the date of the Initial Notice, the Dispute shall be submitted to mediation in accordance with Section 25.2 of this Lease.

Section 25.2 Mediation Proceedings. A Dispute submitted to mediation shall be conducted in accordance with this Section 25.2.

Section 25.2.1 Designation of Mediator. If the parties have been unable to reach a resolution of the Dispute within thirty (30) Business Days after the date of the Initial Notice of a Dispute, a mediator shall be appointed to facilitate resolution of the Dispute. The mediator shall be designated for each Dispute on a rotating basis by one (1) of the parties. Designation of the mediator shall be in the selecting party's discretion and the mediator need not be neutral provided the mediator shall have at least five (5) years' experience relating to the operation of first class sports arenas. Landlord shall select the mediator for the first Dispute submitted to mediation hereunder and thereafter selection of the mediator shall be on an alternating basis.

Section 25.2.2 Scope of Mediation. The mediator shall assist Landlord and NFHLP to reach a mutually agreeable settlement of the Dispute through direct negotiations. The assistance will be impartial and the mediator will act as an advisor and consultant to each of Landlord and NFHLP. The mediation will be non-binding on the parties.

Section 25.2.3 Conduct of Mediation. Except as otherwise provided in this Lease, or as the parties may agree in writing, any mediation proceeding shall be conducted in accordance with the Commercial Mediation Rules of the American Arbitration Association ("AAA") then in effect. Although the Commercial Mediation Rules of the AAA shall be used to govern the conduct of the mediation, the mediator shall be chosen by the procedure described in Section 25.2.1 and the mediation shall not be conducted through AAA, unless the parties otherwise agree. The mediation shall be conducted in Buffalo, New York, or such other location as the parties may agree.

Section 25.2.4 Length of Mediation. If the parties fail to reach a settlement of the Dispute during the Mediation Term, the aggrieved party shall in its sole discretion submit the Dispute to arbitration in accordance with Section 25.3 of this Lease.

Section 25.2.5 Effect Of Mediation On Lease. Unless otherwise agreed in writing during the Mediation Term, the parties shall continue to comply with all terms and provisions of this Lease which are not the subject of the Dispute (provided that, notwithstanding the foregoing, with respect to any non-payment defaults which are the subject of mediation or other legal proceedings hereunder, the cure periods with respect to such defaults shall be stayed during the period of the applicable mediation or other legal proceeding).

Section 25.3 Arbitration Proceedings. A Dispute which has not been resolved during the Mediation Term may be submitted to arbitration in accordance with this Section 25.3 in the sole discretion of the aggrieved party by giving written notice of arbitration setting forth the issues in Dispute (an "Arbitration Notice") within ten (10) days after the expiration of the Mediation Term. If no such notice is given the Dispute shall be deemed to have been finally resolved.

Section 25.3.1 Designation of Arbitrator. Each party shall, within twenty (20) Business Days after the date of the Arbitration Notice, designate in its sole discretion one (1) arbitrator, who need not be neutral. The two (2) arbitrators so designated shall jointly appoint a third arbitrator who shall have at least five (5) years' experience in connection with the operation of first class sports arenas.

Section 25.3.2 Scope of Arbitration. The issues to be arbitrated shall be limited to the issues set forth in the Arbitration Notice. In connection with any arbitration, each party shall submit, in writing, the specific requested action or decision it wishes to take, or make, with respect to the Dispute, but the arbitrators may select any action or propose their own resolution of the disputed issues; provided, however, that the arbitrators may not impose any punitive damages nor may they make any determination as to whether a matter is subject to this Article XXV.

Section 25.3.3 Conduct of Arbitration. Except as otherwise provided in this Lease, or as the parties may agree in writing, any arbitration proceeding shall be conducted in accordance with the Commercial Arbitration Rules and the Expedited Procedures of the AAA then in effect. Although Commercial Arbitration Rules of the AAA shall be used to govern the conduct of the arbitration, the arbitrators shall be chosen by the procedure

described in Section 25.3.1 and the arbitration shall not be conducted through AAA, unless the parties otherwise agree. For purposes of an arbitration conducted under this Article XXV, whenever the AAA Commercial Arbitration Rules refer to the "tribunal administrator," such reference shall be deemed to be the third arbitrator chosen under Section 25.3.1. The parties expressly agree that any arbitration proceeding may proceed in the absence of any party who, after due notice, fails to be present at such arbitration or to obtain an adjournment, and that, in such event, an award may be made based solely upon the evidence submitted by the party who is present. All arbitration proceedings shall be conducted in Buffalo, New York or in such other location as the parties may agree. In making any determination, the arbitrators shall apply the pertinent provisions of this Lease without modification or qualification in any respect. The arbitrators shall reasonably allow each party the use of interrogatories, depositions and other forms of discovery taking into account the need for such discovery, the cost thereof and the time limits set forth herein for resolution of the Dispute. The arbitrators shall furnish the parties with a written decision within sixty (60) Business Days after the date the third arbitrator is selected. The arbitrators' written decision shall include the specific findings of law and fact upon which the arbitrators' actions and decisions are based.

Section 25.3.4 Effect on Lease. Unless otherwise agreed in writing during the period that any arbitration is pending under this Article XXV, the parties shall continue to comply with all terms and provisions of this Lease which are not the subject of the Dispute (provided that, notwithstanding the foregoing, with respect to any non-payment defaults which are the subject of arbitration or other legal proceedings hereunder, the cure periods with respect to such defaults shall be stayed during the period of the applicable arbitration or other legal proceeding, except that there shall be no stay during legal proceedings brought to effect Landlord's remedies following arbitration in which NFHLP was determined to be in default under this Lease).

Section 25.3.5 Effect of Determination. The decision or award rendered by the arbitrators shall be final, nonappealable, and binding upon the parties, and if either party wishes, judgment shall be entered upon it in accordance with applicable law in a court of competent jurisdiction. Neither the requirement to utilize the procedures set forth in this Article XXV, nor the pendency of any arbitration proceeding, shall in any way invalidate any notices given by either party to this Lease which are not the subject of the dispute resolution pending.

Section 25.3.6 Damages and Remedies. The party in whose favor an arbitration decision is made may exercise any and all rights and remedies provided by this

Lease or by law or equity to enforce the terms of such decision. If the prevailing party is NFHLP, NFHLP may set off against any rent due amounts expended to implement the arbitrator's decision. If NFHLP is the prevailing party and Landlord fails to promptly pay the amount awarded to NFHLP and the award exceeds the amount of rent then due and owing by NFHLP for two (2) years, then NFHLP may terminate this Lease in accordance with Section 23.3 of this Lease. If as a result of arbitration proceedings with respect to the Sales Agency Agreement, Box Office Agreement or Advertising Agreement, NFHLP fails to implement the actions determined by the arbitration as appropriate, Landlord may within ten Business Days of the arbitrator's decision determine to assume NFHLP's rights and responsibilities under the Sales Agency Agreement, Box Office Agreement or Advertising Agreement, as the case may be, and begin to perform such rights and responsibilities, provided it implements the actions determined by the arbitrator to be appropriate and otherwise observes the standards set forth in such Agreements. If after one year from the date on which Landlord begins to perform NFHLP's rights and obligations under the Sales Agency Agreement, Advertising Agreement, Box Office Agreement, as applicable revenues from the applicable function have not achieved the levels set forth in Section 9.1 or 11.1 of this Lease, as applicable, then NFHLP shall immediately assume responsibility for such function for the following year pursuant to the applicable agreement. In the event Landlord fails to assume operations of the applicable agreement within ten (10) Business Days of an arbitrator's award in favor of it, NFHLP may continue to perform under the applicable agreement for the next succeeding twelve (12) month period. The arbitrator may decide to terminate the Box Office Agreement, Advertising and Marketing Agreement, and/or the Sales and Marketing Agreement only if it determines that NFHLP has engaged in repeated or gross malfeasance, willful misconduct, or gross negligence.

Section 25.4 Further Disputes. The parties agree that any Disputes which arise during the Lease Term (or any Renewal Lease Term which has been exercised) out of a settlement agreement or arbitrator's determination in accordance with this Article XXV shall be resolved exclusively by the procedures set forth in this Article XXV including the right to seek appropriate judicial action, intervention or enforcement. The parties further agree that the specific issues which are subject to the arbitrator's decision may not be re-raised.

ARTICLE XXVI - EMINENT DOMAIN

Section 26.1 Total Taking. In the event of the taking or condemnation by any competent authority for any public use or purpose of the whole of the Premises (a "Total Taking") at any time during the Lease Term or any Renewal Lease Term which has been exercised, the following provisions shall apply:

Section 26.1.2 Intentionally Omitted.

Section 26.1.3 Term of Lease. In the event of a Total Taking either NFHLP or CALLC may terminate this Lease upon written notice to the other and the award shall be distributed in accordance with the Operating Agreement.

Section 26.2 Substantial Taking. As used in this Section, a Substantial Taking means a Taking of materially all of the Premises where the remaining part of the Premises not so taken cannot be adequately restored, repaired or reconstructed as a Sports Arena Substantially Beneficially Completed. In the event of a Substantial Taking, then the condemnation shall be treated as a Total Taking under Section 26.1.3 and the award shall be distributed in accordance with the provisions of the Operating Agreement.

Section 26.3 Partial Taking. In the event of a Taking other than as provided in Section 26.1 or 26.2 (a "Partial Taking") the following provisions shall apply:

Section 26.3.1 Lease Term. In the event of a Partial Taking, the Lease Term or any Renewal Lease Term which has been exercised (except as hereinafter provided) shall nevertheless continue, but rent shall thereafter be reduced by the same proportion that the fair market rental value of the Premises was reduced due to the Partial Taking. There shall be no abatement of rent if (a) no portion of the Premises is taken in any such taking or condemnation, (b) a portion of the Premises is taken but the income-generating capacity of Hockey Essential Portions are not affected, or (c) NFHLP's share of an award from a Partial Taking is based in whole or in part on NFHLP's rent. If the parties can not agree on the terms and conditions to abate rent pursuant to this Section 26.3.1, the issue shall be submitted to Dispute Resolution in accordance with Article XXV of this Lease.

Section 26.3.2 Awards. The award from a Partial Taking shall be distributed as provided by the court determining such award.

Section 26.3.3 Restoration. If the Lease is not terminated, then, as to the Premises not taken in the condemnation proceeding, Landlord shall proceed diligently to make an adequate restoration, repair or reconstruction of the part of the Premises not taken. Landlord shall restore, repair or reconstruct the Premises, to the extent practicable, to a functional unit of substantially the same usefulness, design, construction, quality, and to a condition having the same income-generating capability of the Premises prior to the Partial Taking. In connection with such restoration, repair, and reconstruction, Landlord shall comply with the provisions of Article XVIII regarding restoration as if occurring after an event of damage or destruction.

Section 26.4 Successive Takings. In case of any additional Partial Taking or Takings from time to time, the provisions of Section 26.3 shall apply to each Partial Taking.

Section 26.5 Interpretation of Conflicts. In the event of any conflict or inconsistency between the terms and conditions of this Article XXVI and Section 8 of the Financing Participants Agreement, such conflict or inconsistency will be resolved in favor of Section 8 of the Financing Participants Agreement unless the Financing Participants Agreement is no longer in effect, in which event this Article XXVI will control.

ARTICLE XXVII - SUBORDINATION; ATTORNMENT; DEFAULT UNDER OR AMENDMENT TO PRIOR LEASES

Section 27.1 Subordination and Attornment. This Lease shall be subject and subordinate to the Land Disposition Agreement, the Prior Leases, the lien of any mortgage which may now exist or hereafter be expected for which The Crossroads, Crossroads Site, any Prior Lease, or Landlord's interest or estate in said items is specified as security, and to all renewals, modifications, consolidations, replacements or extensions thereof ("Superior Mortgage"); provided, however, that as a condition of such subordination, the lessor of each Prior Lease shall deliver to NFHLP a Non-Disturbance Agreement, attached as Exhibit 21 respectively, and each Superior Mortgagee shall deliver to NFHLP a Non-Disturbance Agreement in the form of Exhibit 25. Each such Non-Disturbance Agreement shall provide for non-disturbance of the rights of NFHLP pursuant to this Lease, any Concessionaire, Parking Operator, the licensees of Luxury Suites and Club Seats, subject to any such party's obligation to attorn to any successor pursuant to Section 27.4, there being no default then existing by NFHLP or with respect to such party's agreement with NFHLP and any other term or condition contained in such Non-Disturbance Agreement.

Section 27.2 Default Under Prior Leases. Landlord agrees not to take or omit to take any action which causes or results in a default under any Prior Lease or Superior Mortgage. Each Prior Lease and Superior Mortgage shall provide for delivery of all notices to NFHLP, any designee of NFHLP with an interest arising under this Lease, BSC as well as Landlord, and shall recognize a cure of default by NFHLP or any such designee, or BSC in Landlord's stead.

Section 27.3 Amendment of Prior Leases. Landlord will not amend, modify, terminate, assign or alter any of the Prior Leases or Superior Mortgages, or prematurely terminate the Prior Lease, or consent to any such action without NFHLP's prior written consent, which consent shall not be unreasonably withheld.

Section 27.4 Attornment and Non-Disturbance Vis-a-Vis Third Parties. If the Prime Building Lease terminates for any reason, or any Superior Mortgage is foreclosed or a conveyance in lieu of foreclosure is made for any reason, NFHLP shall, notwithstanding any subordination, attorn to and become the tenant of the party succeeding to Landlord's interest in the Prime Building Lease for the balance of the Lease Term and any Renewal Lease Term which has been exercised, upon the same terms and conditions as those provided herein. If NFHLP's interest under this Lease is terminated prior to the end of the Lease Term or any Renewal Lease Term which has been exercised as the result of the exercise of rights by Landlord or any lessor of a Prior Lease or Superior Mortgagee succeeding to Landlord's interest, NFHLP shall cause the Concessionaire, Parking Operator and at the option of Landlord or Superior Mortgagee succeeding to Landlord's interest, exercisable in their sole discretion, any other party with whom it contracts in connection with its rights and obligations arising hereunder to agree to attorn to and perform its contract for the benefit of Landlord's successor-in-interest, and, if required, enter into a new agreement with said successor-in-interest for the balance of the Lease Term, or any Renewal Lease Term which has been exercised, then remaining under such contracts upon the same terms and conditions as those provided therein. If requested by Landlord, NFHLP shall deliver appropriate estoppel certificates. The provisions of all such subordination and non-disturbance agreements shall be deemed incorporated herein and constitute obligations of Landlord and Tenant hereunder as if fully set forth herein.

ARTICLE XXVIII - OPTION TO RENEW, EXPIRATION

NFHLP shall have the irrevocable right, at its option, to renew and extend the Lease Term for four (4) additional consecutive periods the first three of which shall be for five (5) years each and the last of which shall be for three (3) years (the "Renewal Lease Term(s)), commencing upon the expiration of the Lease Term or preceding Renewal Lease Term, upon the same terms and conditions. NFHLP shall be deemed to have exercised this option, and this Lease shall be automatically extended for each Renewal Lease Term unless: (a) NFHLP notifies Landlord in writing at least (i) twenty-four (24) months prior to the expiration of the Lease Term or (ii) twelve (12) months prior to the expiration of any Renewal Lease Term, that it does not wish to exercise its option to renew; or (b) an Event of Default has occurred of which Landlord has furnished written notice to NFHLP which has not been cured by NFHLP, waived by Landlord or which Landlord has extended the time period for NFHLP to cure.

In the event that NFHLP exercises any of its option rights to renew this Lease as provided in this Article, Landlord shall exercise its corresponding renewal options under the Prime Building Lease.

Upon expiration of the Lease Term or of any Renewal Lease Term which has been exercised or upon any earlier termination of this Lease, NFHLP shall immediately vacate and surrender the Premises and remove therefrom all NFHLP personal property subject to the provisions of Section 6.7 of this Lease. The Exclusive Areas shall be left broom clean and in good condition and repair as required by this Lease. All concession, parking and other agreements entered into by NFHLP with respect to the Premises shall terminate upon such expiration or earlier termination except as otherwise provided herein.

ARTICLE XXIX - QUIET ENJOYMENT

Subject to the terms and conditions of this Lease, throughout the Lease Term and any Renewals hereof, absent any event of default by NFHLP, Landlord represents and warrants that NFHLP shall lawfully and quietly hold, occupy and enjoy undisturbed possession of the Premises pursuant to this Lease, and all rights granted to NFHLP hereby without hindrance or molestation by Landlord or anyone lawfully claiming under or through Landlord.

ARTICLE XXX - ASSIGNMENT

Section 30.1 Prohibition on Assignment. Except for permitted assignments described in Exhibit 26 attached, neither Landlord nor NFHLP shall assign this Lease or any of its rights hereunder, without the prior written consent of the other.

Section 30.2 Assignment or Pledge of Revenue Streams. Neither Landlord nor NFHLP shall assign or pledge any monies to which either is entitled by virtue of this Lease without the other party's written consent, which shall not be unreasonably withheld, except as provided on Exhibit 26.

ARTICLE XXXI - CONSTRUCTION OF THIS DOCUMENT

Section 31.1 Relationship of the Parties. Neither party shall be deemed to be the joint venturer or partner of the other by virtue of this Lease. Both parties agree to refrain from representations or actions which could establish any apparent joint venture or partnership relationship, except for that of landlord-tenant. Each party specifically disclaims and will not be bound by any agreements, warranties or representations made by the other party.

Section 31.2 Entire Agreement. This Lease and the Exhibits hereto are the product of substantial and extensive negotiations and constitute the final, entire agreement among the parties with respect to the matters addressed herein except as may be provided in the Financing Participants Agreement. All memoranda, understandings, conversations and communications, oral or written, relating to such matters are hereby merged into and superseded by this Lease except to the extent that documents are incorporated by specific reference herein. Neither party, nor any agent or representative of them, has made any representations, warranties or agreements, nor have any statements of any nature been made to either party by any such person, on which the other party has relied in entering into this Lease, except as expressly set forth herein. Both parties acknowledge that they have bargained for and are fully satisfied with the obligations, covenants and agreements set forth herein, and accordingly irrevocably waive and relinquish, and covenant not to assert or allege, any claim that it has been fraudulently, improperly or unlawfully induced to enter into, execute and deliver this Lease or any writings, documents, agreements, or instruments to or for the benefit of the other party, whether or not related to this Lease.

Section 31.3 Parties in Interest. This Lease shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors and permitted assigns.

Section 31.4 Jurisdiction And Governing Law. Each party hereby consents to the jurisdiction of the Courts of the State of New York and/or the United States District Court for the Western District of New York (with Buffalo, New York as the venue for any action or proceeding) in any action or proceeding pursuant to this Lease, and each agrees to service of process by certified mail, return receipt requested, postage prepaid to its address as set forth in Article XXXII, or such other address as either may designate by written notice to the other party. Each party agrees not to institute suit against the other in a court in any jurisdiction, except as stated above, without the other party's consent. The parties further agree that all matters with respect to the validity, construction or interpretation of this Lease shall be governed by the internal law of the State of New York.

Section 31.5 Waivers. No waiver of any breach or potential breach of any party shall be effective unless set forth in writing and duly executed by the waiving party, and no waiver of any breach on any occasion shall constitute a waiver of a breach of the same or any other matter on any subsequent occasion.

Section 31.6 Amendment. This Lease may not be amended or modified other than by a writing specifying the intent to amend or change this Lease, which is duly executed by both parties.

Section 31.7 Counterparts. This Lease may be executed in two or more counterparts, each of which shall be deemed to be an original instrument, but all such counterparts together shall constitute one and the same instrument.

Section 31.8 Headings. The headings in this Lease are inserted for convenience of reference only, and shall not constitute part of this Lease.

Section 31.9 Severability. If any portion of this Lease is adjudged invalid, unenforceable or void, the rest shall remain in full force and effect.

Section 31.10 Confidentiality. Each party shall use reasonable efforts to avoid disclosure to any third party (other than their respective attorneys, accountants and consultants pursuant to confidential relationships) any non-public financial information

pertaining to the business of the other or personnel information obtained from the other, except as required by law, without the prior written approval of the other party.

Section 31.11 Termination of NFHLP Obligations. The obligations of NFHLP hereunder shall be void in their entirety unless the Premises are Substantially Beneficially Completed on or before June 30, 1997, as such date may be extended to correspond with extensions of the Construction Loan.

Section 31.12 Execution by NFHMC. NFHMC is a signatory to this Lease solely for the limited purpose of making the representations and warranties set forth in Section 21.2 of this Lease.

ARTICLE XXXII - NOTICES

All notices, requests, demands and other communications required or permitted under this Lease shall be in writing and shall be deemed to have been duly given, in the case of personal delivery, upon delivery, in the case of telexes, upon receipt of the correct answerback, in the case of telecopies upon transmission, and in the case of mailings, upon the date seven days after mailing (certified or registered mail) in each case to the address, telex number or rapifax number shown in this Lease or designated in writing hereafter by such party in accordance with this Article:

If to Landlord, to:

Crossroads Arena LLC
Memorial Auditorium
140 Main Street
Buffalo, New York 14202
Attention: Executive Vice President

If to NFHLP, to:

Niagara Frontier Hockey, L.P.
Memorial Auditorium
140 Main Street
Buffalo, New York 14202
Attention: President and Chief Executive Officer

With a copy to:

Legal Department
Niagara Frontier Hockey, L.P.
Memorial Auditorium
140 Main Street
Buffalo, New York 14202

The parties by written notice to the other may change the address to which notices shall be sent.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the 10th day of May, 1995.

NIAGARA FRONTIER HOCKEY, L.P.

By: Niagara Frontier Hockey Management Corp., Its Managing General Partner

By: _____ (Title)

NIAGARA FRONTIER HOCKEY MANAGEMENT CORP.

By: _____ (Title)

CROSSROADS ARENA LLC

By: Arena, Inc., Its Member

_____

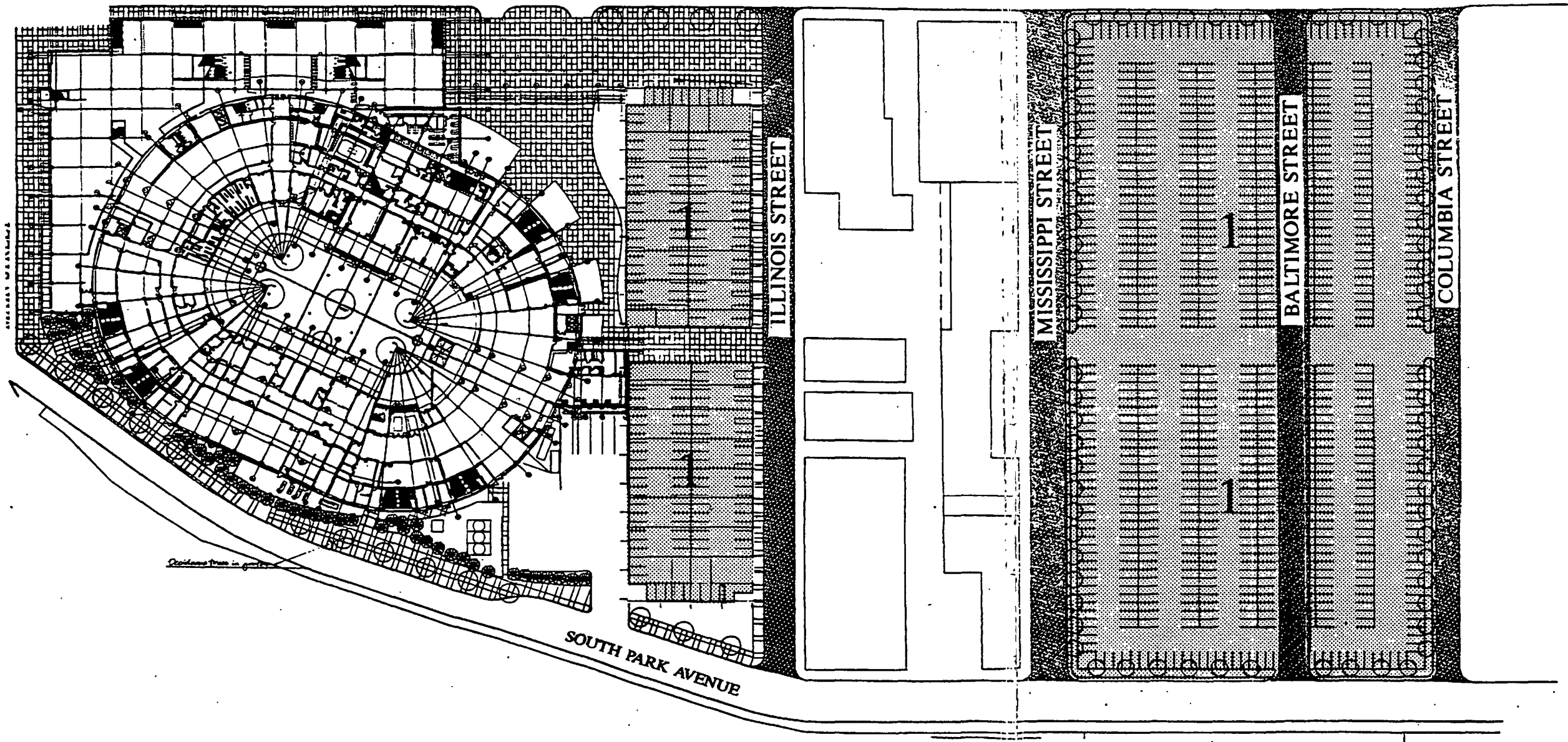
Lawrence Quinn, Executive Vice President

EXHIBIT 1

EXHIBIT 8

LEGEND

1. PARKING



SITE PLAN

EXHIBIT 2

NFHLP-PROVIDED INITIAL LUXURY SUITE AMENITIES

1. NFHLP will make tickets available to Landlord for purchase including all pre-season, regular-season and Sabres playoff games and tickets required when a Luxury Suite licensee exercises its option to purchase 6 additional tickets to each event.

2. Membership in Crossroads Club.

3. NFHLP will make available for Landlord to purchase two parking spots in weather protected parking structure with access to private club concourse.

4. Sabres programs and statistics on game nights.

5. In-suite beverage and catering services.

6. Monthly food/beverage billing.

4/28//95

EXHIBIT 3

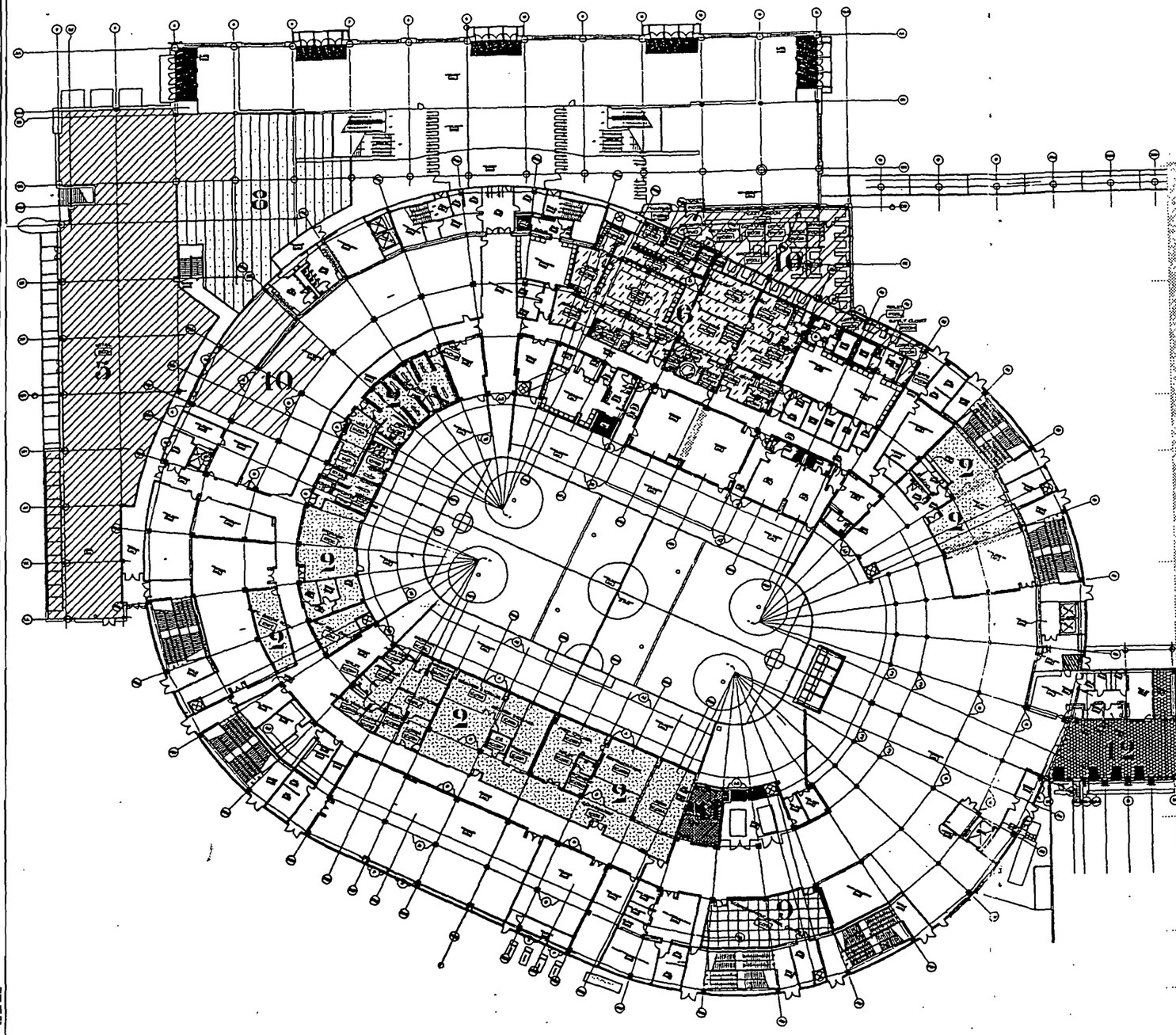
Reserved

EXHIBIT 4

Reserved

EXHIBIT 5

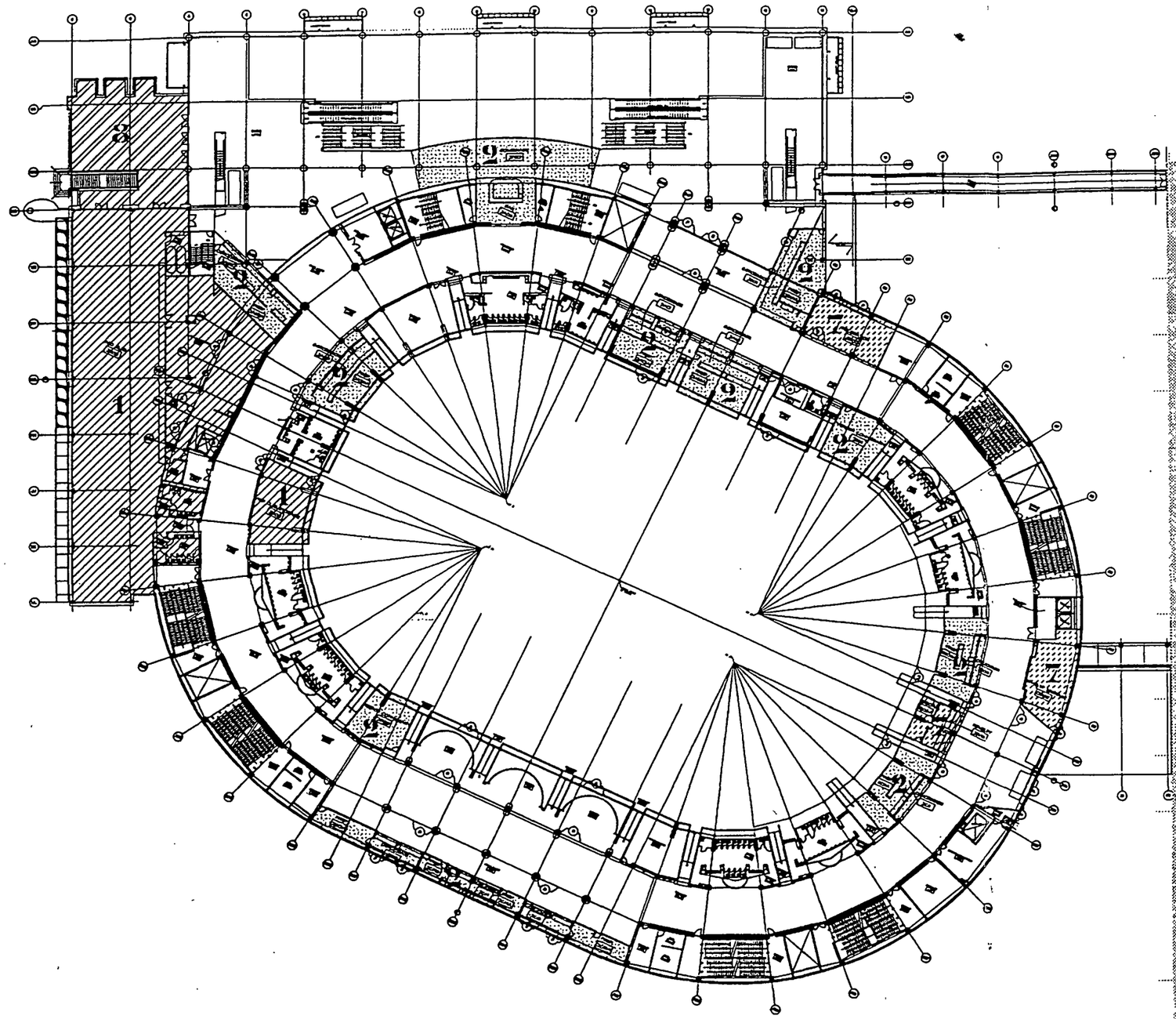
Reserved



EVENT FLOOR

EXHIBIT 6
--LEGEND

- 2. CONCESSION FACILITIES
  - 1A12 MEN'S EMPLOYEE LOCKER
  - 1A12A VESTIBULE
  - 1A12B MEN'S TOILET
  - 1A12-B VESTIBULE
  - 1A13 UNIFORM
  - 1B07A PRESS LOUNGE
  - 1B07C BUFFET
  - 1C05 COMMISSARY
  - 1C05A BEER
  - 1C05B REFRIGERATOR
  - 1C05C TOILET
  - 1C05D RECEIVING
  - 1C05E PREP KITCHEN
  - 1C05F ICE
  - 1C05G SECURED STORAGE
  - 1C05H LOBBY
  - 1C05J GENERAL OFFICES
  - 1C05K ASSISTANT
  - 1C05L STORAGE
  - 1C05M ASSISTANT
  - 1C05N ASSISTANT
  - 1C05P TOILET
  - 1C05Q GENERAL MANAGER
  - 1C05R KITCHENETTE
  - 1C05S CONFERENCE
  - 1C05T FREEZER
  - 1C05U SECURED STORAGE
  - 1D01 EMPLOYEE BREAK ROOM
  - 1D12 WOMEN EMPLOYEE LOCKERS
  - 1D12A VESTIBULE
  - 1D12B TOILET
  - 1D12C STORAGE
  - 1D13 PASS.
  - 1D13A USHER
  - 1D13B SECURITY
  - 1D13C CONFERENCE
  - 1D14 EMPLOYEE SECURITY CHECK
- 4. PARKING STRUCTURE
- 5. WATERFRONT MARKET RESTAURANT
- 6. SABRES TEAM LOCKER ROOM
  - 1A08 LOCKER ROOM
  - 1A08A VESTIBULE
  - 1A08B EQUIPMENT MANAGER
  - 1A08C LAUNDRY
  - 1A08D EQUIPMENT
  - 1A08E LOUNGE
  - 1A08F CORRIDOR
  - 1A08G CHANGING
  - 1A08H GROOMING
  - 1A08I TOILET
  - 1A08J SAUNA
  - 1A08K SHOWER
  - 1A08L ASSISTANT COACH/VIDEO
  - 1A08M COACH
  - 1A08N SHOWER/LOCKER ROOM
  - 1A08P WEIGHT TRAINING
  - 1A08Q EXAM
  - 1A08R TOILET
  - 1A08S DOCTOR/EXAM
  - 1A08T DENTIST
  - 1A08U HYDROTHERAPY
  - 1A08V SPA EQUIPMENT
  - 1A08W TRAINER
  - 1A08X TRAINING
- 8. TEAM STORE
- 9. SCOREBOARD/CONTROL CENTER
- 10. SABRES OFFICES
  - 1A03 HIGH BAY STORAGE
  - 1F02 RECEPTION
  - 1F02A WAITING
  - 1F02B ATM
  - 1F02C TICKET WINDOW
  - 1F02D SETTLEMENT
  - 1F02E COMPUTER
  - 1F02F OFFICE
  - 1F02G OFFICE
  - 1F02H STORAGE
  - 1F02J GROUP SALES
  - 1F02K COFFEE
  - 1F02L TOILET
  - 1F02M SUPPLY CLOSET
  - 1F02N CORRIDOR
  - 1F02P SAFE
- 11. NHL OFFICIALS
  - 1C07 OFFICIALS
  - 1C07A TOILET
- 12. LOADING DOCK AREA
  - 1B11 RECEIVING
  - 1B11A DOCK UTILITY



MAIN CONCOURSE

EXHIBIT 6
LEGEND

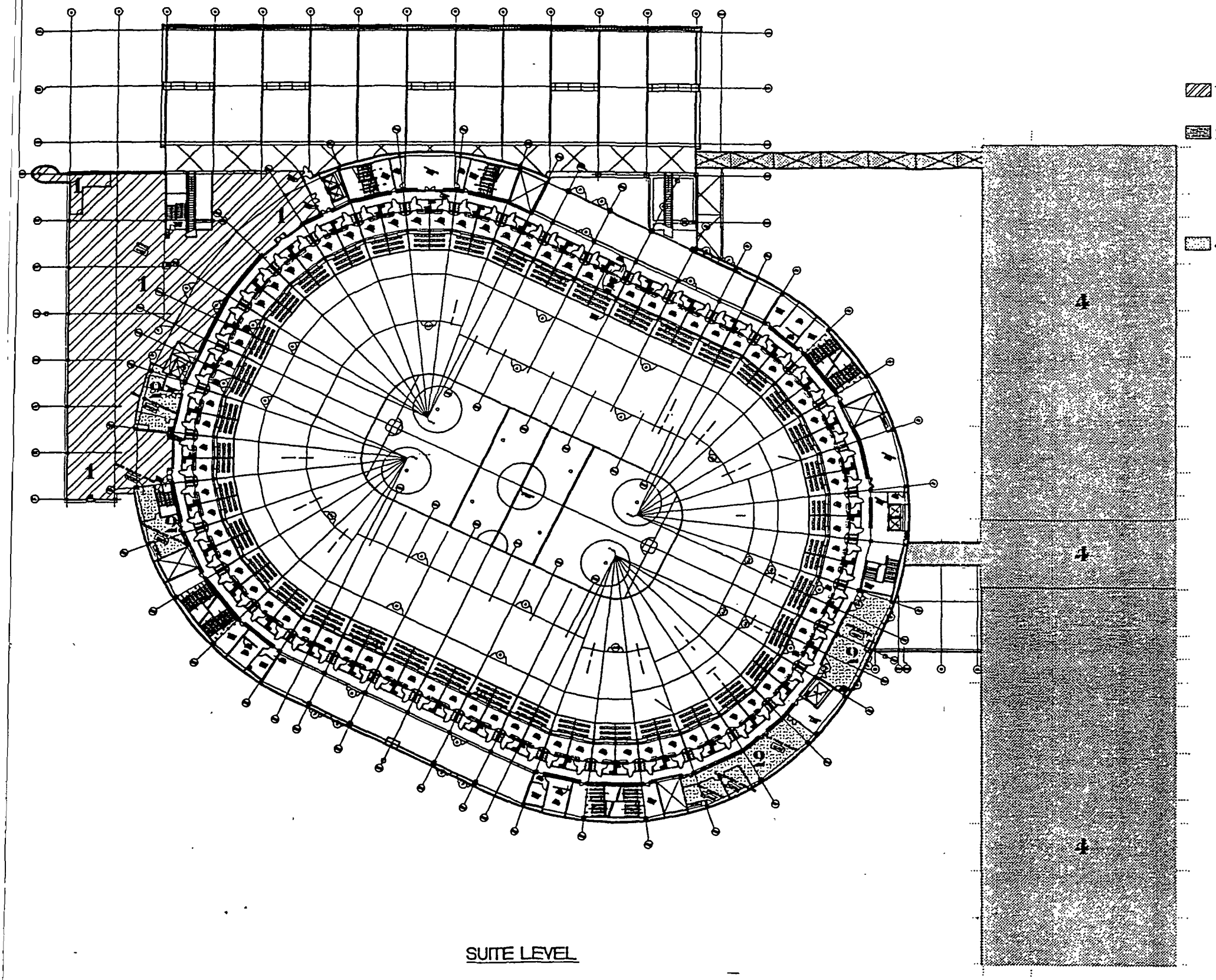
1. AUD CLUB (WITH KITCHEN)
- 2D02 AUD CLUB STORAGE
- 2D14 VESTIBULE
- 2D15 WOMEN'S TOILET
- 2D15A VESTIBULE
- 2D16 MEN'S TOILET
- 2D16A VESTIBULE
- 2E02 AUD CLUB
- 2E02A COATS
- 2E02B AUD CLUB KITCHEN
- 2E02C OFFICE
- 2E02D STORAGE

2. CONCESSION FACILITIES
- 2A03 CONCESSION
- 2A03A PREP.
- 2A06 BAR
- 2A10 CONCESSION
- 2A10A PREP.
- 2A12 CONCESSION
- 2A12A PREP.
- 2A20 CONCESSION
- 2A20A PREP.
- 2B01 CONCESSION
- 2B01A PREP.
- 2B08 CONCESSION
- 2B08A PREP.
- 2B14 VENDOR COMMISSARY
- 2C11 CONCESSION
- 2C11A PREP.
- 2C18 CONCESSION
- 2C18A PREP.
- 2C19 CONCESSION
- 2C19A PREP.
- 2C19B PREP.
- 2D08 VENDOR COMMISSARY
- 2D12 CONCESSION
- 2D12A PREP.
- 2F02 COLONNADE

4. PARKING STRUCTURE

7. NOVELTIES
- 2B02 RECREATION
- 2B05 NOVELTY STORAGE

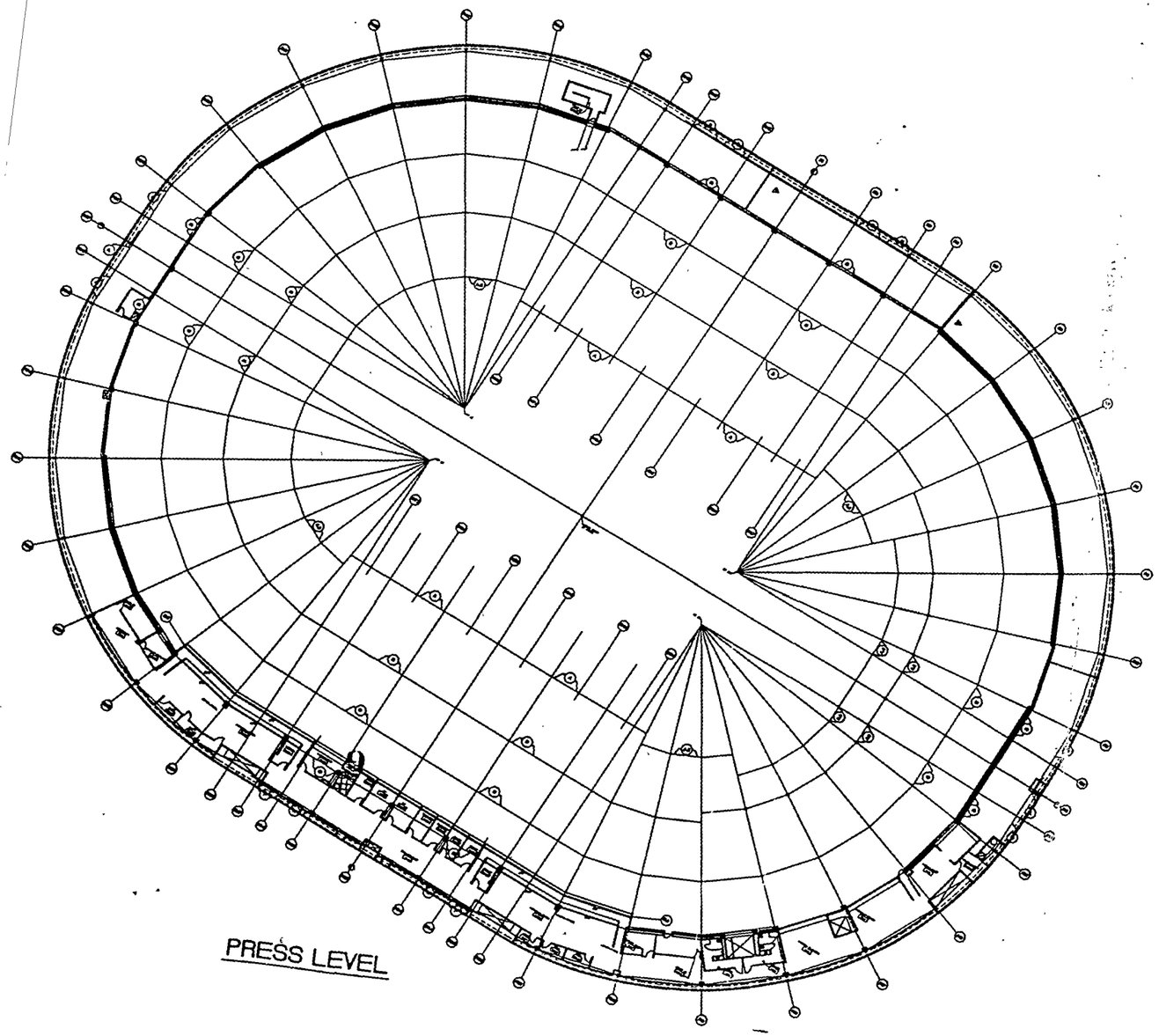
8. DECK



SUITE LEVEL

EXHIBIT 6
LEGEND

1. EXECUTIVE OFFICES
   - 4A03 OFFICE
   - CROW'S NEST
2. CONCESSION FACILITIES
   - 4B04 SUITE KITCHEN
   - 4C02 COLD FOOD PANTRY
   - 4C02A LIQUOR/BEVERAGE STORAGE
   - 4C02B DRY STORAGE
   - 4D02 ELEVATOR LOBBY
   - 4D02A FOOD SERVICE STORAGE
   - 4D03 FOOD SERVICE STORAGE
   - 4D03A FOOD SERVICE STORAGE
4. PARKING STRUCTURE



PRESS LEVEL

EXHIBIT 6
LEGEND

9. SCOREBOARD/CONTROL CENTER
7D08 SCOREBOARD

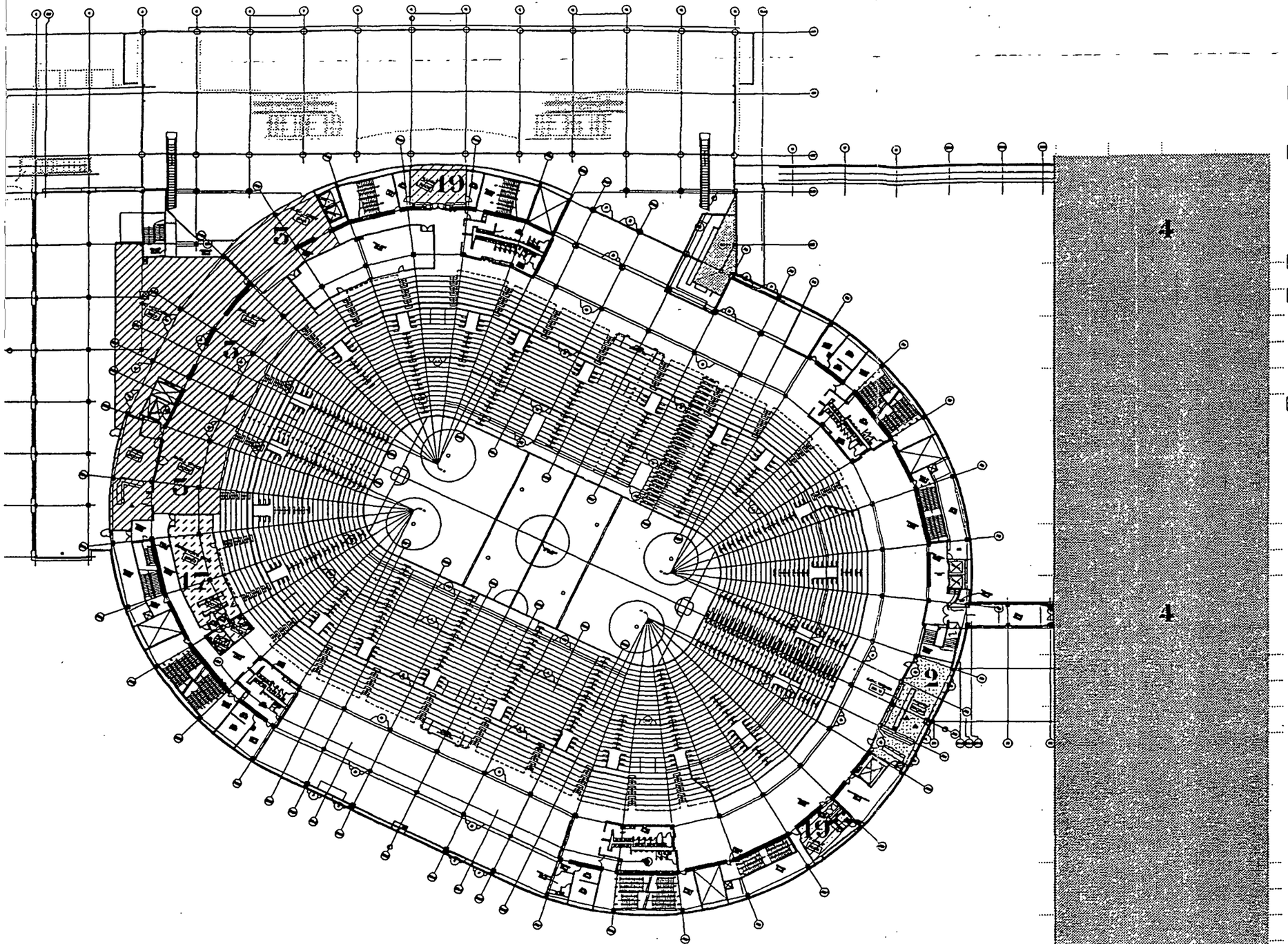


EXHIBIT 6
LEGEND

2. CONCESSION FACILITIES
- 3B08 CONCESSION
- 3B08A PANTRY

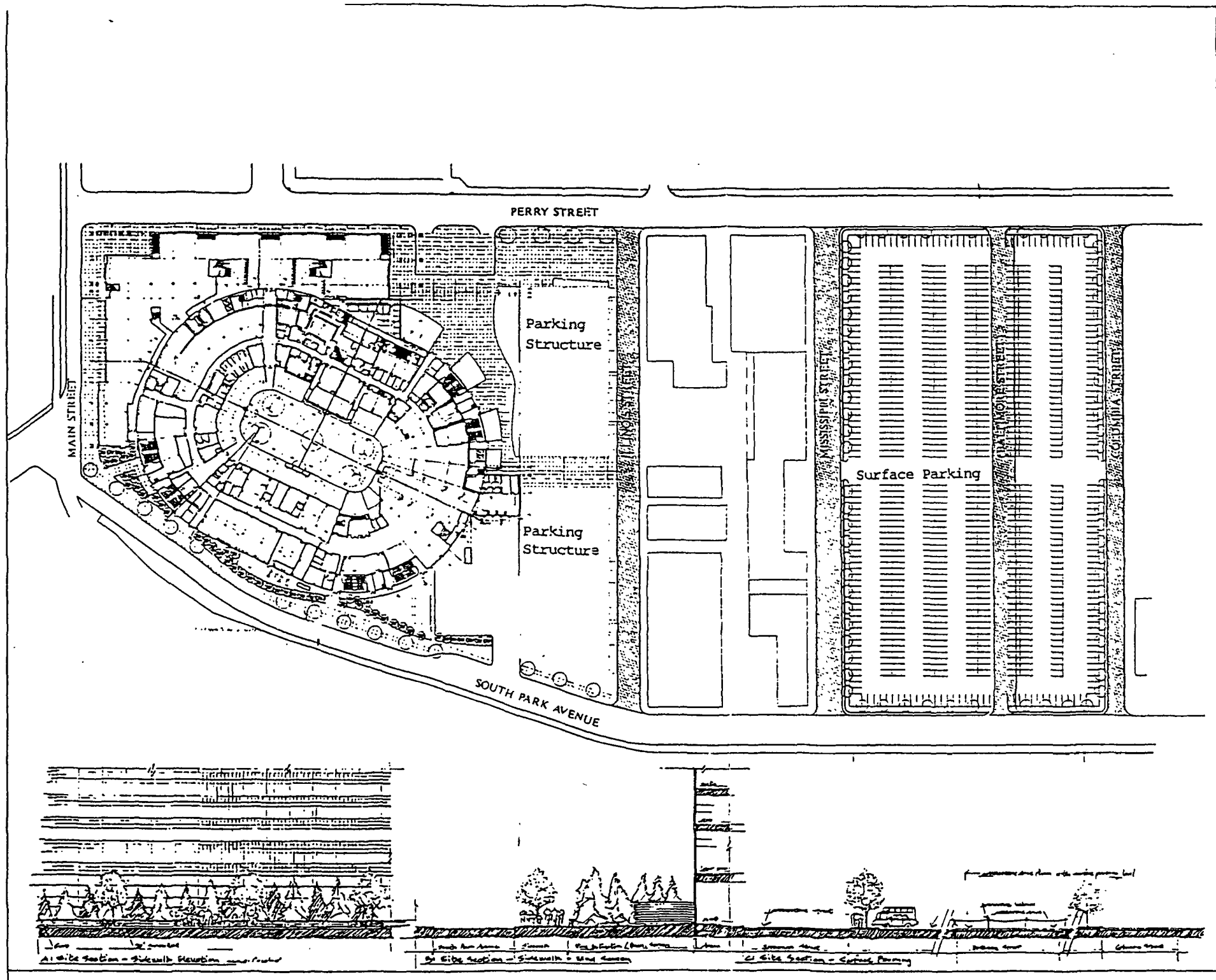
3. CROSSROADS CLUB
- 3A01 ELEVATOR LOBBY
- 3A02 CONCOURSE
- 3A10 SHELL SPACE
- 3D07 PANTRY
- 3D08 SHELL SPACE
- 3E01 AUD MEZZANINE

4. PARKING STRUCTURE

17. DIRECTORS' ROOM
- 3D02 DIRECTORS' SUITE
- 3D02A BAR
- 3D02B VESTIBULE
- 3D02C MEN'S TOILET
- 3D02D WOMEN'S TOILET
- 3D02E VESTIBULE

19. ALUMNI/FAMILY ROOMS
- 3A05 ALUMNI
- 3C03 FAMILY
- 3C03A CLOSET
- 3C13B TOILET

CLUB LEVEL



ELLERBE BECKET

ELLERBE BECKET ARCHITECTS AND ENGINEERS P.C.

ELLERBE BECKET ARCHITECTS AND ENGINEERS P.C.

HUSSEMANN DE A CLARKE, INC.

CPSC CONSULTANTS, INC.

CROSSROADS ARENA

CONSTRUCTION DOCUMENTS

SITE PLAN

EXHIBIT 7

CLUB SEAT AMENITIES

1. NFHLP will make tickets available for Landlord to purchase for each Club Seat licensee tickets for all Sabres pre-season, regular-season and first round playoff games.

2. Membership in Crossroads Club at fee.

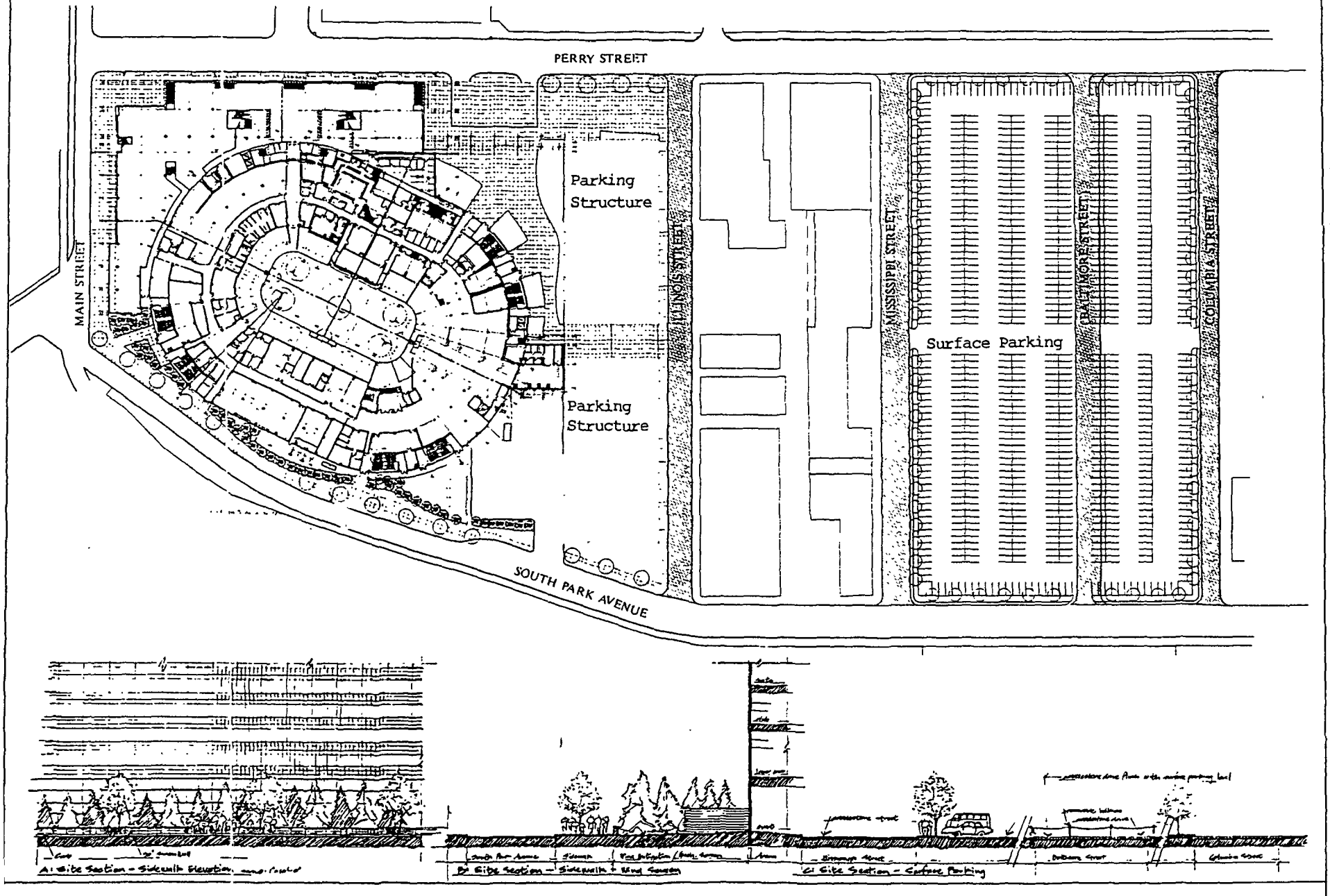
3. NFHLP will make available for Landlord to purchase one parking space for each Club Seat licensee which exercises its option to purchase such parking space or surface parking on first come first served basis.

4. Waiter/Waitress service to seat.

5. Coat Check.

4/28/95

Exhibit 8



ELLERBE BECKET
ARCHITECTS AND ENGINEERS P.C.

ELLERBE BECKET
ARCHITECTS AND ENGINEERS P.C.

HUSSBAUMER & CLARKE, INC.

FFWC CONSULTANTS, INC.

CROSSROADS ARENA

CONSTRUCTION DOCUMENTS

SITE PLAN

EXHIBIT 9

Reserved

EXHIBIT 10

CALLC - NFHLP LEASE

Schedule of Rental Payments by NFHLP

Year	Base Rent	Range Limit
1	$1,500,000.00	
2	1,575,000	
3	1,653,750	
4	1,736,438	
5	1,823,259	
6	1,914,422	
7	2,010,143	
8	2,110,651	
9	2,216,183	
10	2,326,992	
11	2,443,342	
12	2,565,509	
13	2,693,784	
14	2,828,474	
15	2,969,897	
16	3,058,994	$3,118,392
17	3,150,764	3,274,312
18	3,245,287	3,438,027
19	3,342,646	3,609,929
20	3,442,925	3,790,425
21	3,546,213	3,979,947
22	3,652,599	4,178,944
23	3,762,177	4,387,891
24	3,875,042	4,607,286
25	3,991,294	4,837,650
26	4,111,033	5,079,532
27	4,234,364	5,333,509
28	4,361,394	5,600,184
29	4,492,236	5,880,194
30	4,627,003	6,174,203
31	4,765,813.09	6,482,913.15

32	4,908,787.48	6,807,058.81
33	5,056,051.11	7,147,411.75
34	5,207,732.64	7,504,782.34
35	5,363,964.62	7,880,021.45
36	5,524,883.56	8,274,022.52
37	5,690,630.06	8,687,723.65
38	5,861,348.97	9,122,109.83
39	6,037,189.44	9,578,215.33
40	6,218,305.12	10,057,126.09
41	6,404,854.27	10,559,982.40
42	6,596,999.90	11,087,981.52
43	6,794,909.90	11,642,380.59
44	6,998,757.19	12,224,499.62
45	7,208,719.91	12,835,724.60
46	7,424,981.51	13,477,510.83
47	7,647,730.95	14,151,386.37
48	7,877,162.88	14,858,955.69

Example of Computation -

The following examples illustrate the computation of rent resulting from three different hypothetical increases in gross annual revenue from Hockey Event Ticket Sales.

		Prior Year	Current Year	Increase
Example 1	Ticket Sales	25,000,000	26,000,000	4%
	Rent	2,500,000	2,600,000	4%
Example 2	Ticket Sales	25,000,000	25,500,000	2%
	Rent	2,500,000	2,575,000	3%
Example 3	Ticket Sales	25,000,000	26,500,000	6%
	Rent	2,500,000	2,625,000	5%

Example 1

Ticket Revenues		
Prior Year	Current Year	Increase
25,000,000	26,000,000	4%
Rent		
2,500,000	2,600,000	4%

Example 2

Ticket Revenues		
Prior Year	Current Year	Increase
25,000,000	25,500,000	2%
Rent		
2,500,000	2,575,000	3%

EXHIBIT 11

RESERVED

SUITE LICENSE AGREEMENT

THIS AGREEMENT dated *Todays Date*, by and between **CROSSROADS ARENA CORPORATION**, a New York corporation ("Licensor") and ***Lic Company Name*** ("Licensee"):

A. **WHEREAS**, the Licensor is the developer and operator of The Crossroads, a multi-purpose sports and entertainment center to be constructed in downtown Buffalo, New York ("The Crossroads"); and

B. **WHEREAS**, the Licensor has the exclusive right and authority to grant licenses for use of the Private Suites within The Crossroads;

NOW THEREFORE, the Licensor hereby licenses Suite ***Ste No.***, identified on Schedule 2, having the internal design and furnishings described on Schedule 3, to the Licensee, subject to the following terms and conditions:

I. RIGHTS AND PRIVILEGES OF THE LICENSEE.

A. Suite Tickets.

The Licensee shall receive twelve (12) Suite Tickets for each of approximately eighty (80) Arena Events designated as "Included Arena Events" by the Licensor, including all Sabres Regular Season and Playoff Games, and in the Licensor's sole discretion, Sabres pre-season or exhibition games, Buffalo Bandits and Buffalo Blizzard Games, other sports events, concerts and shows held in The Crossroads. The Licensee also may purchase at the Premium Price: (i) up to six (6) additional Suite Tickets for Included Arena Events; and (ii) Suite Tickets as made available by the Licensor for Additional Arena Events.

B. Parking

The Licensee is entitled to two (2) covered parking spaces in the Suite Holders Reserved Parking Area for (a) all Included Arena Events, and (b) all additional Arena Events for which at least six (6) Suite Tickets have been purchased pursuant to Section I (A) subject to any rules, regulations and procedures established by the Licensor.

C. Suite Amenities and Privileges

Suite amenities include: (1) a fully furnished lounge area in the Licensee's choice of one of three packages; (2) upholstered spectator seats for 12 people; (3) a wet bar with a refrigerator; (4) a private rest room; (5) coat closet; (6) private telephone service; (7) handicap accessibility; and (8) general housekeeping services. Suite holder privileges include: (1) membership in a Crossroads Private Club; (2) an annual Sabres golf outing; (3) special team merchandise offers; (4) Sabres programs and statistics for each home game; (5) an identifying logo for the suite; and (6) concierge and business services.

D. Use of Suite

The Licensee has exclusive use of the Suite: (a) during Included Arena Events and Additional Arena Events for which the Licensee holds at lease six (6) Suite Tickets, including intervals before and after each Arena Event as the Licensor shall determine in its reasonable discretion ("Event Use"), and (b) during Daily Use Hours to be established by the Licensor ("Daily Use"). Event Use and Daily Use privileges shall include non-exclusive use of common areas of The Crossroads (such as access way and related facilities) designated by the Licensor and use of a private concourse reserved for suite holders. Daily Use privileges include full food and beverage services, as well as business services such as secretarial assistance, at the Licensee's option and cost. The Licensee's use of the Suite shall be subject to the Suite Regulations (attached as Schedule 4), which may be supplemented, withdrawn, amended, modified, or substituted for, at any time, in the Licensor's sole discretion.

E. Services and Utilities

The Licensor shall furnish the following utilities and services free of charge:

1. General Services and Utilities.

(a) Two color televisions, with standard all channel reception for the Buffalo area, and closed circuit broadcast of all Sabres home games to the extent available;

(b) Heating, ventilation and air conditioning so as to provide a comfortable temperature as determined in the Licensor's reasonable judgment;

(c) Electricity for standard lighting and the Licensee's incidental use;

(d) Water sufficient to service suite drinking and lavatory use; and

(e) Routine cleaning and rubbish removal and disposal, not including removal of food and beverage stains or damage caused by abuse or negligent or intentional acts or omissions of the Licensee or the Licensee's Personnel and Guests.

With prior notice to the Licensor, the Licensee may connect to and maintain additional telephone and cable television wiring receptacles in the Suite at its sole expense. Other utilities or services may be supplied to the Suite at the Licensee's expense with the Licensor's approval, in the Licensor's sole discretion.

2. Catering Services.

The Licensor shall provide a full scale catering service, including menus, procedures and charges established in the Licensor's sole discretion. The Licensor will provide a host or hostess for Events at the Licensee's option and cost.

3. Maintenance and Repair.

The Licensor shall perform all necessary maintenance and repair of the Suite subject to reasonable wear and tear. The Licensor shall have a reasonable time to decide whether, how and when to proceed with any maintenance or repair requested in writing by the Licensee. The Licensee hereby waives the benefit of any law now or hereafter in effect that would grant it the right to maintain or repair the Suite at the Licensor's expense. Any maintenance or repair of the Suite and/or The Crossroads occasioned by any negligent or intentional act or omission of the Licensee of the Licensee's Personnel and Guest, including that resulting from the installation or removal of any of the Licensee's Property and Decorations, shall be performed by the Licensor's employees or contractors at the Licensees expense. All such costs shall be payable by the Licensee within 30 days of receipt of the Licensor's invoice, including a fifteen percent (15%) administrative charge upon the cost of labor and materials.

4. Additional Services.

The Licensee may subscribe to any additional services offered by the Licensor upon terms and conditions determined by the Licensor in its sole discretion.

F. Suite Improvements

The Licensor will install the Suite Improvements substantially in accordance with Schedule 3 prior to the Commencement Date. The Licensor reserves the right to redesign or reconfigure The Crossroads or the Suite in its reasonable discretion, provided that the Suite's final location and design are not substantially altered from that described in Schedules 2 and 3. The Licensee may install movable furnishings and equipment, (collectively, the "Licensee Property"), and/or decorations of a minor, non-structural nature (the "Decorations") which are not permanently affixed to the Suite or Suite Improvements with the Licensor's prior written consent. The Licensee shall retain title to all Decorations and Licensee Property, which may be removed at any time provided the Licensee is not in default. Any Decorations or Licensee Property remaining in the Suite after the termination or expiration of this Agreement shall become the Licensor's property. The Licensor may remove any unapproved Decorations or Licensee Property at any time, at the Licensee's expense and without liability. The Licensee agrees not to alter or add to the Suite or the Suite Improvements without the Licensor's prior written consent.

G. Renewal Option

The Licensee shall have a thirty (30) day option to renew this Agreement ("Renewal Option"), commencing upon receipt of a Renewal License delivered by the Licensor at least 180 days prior to the expiration of the Term [or any Renewal Term] (the "Option Period"). To exercise the Renewal Option, the Licensee must execute the Renewal License and return it with any required payment(s) to the Licensor prior to the expiration of the Option Period. The terms and conditions of any Renewal License shall be determined by the Licensor in its sole discretion.

II. TERM

The Term shall begin on the date of the first Arena Event held in The Crossroads after the Licensor notifies the Licensee that the Suite is ready for occupancy (the "Commencement Date"), and shall expire on June 30th of the ***No. of Yrs.*** License Year following the Commencement Date.

III. FEES

A. Annual Fee

The "Initial Annual Fee" for the ***Increase Waived*** year of the Term shall be ***Fee***, subject to adjustment pursuant to Section III (B). The Annual Fee for the *Increase Start* and any subsequent year shall be the Annual Fee for the prior year plus *Increase* (disregarding any adjustment under Section B below).

B. Rebate of Annual Fee

If fewer than (1) forty (40) Sabres Pre-Season, Regular Season and Playoff Games; and/or (2) Forty (40) other Included Arena Events (which may include extra Sabre Regular Season or Playoff Games for a total of approximately eighty (80) events) are presented in any License Year, a portion of the Annual Fee will be rebated to the Licensee equal to the sum of; (1) 1.5% of the Annual Fee for that Licensee Year multiplied by the difference between 40 and the number of Sabres Pre-Season, Regular Season and Playoff Games presented as Included Arena Events; and (2) 1.0% of the Annual Fee for that License Year multiplied by the difference between 40 and the number of other (non-Sabres) Included Arena Events. Rebates will be calculated upon the conclusion of the License Year: (i) for credit against the Annual Fee for the next License Year; or (ii) in the last year of the Term or any Renewal Term (if the Licensee has not exercised its Renewal Option) for cash payable upon the Licensee's surrender of the Suite pursuant to Article IX.

C. Payment of Fees and Deposits

All sums payable by the Licensee pursuant to this Agreement (collectively, the "Fees and Deposits") shall be paid when due in cash or other immediately available funds, without deduction, offset, prior notice or demand. The Initial Annual Fee shall be paid in installments (the "Fee Deposits"): (i) ***10 % Dpst*** upon execution of this Agreement; (ii) *1st Dpst Amt* on or before **August 1, 1994**; and (iii) *2nd Dpst Amt* on or before **May 15th, 1995**. The Annual Fee for the second and each subsequent License Year shall be payable in full on or before each May 15th to the Licensor at its address, or at such other place or to such other person as the Licensor may designate by written notice.

D. Interest Accruing Upon Fee Deposits

The Licensor will deliver the Fee Deposits to a bank or institutional depository as Trustee, for placement into an interest-bearing escrow account. If this Agreement is terminated pursuant to Section X (B) the Fee Deposits and any accrued interest will be remitted to the Licensee. Otherwise, the interest accrued through the Commencement Date shall be applied against the Annual Fee for the second License Year. Upon the Commencement Date, the Fee

Deposits shall be paid to the Licensor for credit against the Initial Annual Fee, with any and all interest accruing thereafter for the Licensor's benefit.

E. Sales Taxes

The Annual Fee includes all New York State Sales and Use Tax ("Sales Tax") payable with respect to this Agreement. The Licensor shall be responsible for the payment of the Sales Tax. If the rate of Sales Tax applicable to this License is amended during the Term, the portions of the Annual Fee that represent consideration for the license granted and Sales Tax, respectively, shall be adjusted accordingly, and the gross amount of the Annual Fee shall remain as stated at Section III (A).

F. Other Taxes

The Licensee agrees to pay when due all applicable taxes (other than Sales Tax, the Licensor's net income taxes or general real estate taxes payable with respect to The Crossroads), and, within 30 days after demand, shall reimburse the Licensor for any and all taxes which may be levied or assessed: (i) upon or with respect to the licensing, alteration, repair, use or occupancy of the Suite by the Licensee including, without limitation, any property, possessory interest or other tax; or (ii) upon or measured by the value of the Licensee's Property; or (iii) upon this transaction or any other document to which the Licensee is a party which creates or transfers any interest or rights in the Suite or this Agreement.

IV. LIABILITY AND INDEMNIFICATION

A. Absence of Extraneous Representations and Warranties

The Licensee agrees that the Licensor, its Personnel and Agents, have not made any representations or warranties as to the suitability or fitness of the Suite or The Crossroads for the Licensee's use, nor have they agreed to undertake any improvement to the Suite or The Crossroads, except as specified herein. The Licensee will accept the Suite "as is", subject to a "punch list" of items to be repaired or completed by the Licensor after the Commencement Date. Neither the Licensor nor its Personnel and Agents have made any representations as to the taxation or other financial aspects of this Agreement, and the Licensee has relied solely upon its own investigation and the advice of its professional advisors with respect to such matters. Except as provided in Section I (A), the Licensee has not received any assurances regarding, and this License is not in any way dependent upon, the number or type of Arena Events presented at The Crossroads.

B. Indemnification By the Licensor

The Licensor shall indemnify and hold the Licensee harmless from and against any and all liability, losses, claims, demands, costs and expenses resulting from the gross negligence or willful misconduct of the Licensor or the Licensor's Personnel and Agents.

C. Exoneration of the Licensor

The Licensor and its affiliates, including Niagara

Frontier Hockey, L.P., shall not be liable or responsible for any injury, loss or damage to the Licensee's person or property, the Licensee's Personnel and Guest, or other persons in or around the Suite or The Crossroads resulting from any cause whatsoever, including, but not limited to, acts or omissions of other Private Suite users, theft or vandalism, unless such injury, loss or damage results solely from the Licensor's gross negligence or intentionally wrongful act. The Licensee specifically agrees to look solely to the Licensor's equity interest in The Crossroads and related agreements for recovery of any judgment against the Licensor and any successor or assign, and waives any and all claims individually against the Licensor and others for any deficiency which may remain after levy or collection against such interests. Neither the Licensor nor any other Crossroads Participant shall be liable for, and the Licensee shall not be entitled to any reduction of Fees or damages by reason of, the Licensor's failure to furnish any services because of accident, act of God or any other factor beyond the Licensor's control.

D. Exoneration of Others

The Licensee acknowledges that this License imposes no contractual obligation upon any person other than the Licensor, and that neither the Licensor's Personnel, the Crossroads Participants nor The Crossroads Participants' Personnel shall be liable in any way with respect hereto. The Licensee hereby waives, releases and agrees to refrain from bringing any claim or action against any of the Licensor's Personnel, the Crossroads Participants and the Crossroads Participants' Personnel for monetary damages or otherwise.

E. Indemnification By the Licensee

The Licensee hereby waives any and all claims in connection with, and shall indemnify, hold harmless and defend the Licensor, its Affiliates, the Licensor's Personnel, the Crossroads Participants, and the Crossroads Participants' Personnel from and against any and all claims, liability and cost, including attorney's fees, arising from any death or injury to any person or damage to any property whatsoever:

(i) occurring in, on or about the Suite;

(ii) arising from any violation of this Agreement or any default by the Licensee; or

(iii) arising from any act, omission or negligence of the Licensee or the Licensee's Personnel and Guests.

Notwithstanding the foregoing, unless the Licensee is reimbursed by insurance, the Licensee shall not be required to indemnify the Licensor for damage or injury caused solely by the gross negligence or willful act of the Licensor or the Licensor's Personnel, and shall not be required to indemnify any other Crossroads Participant for damage or injury caused solely by the gross negligence or willful act of it, or the Crossroads Participants' Personnel.

V. INSURANCE

The Licensee shall maintain liability insurance meeting the specifications described on Schedule 5 (the "Insurance Requirements") throughout the Term. Prior to the Commencement Date, and thereafter

as the policy expires and is renewed or replaced, the Licensee shall deliver a copy of the policy to the Licensor with a letter or certificate from the insurer confirming payment of premiums and consenting to subrogation. If the Licensee fails to comply with the Insurance Requirements, the Licensor may fulfill them at the Licensee's expense. The Licensee hereby waives all rights of recovery against the Licensor, its Affiliates, and the Licensor's Personnel for all claims covered by any insurance.

VI. DAMAGE, DESTRUCTION OR TAKING

If the suite is destroyed, damaged or taken by eminent domain so as to be unsuitable or unsafe for its intended use, the Licensor may elect either: (a) to make repairs, with this Agreement continuing in full force and effect; or (b) to notify the Licensee of its intent not to make repairs and the subsequent termination of this Agreement upon receipt thereof. Section III (B) shall apply in either event, with any rebate payable within thirty (30) days after the Licensor's receipt of any insurance proceeds or condemnation award, unless the damage results from the act, omission or negligence of the Licensee or the Licensee's Personnel and Guests. Except as provided in this Section, the Licensee waives any right to terminate this Agreement or withhold any Fees and Deposits in connection with any damage to or destruction of the Suite or The Crossroads.

VII. ASSIGNMENT

A. Assignment by the Licensee

The Licensee hereby agrees not to voluntarily nor involuntarily sell, assign, hypothecate or otherwise dispose of any of its rights or interests arising under this Agreement or any Suite Tickets without the Licensor's prior approval, to be granted in its sole discretion. The Licensee hereby covenants, represents and warrants that except as set forth on Schedule 6, it has not and will not enter into any agreements or arrangements for sharing or sale of the Suite or any Suite Tickets, and that all amounts payable with respect to Schedule 6 will not exceed a pro rata share of the Fees based upon use of the Suite.

B. Assignment by the Licensor

The Licensor shall have the right to assign, convey, pledge and encumber in whole or part any and all of its rights under this Agreement. If the Licensor fully assigns its rights hereunder, either voluntarily or involuntarily, the Licensor shall be released from any further obligations under this Agreement and the Licensee shall look solely to the assignee for performance obligations arising thereafter. The Licensee agrees to execute and deliver those instruments reasonably required to effect the provisions of this Section.

VIII. EVENTS OF DEFAULT

A. Events of Default by the Licensee

The following events shall constitute a default by the Licensee: (i) the failure to pay any Fees or Deposits or other sums when due, including without limitation, any sums owed to the Caterer; (ii) the failure to comply with or perform any obligation imposed by this Agreement or the Suite Regulations which is not cured within thirty (30) days after notice from the Licensor; (iii) if the Licensee seeks relief voluntarily, or is subjected involuntarily to relief under federal law for the benefit of creditors such as debt adjustment, liquidation, winding up, dissolution, reorganization or bankruptcy; or (iv) if a custodian (as defined in 11 U.S.C. Section 101), receiver or liquidator takes charge of any of the Licensee's property, whether by judicial appointment, agreement or operation of law.

B. Remedies of the Licensor

In the event of a default, all Suite Tickets, Admission Cards and Parking Passes shall be invalid, and the Licensor shall be excused from performing any obligation hereunder. The Licensor may: (a) preclude the Licensee's entry to the Suite and The Crossroads; (b) terminate this Agreement; (c) with or without termination, re-enter and remove all persons and property from the Suite; and (d) pursue all other rights and remedies including, without limitation, application of any prepaid Fees and Deposits toward the Licensee's obligations hereunder. If the Licensor re-enters or takes possession of the Suite, it may alter repair, re-license or otherwise let the Suite upon terms and conditions set in its sole discretion, without electing to terminate this Agreement, absent a written acceptance from the Licensor pursuant to Section IX. In addition, the Licensor may recover from the Licensee all losses and damages resulting from the default including, without limitation, the cost of recovering, repairing, altering or re-letting the Suite (including attorney's fees and broker's commissions) and any unpaid Fees for the remainder of the Term which shall be immediately due, together with interest at the Default Rate, all of which shall be provable in bankruptcy or receivership. The Licensor shall have no obligation to re-license or otherwise mitigate damages. The Licensor shall the right, but not the obligation, to render any performance required to cure the default at the Licensee's expense.

C. Remedies Not Exclusive

No remedy conferred upon the Licensor herein shall be exclusive of any other remedy, all of which shall be cumulative and in addition to every other remedy hereunder, at law or in equity. The Licensor may exercise its rights and remedies at any time, in any order, to any extent and as often as it deems advisable.

D. Events of Default by the Licensor

The Licensor shall be in default if it fails to perform any material obligation hereunder which is not cured within thirty (30) days after written notice, unless a cure is not reasonably possible. If a default is not timely cured by the Licensor or any other Crossroads Participant, the Licensee may: (i) terminate this

Agreement; (ii) continue this Agreement and recover any resulting damages; or (iii) effect a cure on the Licensor's behalf and expense, except as prohibited by Section I (E) (3). The Licensee may not take action or invoke any remedy provided for herein or by law unless and until: (i) it notifies the Public Sector and the Lender Representatives, if any, of the alleged default; and (ii) the Public Sector Participants fail or refuse to correct or cure the alleged default within sixty (60) days after receipt of such notice. In no event shall the Licensor be liable or responsible in any way for any lost income, profits or consequential damages of the Licensee or any other person or entity.

IX. SURRENDER

Surrender. Upon expiration or termination of this Agreement for any reason, the Licensee immediately and peaceably shall surrender the Suite to the Licensor in a safe and clean condition, in good order and repair, reasonable wear and tear excepted. The Licensor shall not be deemed to have accepted surrender of the Suite prior to the expiration of the Term absent a written acknowledgment of acceptance. The Licensee shall indemnify the Licensor and all other Crossroads Participants against any loss or liability resulting from a delay in surrendering the Suite at the expiration or termination of the Term.

X. EFFECTIVE DATE, ABANDONMENT & DELAY

A. Agreement Currently Effective

Notwithstanding the deferral of the Licensee's use and occupancy of the Suite until the Commencement Date, this Agreement is currently effective and binding upon the parties hereto in accordance with its terms.

B. Termination Upon Abandonment of Project

The Licensor reserves the right, in its sole discretion, to forego or halt construction of The Crossroads and terminate this Agreement by written notice. Subject to Section X (C), if construction of The Crossroads has not commenced on or before September 30, 1994, or is not completed on or before August 31, 1997, this Agreement may be terminated by either party upon written notice. In the event of a termination pursuant to this Section, Section III (D) will apply, and neither party shall have any continuing rights or claims against, or liabilities or obligations to the other with respect to The Crossroads, the Suite or this Agreement.

C. Delay.

Subject to Section X (B), if for any reason whatsoever the Commencement Date is delayed beyond September 1, 1995: (a) neither the Licensor nor any other Crossroads Participant shall be liable to the Licensee or any other person interested in this Agreement for any damages, losses, or other harm of any kind resulting therefrom; (b) this Agreement shall continue in full force and effect.

XI. MISCELLANEOUS

A. Estoppel Certificate

Upon written request, the Licensee agrees to promptly execute, acknowledge and deliver to the Licensor a written statement: (1) certifying that this License is in full force and effect and describing the nature of any modifications, and the amount of Fees paid to the date thereof; and (2) stating that the Licensee is unaware of any uncured defaults by the Licensor or specifying any claimed defaults, for conclusive reliance by the Licensor and any other present or future Crossroads Participant. The Licensee's failure to respond to the Licensor's request within ten (10) days will constitute both an event of default and the Licensee's acknowledgement that this Agreement is in full force and effect with uncured defaults by the Licensor.

B. Force Majeure. Except as provided in Section III (B), neither the Licensor nor any other Crossroads Participant shall be responsible to the Licensee for a refund of Fees or otherwise, for the cancellation or non-performance of any Arena Event or for the inability of the Licensee to use the Suite due to any cause or circumstance beyond the control of the Licensor, whether caused by strike, inability to procure materials, failure of utilities, governmental actions or otherwise.

C. Notices. All notices and other communications required or permitted to be issued hereunder shall be in writing and sent by personal delivery or by certified U.S. mail, postage prepaid, return receipt requested:

If to the Licensor, to:

Crossroads Arena Corporation
Memorial Auditorium
140 Main Street
Buffalo, New York 14202
Attn: Seymour H. Knox, III

With a copy to:

Robert O. Swados, Esq.
Cohen Swados Wright Hanifin
Bradford & Brett
70 Niagara Street
Buffalo, New York 14202

If to the Licensee, to:

Contact
Company Name
Add 1
Add 2
City, State, Zip

Any party may alter its address by notifying the other. Any notice shall be effective on the earlier of the date of receipt or three days after the date of mailing.

D. Waivers. No waiver of any breach or potential breach of any party shall be effective unless in writing and executed by the party granting the waiver. No breach of or consent to any matter on any occasion shall constitute a waiver of or consent to any other matter on any subsequent occasion. The Licensor's acceptance of any payment shall not constitute a waiver of any default by the Licensee other than that occasioned by the Licensee's failure to remit such payment or portion thereof.

E. Subordination. At the Licensor's option, this Agreement shall be subordinate to any ground or other lease, mortgage, deed of trust or any other hypothecation for security (collectively "Encumbrance") now or hereafter placed upon the Suite or The Crossroads by the Licensor or any other Crossroads Participant and to any and all advances thereunder and all renewals, modifications, consolidations, replacements and extensions thereof. Such subordination shall be effective only if the holder of the Encumbrance agrees to recognize this Agreement and not disturb the Licensee's rights hereunder. If any such Encumbrance holder shall elect to have this Agreement prior to the lien of its Encumbrance, and shall issue written notice thereof to the Licensee, this Agreement shall be deemed prior to such Encumbrance. The Licensee agrees to execute any Agreement required to subordinate this agreement to any Encumbrance(s), subject to the terms of this Section. If the Licensee fails to comply within ten (10) days after the Licensor's written demand for such action, the Licensee shall be: (i) in default; and (ii) deemed to have irrevocably appointed the Licensor as its attorney-in-fact and in its name, place and stead, to comply with this Section.

F. Brokerage. The Licensee represents that it has not dealt with any real estate broker, salesperson, finder or agent (collectively, "Broker") in connection with this Agreement, and it will indemnify and hold the Licensor and all other Crossroads Participants harmless from all costs and liabilities (including, without limitation, attorneys' fees) arising from any compensation, commission or fees claimed by any Broker with respect hereto.

G. Attorneys' Fees. In any arbitration or suit to interpret, enforce or terminate this Agreement, the prevailing party shall be entitled to recover its costs and reasonable attorneys' fees, as determined by the arbitrator(s) or the court, but not by jury. The Licensor also shall be entitled to recover from the Licensee all reasonable attorneys' fees and costs incurred in enforcing its right following a default by the Licensee, regardless of whether arbitration or legal proceedings are commenced.

H. Relationship. Neither the Licensee, nor the Licensees Personnel and Guests, shall be considered the Licensor's employees or agents, or to have been authorized to incur any expense on behalf of

or bind the Licensor in any way. The Licensor shall not be liable for any acts, omissions or negligence of the Licensee or the Licensee's Personnel and Guests. The Licensor and the Licensee shall not be construed to be either partners or joint venturers. This Agreement is not a lease or sublease, and the relationship of the parties shall be solely that of licensor and licensee unless the Licensor notifies the Licensee that it is designating this Agreement a lease.

I. Interpretation. The invalidity of any provision of this Agreement shall not affect the validity of any other provision hereof. Headings are for convenience of reference only and shall not constitute a part hereof. Each of the Licensee's obligations shall be deemed both a covenant and a condition with respect to which time is of the essence. The Schedules appended hereto are incorporated as a part hereof. Subject to Article VII, this Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns. This Agreement shall be governed by the laws of the State of New York.

J. Entire Agreement. This Agreement is the entire agreement of the parties with respect to the Suite, and no prior or contemporaneous oral or written agreement or understanding pertaining thereto shall be effective. This Agreement may be modified only by a writing signed by the parties in interest. All attached schedules are incorporated as a part of this Agreement.

K. Authority. Any individual executing this Agreement on behalf of, or as representative for, a person, partnership, corporation or other entity, represents that he is duly authorized to execute and deliver this Agreement on behalf of such person or entity and that this Agreement is binding upon such person or entity in accordance with its terms.

L. Joint and Several Obligations. If the Licensee is or becomes comprised of two or more persons or entities, all obligations of the Licensee herein shall be the joint and several obligations of the persons and entities constituting the Licensee.

M. Efficacy. No license or obligation of the Licensor shall arise until this Agreement is executed and delivered by both the Licensee and the Licensor.

IN WITNESS WHEREOF, the parties hereto have executed this License to be effective as herein provided.

LICENSOR: LICENSEE:

CROSSROADS ARENA CORPORATION

By: _____ _____

Chairman and President
Crossroads Arena Corp. _____

SCHEDULE 1

Definitions

As used in the attached Agreement, the following terms have the meanings stated below:

1. "Additional Arena Event" means any activity or event presented to the public at The Crossroads, for which Suite Tickets are sold or controlled by the Licensor, other than "Included Arena Events".

2. "Admission Card" means a pass or card issued to the Licensee by the Licensor for Daily Use of the Suite.

3. "Affiliates" means any entity which is controlled by, or is the under common control with, NFHLP, through voting control, contract rights or otherwise.

4. "Agreement" means the Suite License Agreement to which this Schedule 1 is appended.

5. "Arena Events" means any activity or event presented at The Crossroads to the public for which Suite Tickets are sold or controlled by the Licensor. Each performance of an Arena Event, although repeated in the afternoon and/or evening, or given on multiple days, shall be a separate Arena Event.

6. "Caterer" means the Licensor and/or the person(s) designated by the Licensor to provide food and beverage service to the Suites in accordance with Section I (E) (2).

7. "Crossroads Participant" means any Public Participant or Private Participant involved in the development, financing, construction or operation of The Crossroads in any capacity.

8. "Crossroads Participant's Personnel" means the officers, directors, representatives, agents, partners, members elected and appointed officials, contractors and consultants of any Crossroads Participant.

9. "Default Rate" means the rate of interest which is three percentage points in excess of the rate then designated as the prime or base rate by Marine Midland Bank, N.A., Buffalo, New York, or its successor bank, from time-to-time during the period when the Default Rate applies.

10. "Lender Representative" means the person designated by the Licensor's notice to the Licensee as the person authorized to issue and receive notices in connection with any alleged default.

11. "License Year" means each successive twelve (12) month period during the Term beginning on July 1, and ending on June 30, except that the first License Year shall begin upon the Commencement Date and conclude on the immediately succeeding June 30.

12. "Licensor's Personnel" means the officers, directors, employees, representatives, agents, partners, contractors and consultants of the Licensor and its Affiliates.

13. "Licensee's Personnel and Guests" means the officers, directors, employees, representatives, agents, guests and invitees of the Licensee.

14. "Playoff Games" means National Hockey League playoff games in which the Sabres participate as the home team.

15. "Premium Price" means, with respect to any Suite Tickets purchased pursuant to Section I (A), the price established by the Licensor in its discretion, not in excess of 150% of the highest admission price for that Event other than an admission ticket for a Private Suite or Premium Seat.

16. "Private Participant" means banking institutions, construction and architectural firms, and other non-governmental parties involved in the development, financing, development, construction and operation of The Crossroads, other than the Licensor.

17. "Public Participant" means any governmental body, agency or instrumentality that may be involved in the financing, development, construction or operation of The Crossroads.

18. "Public Sector Representative" means the person authorized to receive notices on behalf of a Public Participant as designated by the Licensor from time-to-time by notice to the Licensee.

19. "Regular Season Games" means the home hockey games played by the Sabres pursuant to the Regular Season schedule of the National Hockey League.

20. "Suite Improvements" means the standard furniture, fixtures and equipment to be installed in the Suite as described on Schedule 3, subject to modification pursuant to Section I (F).

21. "Suite Regulations" means the rules, regulations and policies from time-to-time established by the Licensor with respect to The Crossroads and/or the Suites, the initial compilation of which is set forth in Schedule 4 to the Agreement.

SCHEDULE 4

SUITE REGULATIONS

1. Suites may not be used for lodging, sleeping, manufacturing, gambling, or for any other purpose except Daily Use and Event Use.

2. Distribution of advertisements, solicitations and canvassing upon the premises are prohibited.

3. Reasonable quantities and sizes of the Licensee's merchandise may be displayed in the Suite, provided they are not visible from outside the Suite and do not disturb other patrons.

4. The Licensee's prior written approval is required for the installation of additional lighting, window, floor or wall coverings or paint, or additional video, television, telephone or other electronic equipment or wiring. Except for incidentals related to wall decorations, marks, nail or screw holes and other defacements of the Suite or The Crossroads are prohibited.

5. Unauthorized filming, video or audio taping, photographs, records and all other depictions of The Crossroads and/or Events are prohibited.

6. Storage shall be limited to the coat closet and other cabinets within the Suite, and there shall be no access above the standard ceiling line or below the standard floor.

7. Load limits established for the Suite floor must be observed. The weight, size and location of all furniture and equipment brought into the Suite and the times and manner of moving it is subject to the Licensor's approval.

8. The Licensee is responsible for the costs of repairing all damage to The Crossroads and/or the Suite resulting from the moving or maintenance of any of the Licensee's Property.

9. The Licensor is not responsible for any loss of or damage to the Licensee's Property by or as a result of the actions of the Licensor's agents, employees or contractors, or any other person.

10. Any activity or possession which would result in an increase of any insurance premium or cause the cancellation of any insurance policy applicable to the Suite or The Crossroads is prohibited.

11. Nuisances, in the manner of noxious gasses or odors, sounds, vibrations, vehicles, pets, or any other activity or thing which is offensive, noisy, dangerous or may disturb the Licensor or any Crossroads patron are prohibited.

12. Additional cooking, heating or air conditioning and vending equipment may not be installed in the Suite. No food or beverages may be brought or delivered to the Suite except through the Caterer.

13. Refuse and trash must be placed in the proper receptacles for disposal by the Licensor. In the event that the Licensee creates an inordinate amount of refuse, disposal shall be at the Licensee's expense.

14. The Suite must be kept in good order and cleanliness, and cleaning services such as dusting and routine housekeeping will be provided by the Licensor, provided the Suite is unoccupied at the time such services are routinely provided. Cleaning services shall not include the Licensee's Property or Decorations, moving of furniture or any other special services.

15. Waste, defacement, or marring of the Suite or The Crossroads in an manner, including the rest room, is prohibited. The Licensee shall be responsible for the expense of any breakage, stoppage or damage resulting therefrom. Material may not be thrown from any Suite opening or doorway. Any damage, injury or defects to or in the Suite or any plumbing, electrical, heating or air conditioning equipment or apparatus must be promptly reported to the Licensor or its designee.

16. Suite access may be controlled through security personnel and/or devices, requiring either a Suite Ticket for an Event or an Admission Card for Daily Use. No more that 18 persons are permitted in the Suite at any time. The Licensor is not liable for any damages or otherwise for any error in granting or denying access. Access to the Suite may be denied entirely in the event of an emergency, as determined in the Licensor's reasonable judgment. The Licensor reserves the right to enter the Suite for inspection, performance of its obligations under the License, in emergencies, and as otherwise necessary for the operation or improvement of The Crossroads, by using a key retained for that purpose, or otherwise, without abatement of Fees or other compensation or liability to the Licensee, so long as the Licensee's enjoyment is not unreasonably disturbed.

17. The Licensor is not responsible for any theft or robbery from the Suite or the personal effects of the Licensee, its employees, agents and guests. Duplicate keys will be provided at a reasonable charge, and shall be surrendered upon the termination or expiration of the License. The Licensee is responsible for the cost of replacing lost keys or changing locks because of misplaced keys, but unauthorized lock installations or lock changes upon the Suite and Cabinet doors are prohibited.

18. Parking in unauthorized areas may result in removal of the offending vehicle at the Licensee's cost, without any liability on the part of the Licensor and the Licensor's Personnel with respect thereto.

19. Energy conservation measures must be observed, including shutting off all water faucets and electrical items prior to leaving the Suite. The Licensee shall be responsible for any damages resulting from its failure to comply with this Regulation.

20. The sale, consumption, service and availability of alcohol in the Suite may be restricted by the Licensor in its sole discretion,

and is subject to compliance with all applicable governmental statutes, ordinances and regulations. The Licensee is responsible for controlling the conduct of all patrons within the Suite. The Licensor may exclude or expel from The Crossroads any person who, in its judgment, is intoxicated or under the influence of alcohol or drugs, or who violates the Suite Regulations or the License. The Licensee agrees to indemnify and hold harmless the Licensor, the Licensor's Personnel, the Crossroads Participants and the Crossroads Participants' Personnel from and against any and all loss, cost, damage, expense or liability, including without limitation, attorneys' fees, arising from or in any way related to the sale, service, use or consumption of alcohol in the Suite.

21. The Licensor reserves the following rights, exercisable without notice and without liability to the Licensee for injury to person or damage to property. Exercise thereof shall not constitute an eviction, constructive or actual, or a disturbance of the Licensee's use or possession, or give rise to any reduction of Fees or any other claim of any kind by the Licensee: a) any change of the name or street address of The Crossroads; b) additions, alterations or improvements to The Crossroads or the Parking Facility; c) right to close doors and the common area and to interrupt or suspend services; d) right to control and extinguish the Suite lighting during Events and at such other times as the Licensor deems appropriate; e) right to prevent access to the suite as required by any governmental authority; f) right to grant exclusive rights for any business in or service to The Crossroads; g) right to control and receive revenues from the use and sale of beverages, foods, candies, cigarettes and other commodities and concessions within the Suite and The Crossroads; h) right to install all signs located on or in the Suite or elsewhere in The Crossroads, to receive all revenue therefrom, and to designate all sources of sign painting and lettering; i) right to grant or withhold any consent or approval in its sole and unfettered discretion; j) right to waive a Suite Regulation in its sole and unfettered discretion. The Licensor is not responsible or liable to the Licensee for any breach or nonperformance of these Regulations by any other person or entity.

The Licensee hereby acknowledges and agrees that it has read, understood and will comply with these Suite Regulations, including any modifications, additions or substitutions hereto, and that it will be responsible for compliance by the Licensee's Personnel and Guests.

Any violation of the Suite Regulations by the Licensee or the Licensee's Personnel and Guests shall constitute a default in the License. The Licensor agrees to provide a copy of the Suite Regulations applicable prior to the commencement of each License Year. The Licensor is not liable to the Licensee or any other person for violations of the Suite Regulations by any third party.

LICENSOR:

_____

Chairman and President
Crossroads Arena Corp.

LICENSEE:

_____

SCHEDULE 5

Licensee Liability Insurance Requirements

The Licensee shall maintain Commercial General Liability insurance which shall provide "occurrence" coverage for Bodily Injury, including death, Personal Injury and Property Damage in or about the Suite resulting from the Licensee's use or maintenance thereof. The insurance shall be provided with limits of at least $1,000,000 per occurrence for Bodily Injury, Personal Injury and Property Damage, $2,000,000 Products/Completed Operations Aggregate and General Aggregate. Such limits are subject to any increases the Licensor deems necessary. The insurance company must be rated at least B+ XII in the most recent Best's Rating Guide, authorized to do business in New York and approved by the Licensor. The Licensor and the other Crossroads Participants must be included as Additional Insureds. The policy must include Contractual Liability coverage for the Licensee's indemnity and other obligations hereunder. The insured must notify the Licensor in writing at least 30 days prior to any cancellation, alteration or non-renewal of the policy.

SCHEDULE 6

The following persons or entities have entered into an agreement or arrangement with the Licensee for the Suite referred to herein:

1. _____

2. _____

3. _____

4. _____

5. _____

CROSSROADS SUITE LICENSE ADDENDUM

THIS SUITE LICENSE ADDENDUM is by and between ***CROSSROADS ARENA LLC*** (formerly Crossroads Arena Corporation) ("Licensor") and _____ ("Licensee").

Licensor and Licensee are parties to a Suite License Agreement, dated _____, for a suite at The Crossroads Arena Sports and Entertainment Complex ("The Crossroads Arena") and are mutually desirous of modifying the Suite License Agreement as follows:

1. In order to achieve uniformity in the terms of all suite licenses for The Crossroads Arena, Section II, "Term", is revised to provide for a term of license agreement which coincides with the fiscal year of Licensor. Accordingly, Section II, "Term", is deleted in its entirety and replaced with the following:

> "The Term shall begin on the September 1 immediately preceding the date of the first Arena Event in the Crossroads (the 'Commencement Date') and shall expire on the [third/fifth/seventh] anniversary thereof. In the event of a partial year, fees shall be prorated as provided in Section Article III(B)."

2. A correction is made as to the terms under which the Annual Fee is to be rebated to correct an internal inconsistency. Accordingly, the first sentence of Section III(B) is revised to read as follows:

> "If fewer than (1) forty (40) Sabres Pre-Season, Regular Season, and Playoff Games and/or (2) forty (40) Other Included Arena Events (which may include extra Sabres Regular Season or Playoff Games) for a total of approximately eighty (80) Events are presented in any License Year, a portion of the Annual Fee will be rebated to Licensee equal to the sum of: (1) 1.5% of the Annual Fee for that License Year multiplied by the difference between forty (40) and the number of Sabres Pre-Season, Regular Season, and Playoff Games presented as Included Arena Events and (2) 1.0% of the Annual Fee for that License Year multiplied by the difference between forty (40) and the number of other Included Arena Events (including Sabres Pre-Season, Regular Season, or Playoff Games in excess of the forty (40) guaranteed under clause 1.)"

3. The payment dates for the payment of the annual fees paid in installments is extended by changing in Section III(C) the date on which the first installment was due from August 1, 1994 to December 15, 1994 and the second installment from May 15, 1995 to March 15, 1996.

4. Section III(D) is hereby modified to permit payment by Licensor to Niagara Frontier Hockey, L.P. ("NFHLP") for hockey season tickets at such time as NFHLP sells season tickets to its regular season ticket holders prior to the opening of The Crossroads Arena. Accordingly, Section III(D) is modified to read in its entirety as follows:

> "Licensor will deliver the Fee Deposits to a bank or institutional depository as Trustee, for placement into an interest-bearing escrow account. If this Agreement is terminated pursuant to Section X(B) the Fee Deposits and any Accrued Interest will be remitted to Licensee. Otherwise, the interest accrued through the Commencement Date shall be applied against the Annual Fee for the second License Year. When Licensor reasonably anticipates the Arena will be opened and NFHLP transmits

season tickets for the ensuing Hockey Season and bills its Regular Season Ticket Holders, an amount necessary to purchase Hockey Tickets from NFHLP may be released from the Escrow Account for the purchase of such Tickets, subject to the customary arrangements of NFHLP with its customers for refunds in the event a Hockey Season does not ensue or is cancelled. Upon completion of the construction of the Arena, the Fee Deposit shall be paid to Licensor for credit against the Annual Fee, with any and all interest accruing thereafter for Licensor's benefit."

5. In response to comments from licensees, generally, the following changes are made to Section IV, "Liability and Indemnification": Delete from Section IV(B) the word "gross"; delete from Section IV(C) the words "solely" and "gross"; and delete from Section IV(E) the words "solely" and "gross" wherever they appear in that paragraph.

6. Section V, "Insurance", is modified to replace the requirement for Licensee to maintain liability insurance with a requirement for Licensor to maintain liability and other insurance as follows:

"Licensor shall maintain liability, personal injury, and other appropriate insurance with respect to the Suite throughout the Term with coverages reasonably appropriate for the Suite and the contents thereof as provided by Licensor. Licensee shall be responsible for all liability and/or insurance for any articles which Licensee may choose to bring into the Suite such as Licensee Property or Decorations which do not fall within the terms of the coverages to be maintained by Licensor."

Further, consistent with this change, Schedule 5 is deleted in its entirety.

Except as specifically provided herein, all other terms and conditions of the Suite License Agreement shall remain in effect. Please acknowledge your acceptance of the terms of this Addendum.

Dated: _____

CROSSROADS ARENA LLC

By: Arena, Inc., Its Member

By: _____

Agreed to and accepted this _____
day of _____, 1995.

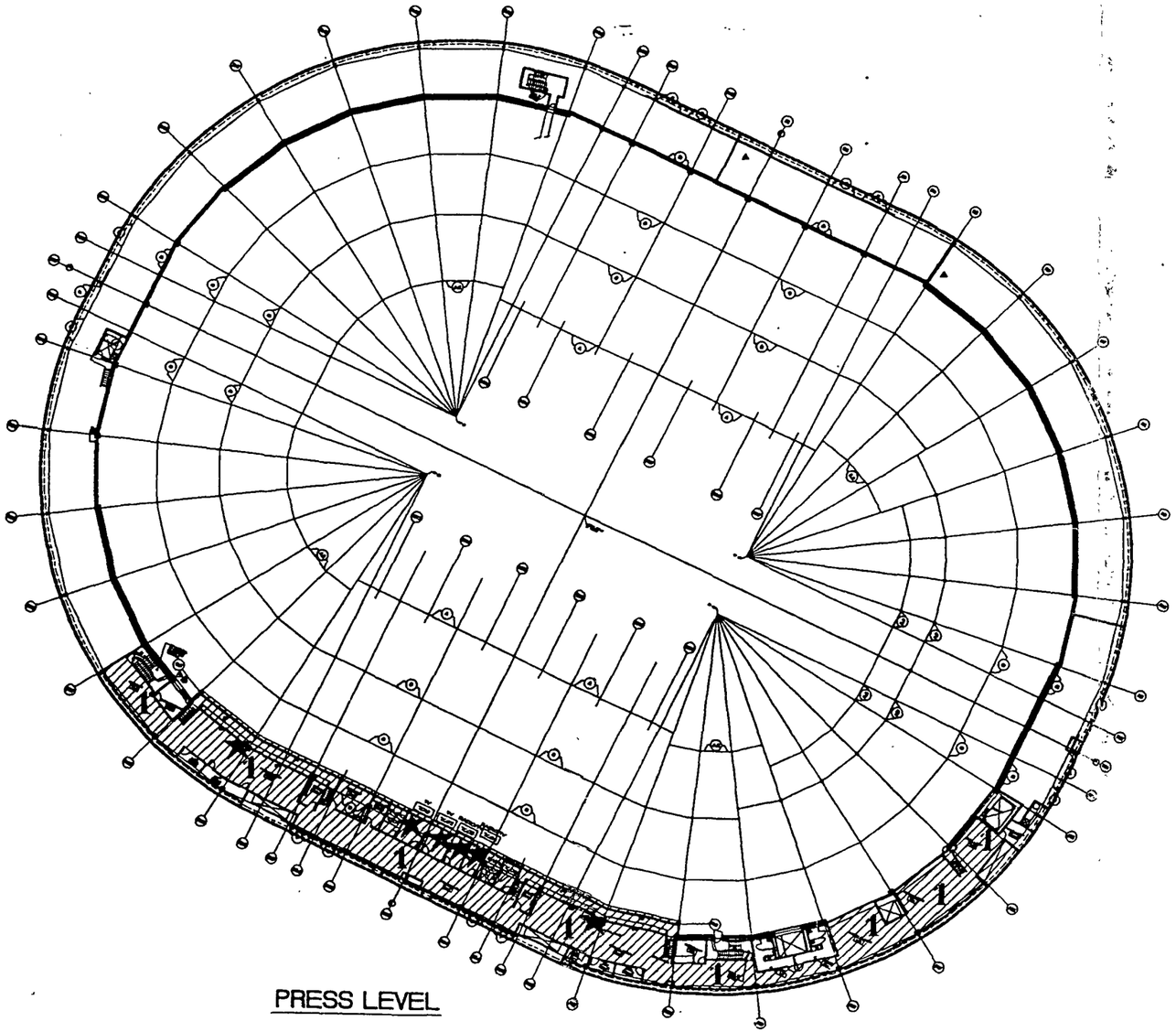
_____
[Licensee]

By: _____

Title: _____

EXHIBIT 15

RESERVED



PRESS LEVEL

EXHIBIT 17
LEGEND

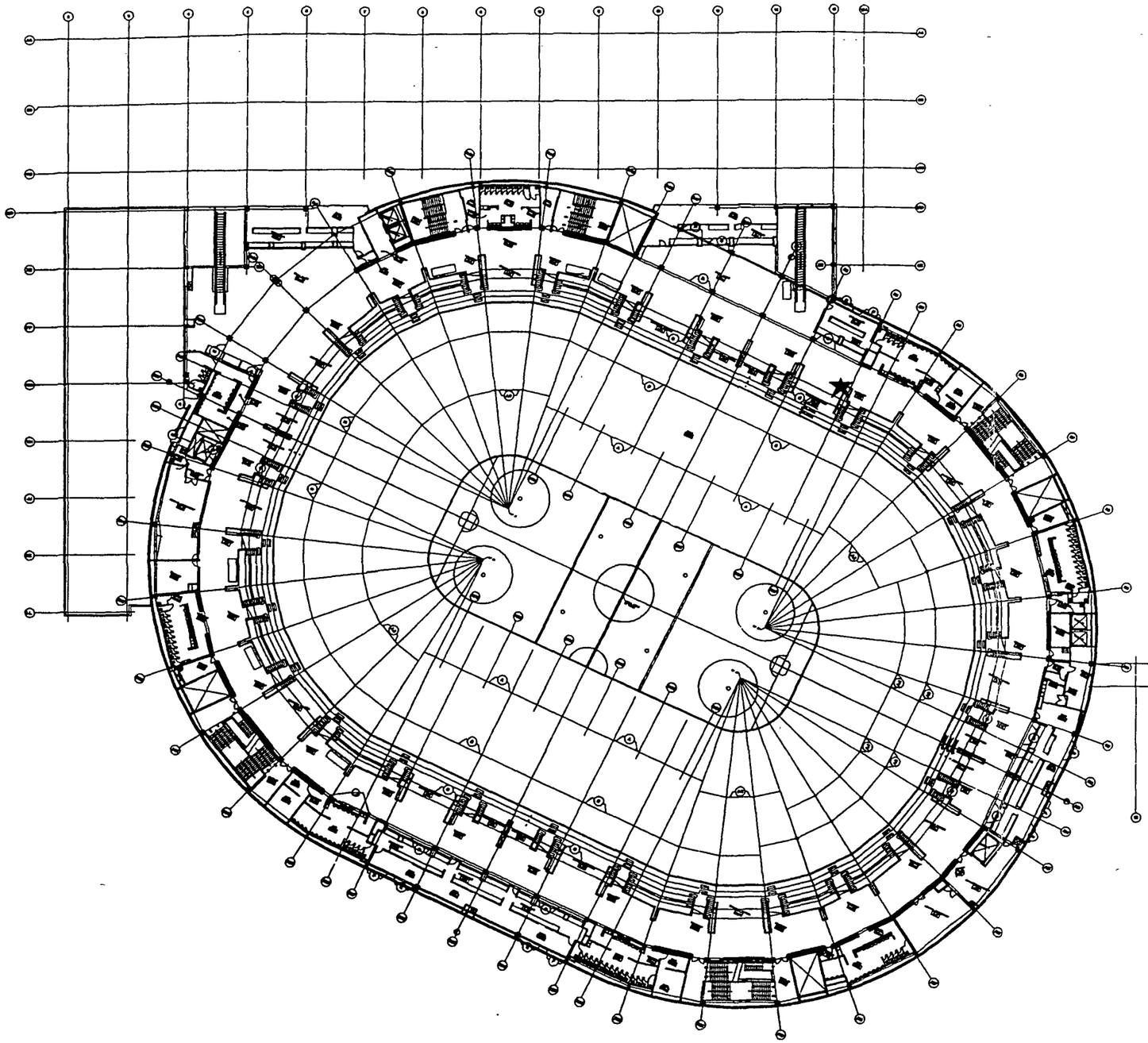
1. BROADCAST FACILITIES

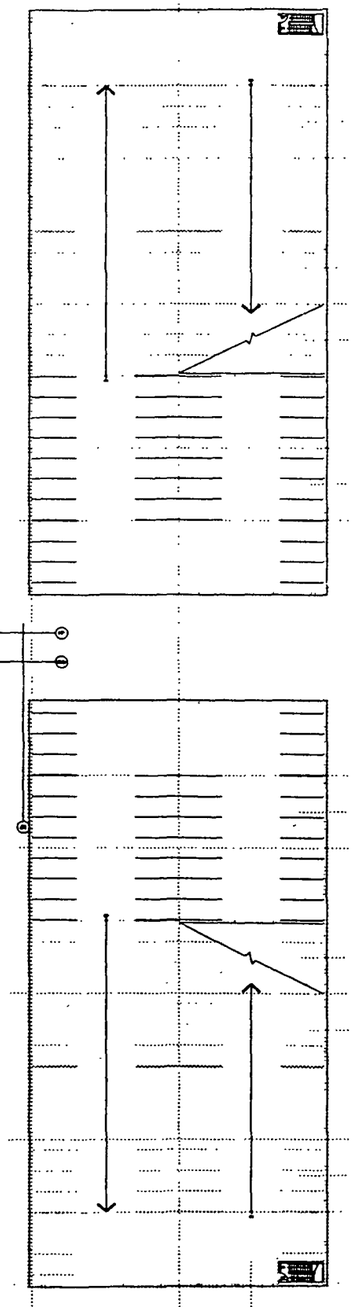
7C01 PRE-FUNCTION
7C02 T.V.
7C03 RADIO/T.V.
7C04 RADIO/T.V.
7C05 RADIO
7C06 RADIO
7C07 WORKING PRESS
7C13 INJURED PLAYERS
7C14 WORKING PRESS
7C15 ELEVATOR LOBBY
7D01 CORRIDOR
7D06 WORKING PRESS

★ CAMERA DROP LOCATIONS-TYPICAL

EXHIBIT 17
LEGEND

★ CAMERA DROP LOCATIONS-TYPICAL

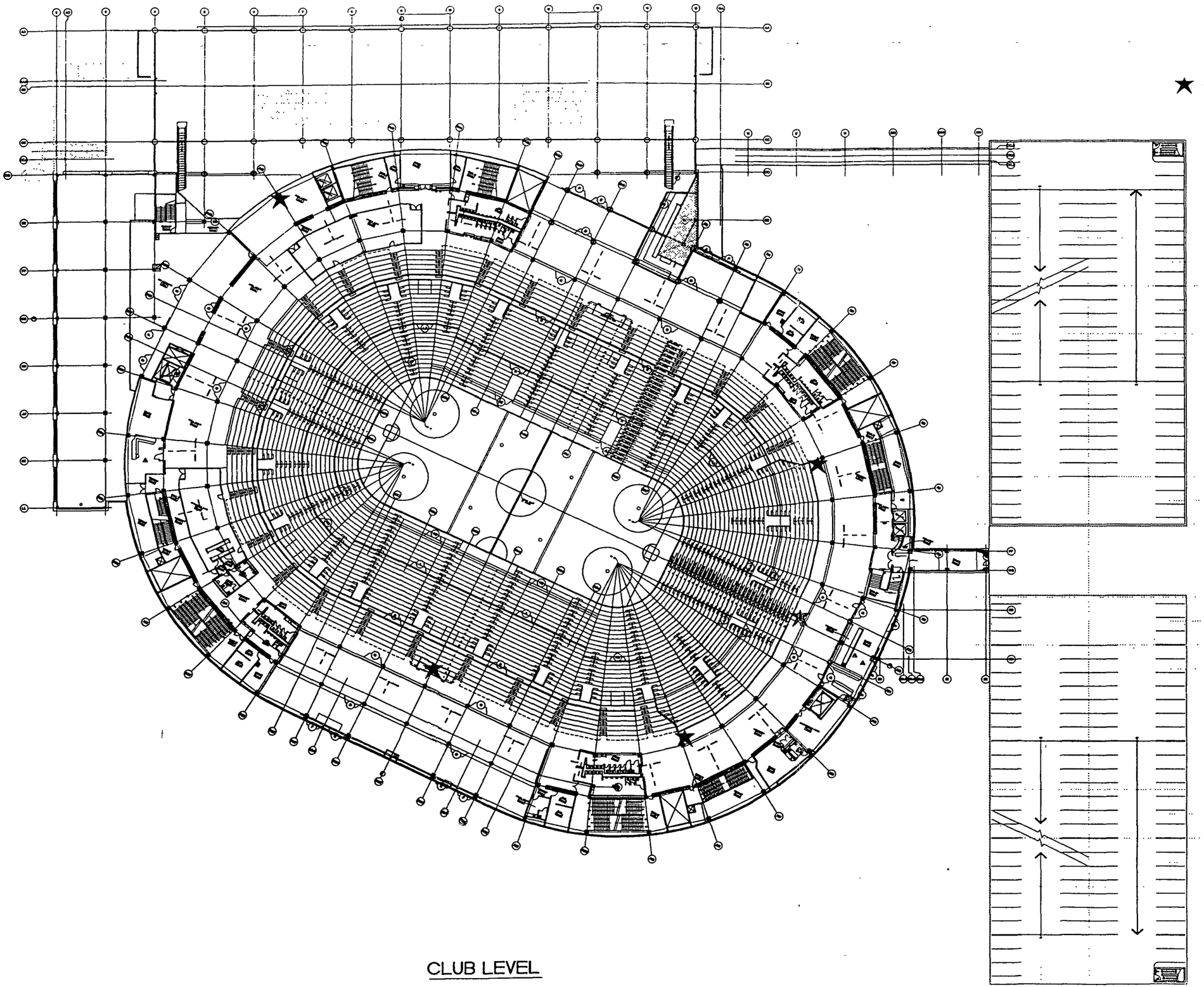




UPPER CONCOURSE

EXHIBIT 17
LEGEND

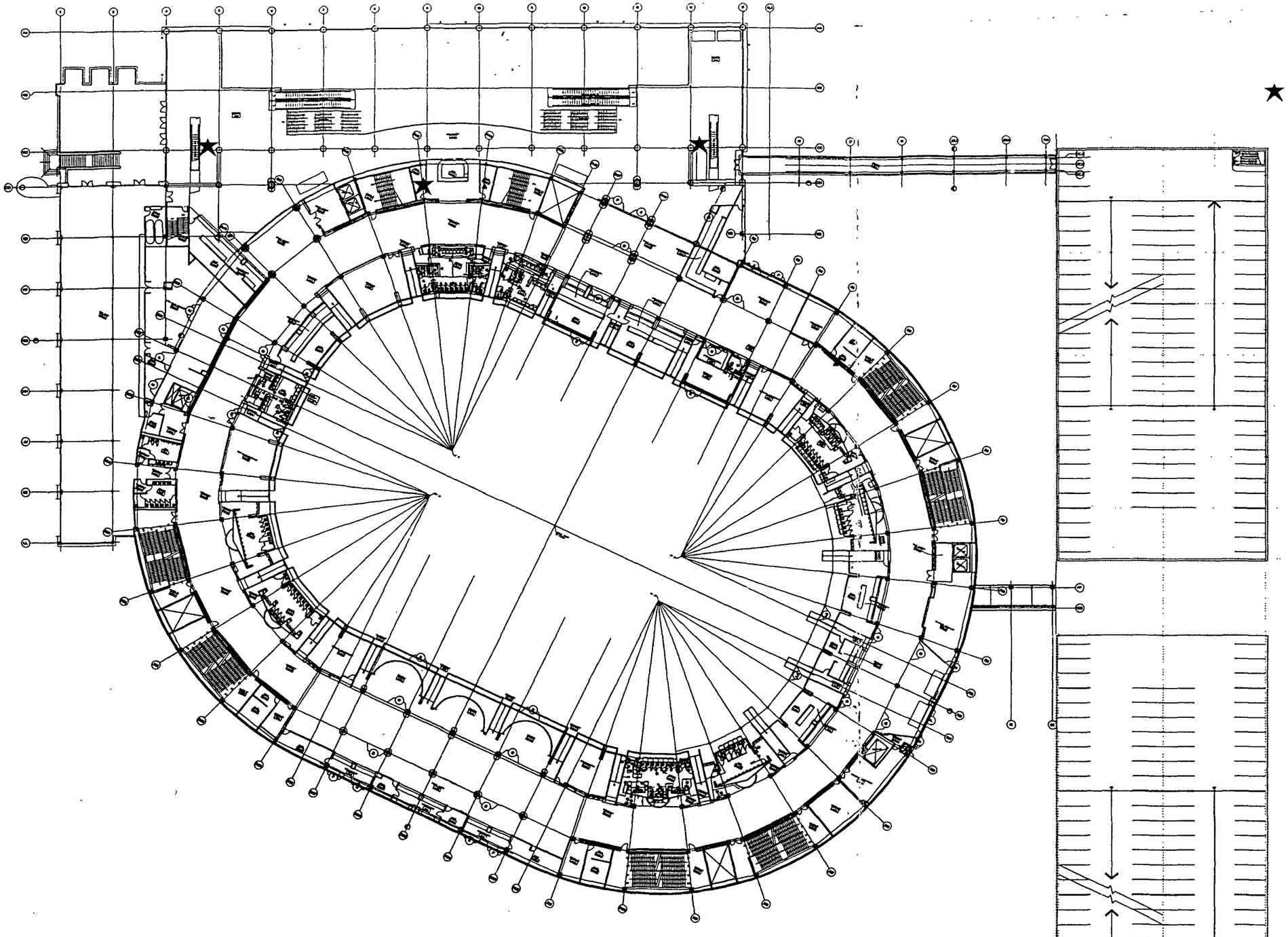
★ CAMERA DROP LOCATIONS–TYPICAL



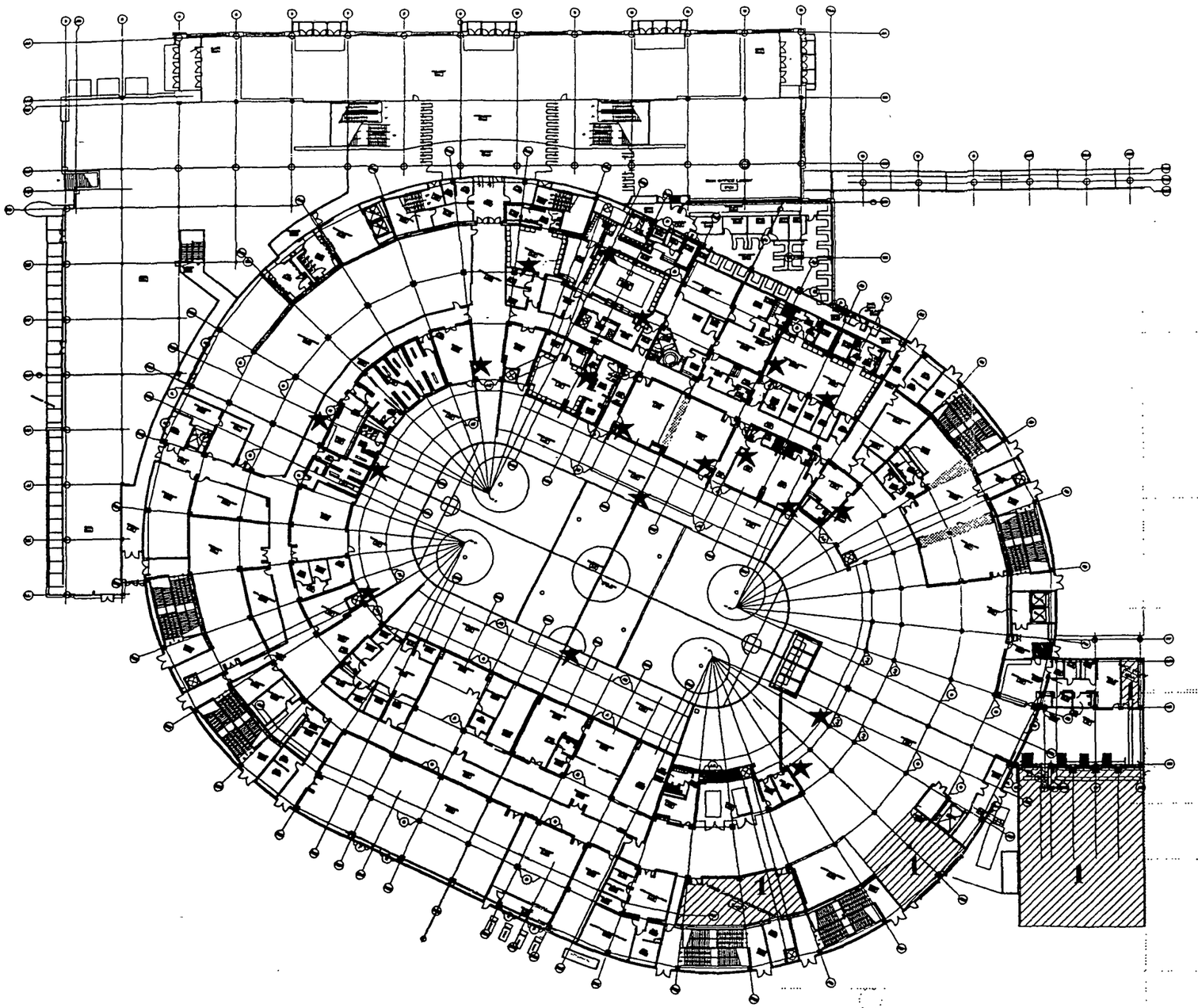
CLUB LEVEL

EXHIBIT 17
LEGEND

★ CAMERA DROP LOCATIONS-TYPICAL



MAIN CONCOURSE



EVENT FLOOR

EXHIBIT 17
LEGEND

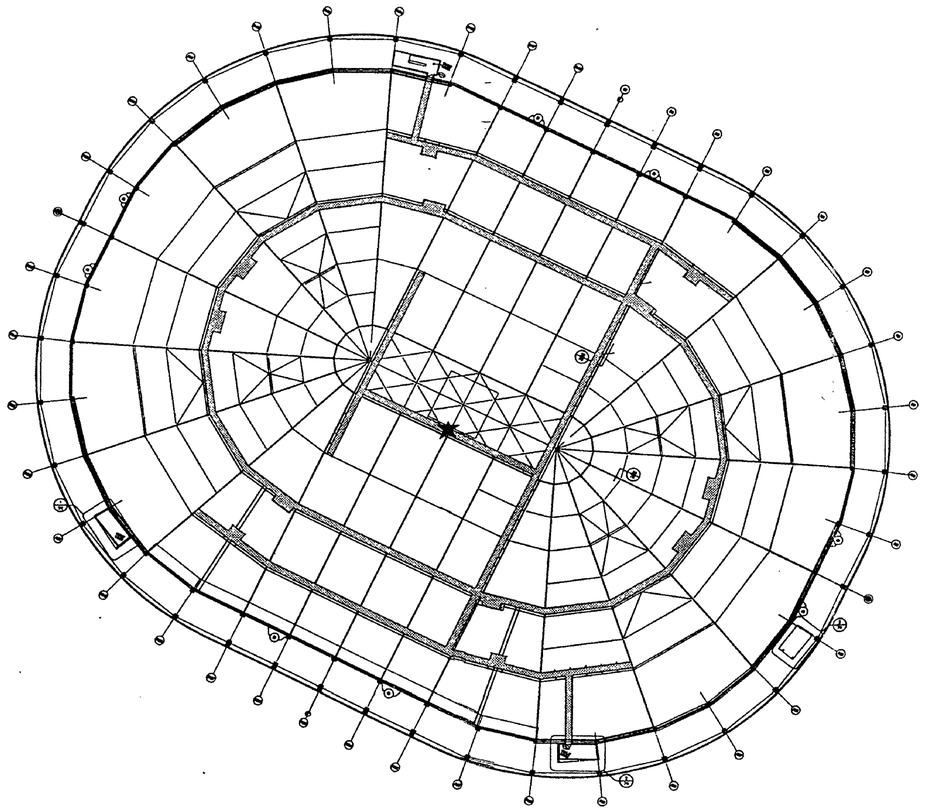
1. BROADCAST FACILITIES

1B11A DOCK UTILITY
1C02 SCOREBOARD/CONTROL CENTER
EXTERIOR DOCK RECEIVING AREA
DRIVE-IN TRUCK ENTRANCE

★ CAMERA DROP LOCATION-TYPICAL

EXHIBIT 17
LEGEND

★ CAMERA DROP LOCATIONS-TYPICAL



CATWALK PLAN

Exhibit 18 to Lease between
Crossroads Arena LLC and
Niagara Frontier Hockey, L.P.

Consents Required for Landlord's Performance
Under Lease

NONE

Exhibit 19 to Lease between
Crossroads Arena, LLC and
Niagara Frontier Hockey, L.P.

Consents Required for NFHLP's Performance Under Lease

Consent of NHL

EXHIBIT 20

[Reserved]

EXHIBIT 22

[Reserved]

EXHIBIT 23

[Reserved]

EXHIBIT 24

[Reserved]

EXHIBIT 25

See Exhibit 21

EXHIBIT 26

PERMITTED ASSIGNMENTS

1. NFHLP may assign its rights under Article 10 of this Lease without the consent of Landlord.

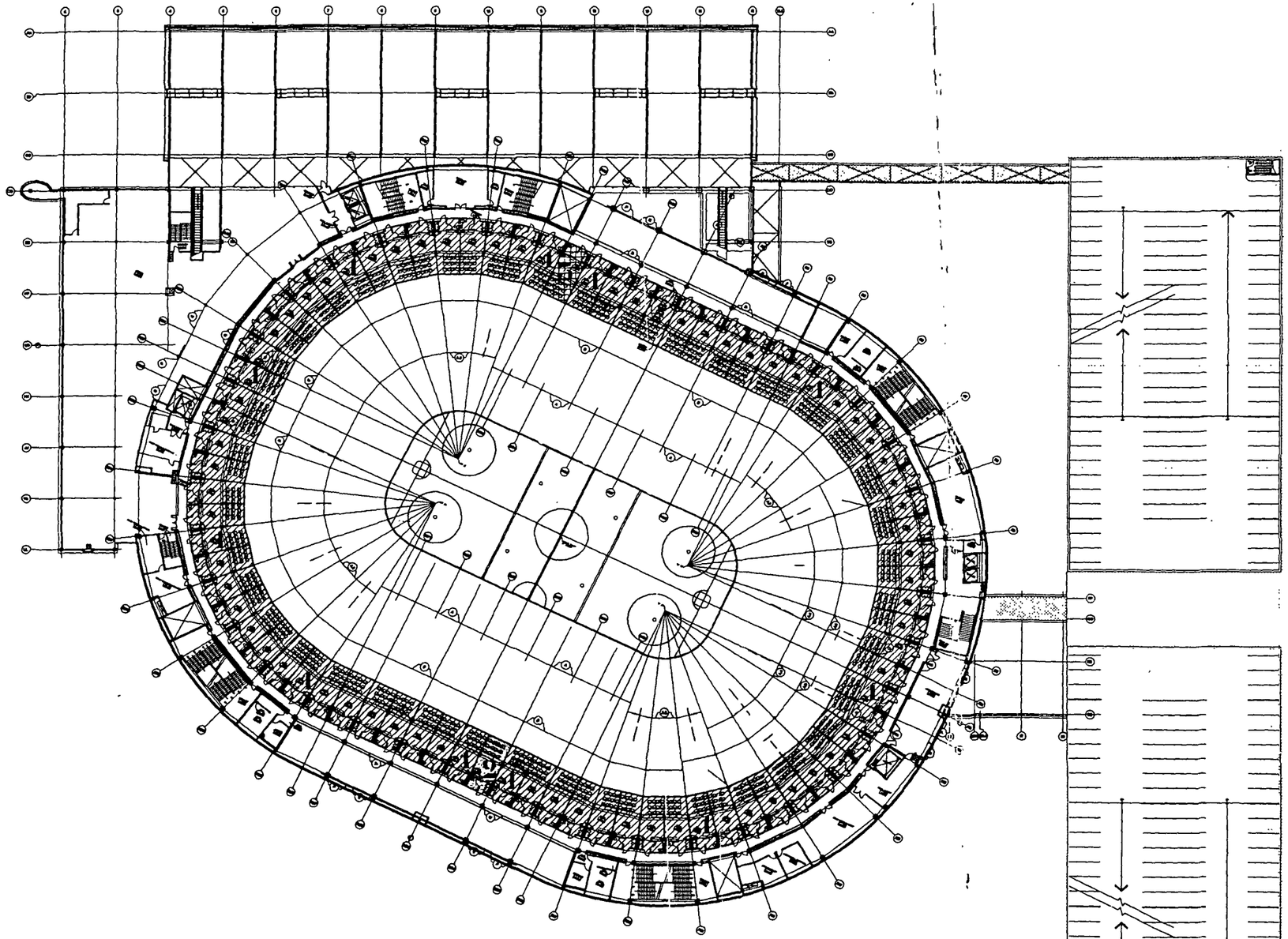
2. Landlord may pledge or assign to the Construction Lenders all revenues or consideration paid by the Naming Rights Grantee pursuant to the Naming Rights Agreement, less any commission payable to NFHLP pursuant to the Naming Rights Agency Agreement.

3. Landlord may pledge or assign to the Construction Lenders all revenues derived from In-Arena Advertising Venues less commissions due to NFHLP pursuant to the Landlord-NFHLP Marketing and Sales Advertising Agreement.

4. Landlord may pledge or assign to the Construction Lenders all Sales Agency Revenues less the Sabres Sales Commission due to NFHLP pursuant to the Sales Agency Agreement.

5. Landlord may assign the Lease and may pledge or assign all revenues thereunder to the Construction Lenders.

6. NFHLP may sublease that portion of the Exclusive Areas devoted to concessions and parking to BSC and BSC may (i) sublease such portion of the Exclusive Areas to New York Sportservice, Inc. pursuant to the Concessionaire Lease Agreement; and (ii) grant a leasehold mortgage of the sublease to the Concession Lenders to secure the Concession Loan together with an assignment to the Concession Lenders of BSC's rights as landlord in the sublease.



SUITE LEVEL

EXHIBIT 28
EXHIBIT 29
EXHIBIT 34
LEGEND

1. LUXURY SUITES
SUITES 4A26 THRU 4A29; SUITES 4A31 THRU 4A45
SUITES 4B06 THRU 4B25
SUITE 4C66; SUITES 4C68 THRU 4C85
SUITES 4D46 THRU 4D65

2. NAMING RIGHTS LUXURY SUITE
SUITE 4A30

3. MAJOR SPONSOR LUXURY SUITE
SUITE 4C67

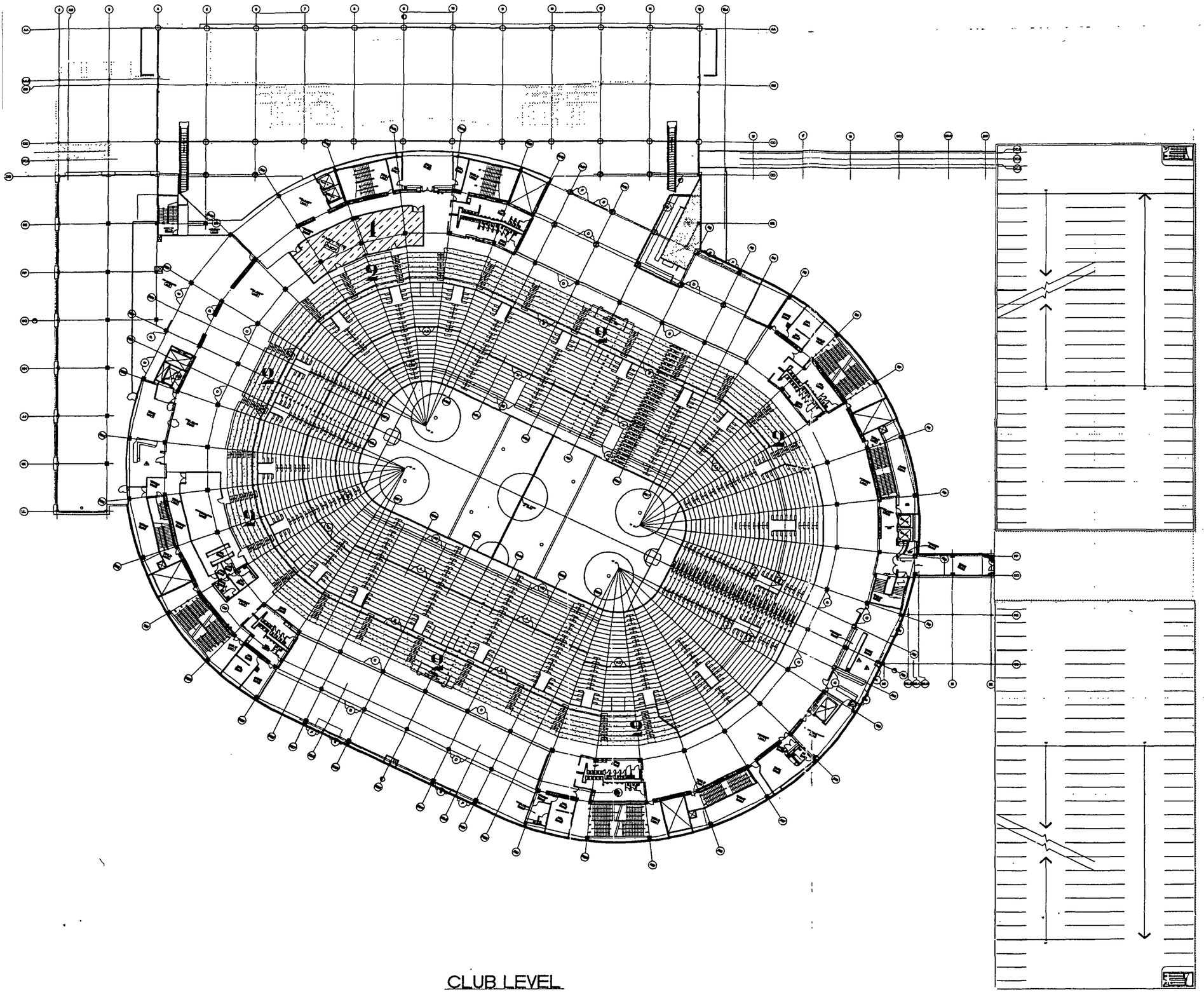
Exhibit 29

See Exhibit 28

EXHIBIT 30
EXHIBIT 33
LEGEND

1. PARTY SUITE
3A09 PARTY SUITE

2. CLUB SEATS



CLUB LEVEL

EXHIBIT 31

Reserved

EXHIBIT 32

Scoreboard Operating Costs

NFHLP shall provide Landlord with an annual schedule of personnel assigned to operate the Scoreboard and video message center. Landlord shall pay NFHLP a fee equal to direct personnel charge times a multiplier of 1.38. In no event may NFHLP charge more than $6,000 per each three hour event which charge may be increased at the rate of 3% per annum.

H:\JFC\CAC\EXHIBIT\EXH.32
April 29, 1995

Exhibit 33

See Exhibit 30

Exhibit 34

See Exhibit 28

EXHIBIT 35

Reserved

Draft: May 17, 1995

NON-COMPETITION AGREEMENT

THIS AGREEMENT is dated as of this 10th day of May, 1995 by the City of Buffalo, New York ("City"), in favor of Crossroads Arena LLC ("CALLC") and Niagara Frontier Hockey, L.P. ("NFHLP").

Recitals:

WHEREAS, the City currently owns and operates a sports and entertainment complex known as Memorial Auditorium located in Buffalo, New York (the "Aud"); and

WHEREAS, there has been recognized a public need for a new sports and entertainment complex in Buffalo; and

WHEREAS, the City, BURA, the County of Erie (the "County"), the Erie County Industrial Development Agency ("ECIDA"), the New York State Urban Development Corporation (collectively, the "Public Sector Participants") and CALLC have entered, contemporaneously with the execution and delivery of this Agreement, a Development and Construction Agreement, Operating Agreement and other collateral documents pursuant to which there is intended to be constructed and operated in the City of Buffalo, New York, a new multi-purpose, year round sports and entertainment complex to be known as The Crossroads Arena ("The Crossroads"); and

WHEREAS, NFHLP is intended to be a prime tenant of The Crossroads pursuant to a Lease Agreement executed contemporaneously herewith; and

WHEREAS, in order to induce the parties hereto, and certain private lending institutions providing financing to this project, namely Marine Midland Bank, Key Bank, N.A., Shawmut Bank, N.A., and Fleet Bank (collectively, "Lenders"), to enter into all of the agreements relating to the development, construction, operation, and financing of The Crossroads Arena, CALLC, NFHLP, and the Lenders have requested the City to enter into this Agreement;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, receipt of which is acknowledged, the parties hereto agree as follows:

1. (a) During the initial term of the Operating Agreement, each of the City and BURA, jointly and severally, covenants and agrees with each of CALLC and NFHLP

(i) to forebear from utilizing, or from permitting the use of, the Aud for any event which could be held in the seating bowl of The Crossroads whether or not any charge or fee may be imposed, including, without limitation and by way of example only, any professional or amateur sporting event, show, concert, convention, public assembly, display, entertainment event or other public gathering (but not including redevelopment of the Aud as a museum, multi-purpose facilities for recreational activities in which no admission is charged other than a nominal fee which would ordinarily be charged for the use of city facilities, bingo hall, casino, farmers market, visitors information center or other office, retail, hotel or residential uses which may be developed pursuant to Article V of the Operating Agreement); and

(ii) not to (A) use or permit the use of any surface parking now or hereafter existing on the parcel bounded by Main Street, Scott Street, Exchange Street and Pearl Street unless the rates charged are at least equal to the rates charged by The Crossroads Parking Facilities, and (B) completely or partially convert the Aud to, or should the Aud be demolished, construct at the aforesaid parcel, a covered parking structure unless and only to the extent that such parking the demand for which is reasonably created by improvements constructed on the aforesaid parcel in connection with Article V of the Operating Agreement.

Notwithstanding any provision to the contrary in this Agreement, the City may utilize or permit the use of the Aud for restaurant, retail and, except as provided for in paragraph (a)(ii) above, parking purposes.

(b) The City covenants and agrees with the County, CALLC and NFHLP not to sell, transfer, or otherwise assign any interest in or to the Aud unless such transferee agrees in writing prior to such sale, transfer, or assignment to be bound by the terms and conditions of this Agreement.

(c) The parties to this Agreement agree that (a) if the City breaches any provision of Section 1 of this Agreement, the damage to CALLC and NFHLP will be substantial, although difficult to ascertain, and money damages will not afford them an adequate remedy, and (b) if the City is in breach of Section 1 of this Agreement, or threatens a breach of Section 1 of this Agreement, CALLC and NFHLP shall be entitled, to injunctive and other equitable relief to prevent or restrain a breach of this Agreement.

Subject to the parties obligations in subparagraph (a), (b) and (c) above, the parties hereto (i) recognize that the future use, development and redevelopment of the Aud is at the present time speculative; (ii) recognize that maximization of the future use,

development or redevelopment of the Aud is an element of the planning objectives described in Article V and Exhibit C to the Operating Agreement and the economic development objectives of the City; and (iii) agree to cooperate in formulating a plan as provided in Article V of the Operating Agreement so as to achieve these objectives.

2. Each party hereto hereby consents to the jurisdiction of the Courts of the State of New York and/or the United States District Court for the Western District of New York (with Buffalo, New York as the venue for any action or proceeding) in any action or proceeding pursuant to this Agreement, and each agrees to service of process by certified mail, return receipt requested, postage prepaid, to its address as set forth in Section 6 of this Agreement, or such other address as may be designated by written notice to the other parties. Each party hereto agrees not to institute suit against any other in a court in any jurisdiction, except as stated above, without the other parties' consent. The parties further agree that all matters with respect to the validity, construction, or interpretation of this Agreement shall be governed by the internal law of the State of New York.

3. The term of this Agreement shall be co-extensive with the Operating Agreement among the parties hereto dated the date hereof, including any and all extensions and renewals thereof.

4. All notices, requests, and other communications hereunder shall be in writing and shall be delivered personally or deposited in the U.S. Mails, postage prepaid, return receipt requested, for express or "next day" delivery, together with a contemporaneous telefax transmission to the addressee, addressed as follows:

If to the City:

Mayor
201 City Hall
Buffalo, New York 14202
Telefax: (716) 851-4360

With a copy to:

Corporation Counsel
1101 City Hall
Buffalo, New York 14202
Telefax: (716) 851-4105

If to CALLC:

Crossroads Arena LLC
140 Main Street
Buffalo, New York 14202
Telefax: (716) 856-7351

With a copy to:

Cohen Swados Wright Hanifin Bradford & Brett
70 Niagara Street
Buffalo, New York 14202
Telefax: (716) 856-2950

If to NFHLP:

Legal Department
Niagara Frontier Hockey, L.P.
140 Main Street
Buffalo, New York 14202
Telefax: (716) 856-7351

With a copy to:

Cohen Swados Wright Hanifin Bradford & Brett
70 Niagara Street
Buffalo, New York 14202
Telefax: (716) 856-2950

If to any party,
copies to:

Marine Midland Bank
One Marine Midland Center
Buffalo, New York 14202
Telefax: (716) 841-4199
Attn: Mr. Bartels

Fleet Bank
10 Fountain Plaza
Buffalo, New York 14202
Telefax: (716) 847-7244
Attn: Mr. Larry

Shawmut Bank, N.A.
One Federal Street
Boston, MA 02211
Telefax: (617) 292-3241
Attn: Mr. Splaine

Key Bank of New York
50 Fountain Plaza
Buffalo, New York 14202
Telefax: (716) 847-7879
Attn: Mr. Rykowski

or to such other address as a party may have furnished to the others by written notice in the manner provided in this section. Any such notice, request, consent, or other communication shall be deemed received at such time as it is personally delivered or actually received, as the case may be.

5. ADDITIONAL PROVISIONS.

(a) Construction and Interpretation. The headings or titles of the sections of this Agreement are intended for ease of reference only and shall have no effect whatsoever on the construction or interpretation of any provision of this Agreement. The use in this Agreement of the words "including", "such as", and words of similar import following any general statement, term, or matter shall not be construed to limit such statement, term, or matter in any manner, whether or not language of non-limitation (such as "without limitation" or "but not limited to") is used in connection therewith, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the scope of the general statement, term, or matter. All provisions of this Agreement have been negotiated at arm's length and this Agreement shall not be construed for or against any party by reason of the authorship or alleged authorship of any provision hereof.

(b) Waiver. Failure of CALLC and/or NFHLP at any time to require performance of any provision of this Agreement shall not limit their rights to enforce such provision thereafter, nor shall any waiver of any breach of any provision of this Agreement constitute a waiver of any succeeding breach of such provision or a waiver of such provision itself. Any waiver of any provision of this Agreement shall be effective only if set forth in writing and signed by CALLC and/or NFHLP, as applicable.

(c) Severability. Except as provided elsewhere in this Agreement, if any term or provision of this Agreement or the application thereof to any person or circumstance shall to any extent be held to be invalid or unenforceable, the remainder of this Agreement and the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term

or provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

(d) Binding Effect. The covenants and restrictions set forth in this Agreement shall be binding upon each of the parties hereto and their respective successors and assigns including specifically, with respect to CALLC and NFHLP, the Lenders.

(e) Amendments. This Agreement may not be modified, amended or terminated except by the written agreement of CALLC, NFHLP, the Lenders, New York and Sportservice, Inc., or any of their successors as provided herein.

(f) Provisions Concerning Lenders. The Lenders and New York Sportservice, Inc. shall be deemed to be third-party beneficiaries of this Agreement. The City acknowledges that the rights of CALLC and NFHLP may be collaterally assigned to the Lenders and consent to said assignment. Effective upon notice by any Lender to the City that said Lender has exercised its rights under such collateral assignment, Section 3 hereof will be inoperative as to said Lender and its successors and assigns, and the term of this Agreement shall be deemed to be thirty years from the date hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement this ____ day of May, 1995.

THE CITY OF BUFFALO

By: _____

Agreed to and accepted this _____ day of May, 1995:

CROSSROADS ARENA LLC
By Arena Inc., Its Member

By: _____

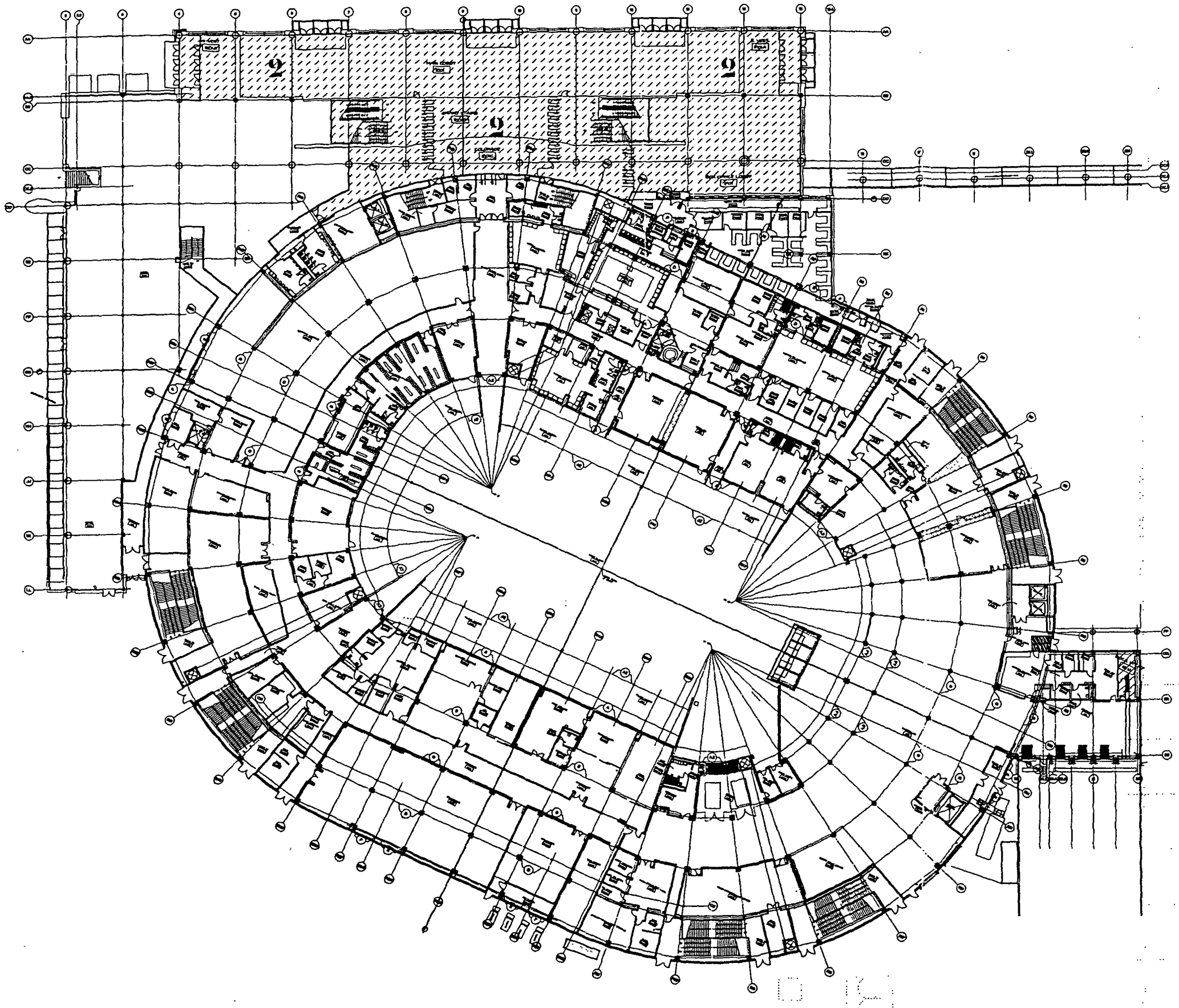
NIAGARA FRONTIER HOCKEY, L.P.
By Niagara Frontier Hockey Management Corp., Its General Partner

By: _____

EXHIBIT 37
LEGEND

2. PAVILION
SEATING 2E01
COLONADE 2F02
SEATING 2F01

MAIN CONCOURSE



EVENT FLOOR

EXHIBIT 37
LEGEND

2. PAVILION
WEST VESTIBULE 1E01A
MAIN LOBBY 1E01
COLONADE 1E01C
EAST VESTIBULE 1F01A

EXHIBIT 38

ECIDA REQUIREMENTS

1. NFHLP shall operate the Premises as a qualified "project" in accordance with and as defined in the New York State Industrial Development Agency Act (Title 1 of Article 18-A of the General Municipal Law), as amended, and Chapter 293 of the 1970 Laws of New York, as amended.

2. The consummation of the transaction contemplated by this Lease will not result in the removal of a facility of NFHLP from one area of the State of New York to another area of the State of New York, and the Premises is reasonably necessary to discourage NFHLP from removing its operations to a location outside the State of New York and to preserve the competitive position of NFHLP in its industry.

3. NFHLP shall furnish to ECIDA such information as ECIDA shall reasonably request regarding employment (past, present and future) at the Premises.

4. Except as otherwise provided by collective bargaining contracts or agreements, new employment opportunities created at the Premises (whether by NFHLP or any sublessee or licensee of NFHLP) shall be listed by NFHLP (or, if applicable, by such other sublessee or licensee) with the New York State Department of Labor Community Services Division, and with the administrative entity of the service delivery area created by the Federal Job Training Partnership Act (P.L. No. 97-300) in which the Premises is located. Except as is otherwise provided by collective bargaining contracts or agreements, NFHLP agrees, and shall cause any of its sublessees or licensees to agree, where practicable, to first consider persons eligible to participate in the Federal Job Training Partnership (P.L. No. 97-300) programs who shall be referred by administrative entities of service delivery areas created pursuant to such act or by the Community Service Division of the New York State Department of Labor for such new employment opportunities.

5. NFHLP shall include the above provisions in any sublease, license or other agreement entered into by NFHLP with regard to the use or occupancy of the Premises.

MEMORANDUM OF LEASE

The undersigned, CROSSROADS ARENA LLC, a New York limited liability company (the "Landlord") and NIAGARA FRONTIER HOCKEY , L.P. a Delaware limited partnership (the "Tenant"), both with offices at 140 Main Street, Buffalo, New York 14202 entered into a Lease Agreement as of the 10th day of May, 1995, between the Landlord and the Tenant (the "Lease")

The Lease covers the premises described in Exhibit A attached hereto and made a part hereof (the "Leased Premises").

The Lease provides for the rental of the premises by the Tenant for a term which shall commence on the Commencement Date which is the day upon which the Premises are Substantially Beneficially Completed (except that if the Commencement Date will occur on or after March 1st, but prior to October 1st on any given year, the Tenant shall have the option to delay the Commencement Date until October 1st) and shall expire at midnight of the last day of the thirtieth (30th) Lease Year, unless such term is earlier terminated as provided in the Lease, or by operation of law. The Tenant shall have the right to renew and extend the Lease Term for four (4) additional consecutive periods the first three of which shall be for five (5) years each and the last of which shall be for three (3) years (the "Renewal Lease Terms") commencing upon the expiration of the Lease Term or preceding Renewal Lease Term.

The "Lease Year" means during the Lease Term, the period from October 1 in one year to September 30, in the following year. In the event the Lease commences other than October 1, the period from date of commencement to the following October 1 shall constitute a partial lease year.

All capitalized terms not defined herein shall have the meaning set forth in the Lease.

IN WITNESS WHEREOF, the parties set there hands and seals this ___ day of May, 1995.

CROSSROADS ARENA LLC

By: Arena, Inc., Its Member

Lawrence Quinn, Executive Vice President

NIAGARA FRONTIER HOCKEY, L.P.
By: Niagara Frontier Hockey Management Corp., Its Managing General Partner

By: _____
Vice President of Finance

STATE OF NEW YORK)
COUNTY OF ERIE) ss:

On this 20th day of May, 1995, personally appeared Lawrence Quinn before me personally known to me to be the Executive Vice President of Arena, Inc., managing member of Crossroads Arena LLC and residing at 21 St. Catherines Court, Buffalo, New York 14222, and to me known to be the person described in and who executed the foregoing instrument in the limited liability company's name of Crossroads Arena LLC, and he acknowledged that he executed the same as the act and deed of the limited liability corporation for the uses and purposes therein mentioned.

Diane W. Capicotto
Notary Public

DIANE W. CAPICOTTO
Notary Public, State of New York
Qualified in Niagara County
My Commission Expires May 31, 1995

STATE OF NEW YORK)
COUNTY OF ERIE) ss.

On this 17th day of May, 1995, personally appeared Daniel J. DiPofi before me personally known to me to be the Vice President of Finance of Niagara Frontier Hockey Management Corporation, general partner of Niagara Frontier Hockey, L.P. and residing at 428 Chicora Road, Lewiston, NY 14092, and to me known to be the person described in and who executed the foregoing instrument in the partnership name of Niagara Frontier Hockey, L.P., and he acknowledged that he executed the same as the act and deed of the partnership for the uses and purposes therein mentioned.

Diane W. Capicotto
Notary Public

DIANE W. CAPICOTTO
Notary Public, State of New York
Qualified in Niagara County
My Commission Expires May 31, 1995

EXHIBIT A

PARCEL I

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Outer Lots Nos. 76, 77 and 78, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) as it formerly existed and the easterly line of Main Street (99 feet wide); thence southerly along the easterly line of Main Street 328.76 feet to the north line of South Park Avenue (66 feet wide) as presently laid out; thence southeasterly along the said northerly line of South Park Avenue 285.87 feet to an angle point; thence continuing southeasterly at an interior angle of 161° 35' 40" along the said northerly line of South Park Avenue 503.54 feet to the intersection of the said northerly line of South Park Avenue and westerly line of Illinois Street (50 feet wide); thence northerly along the westerly line of Illinois Street 660.35 feet to the intersection of the westerly line of Illinois Street and the southerly line of Perry Street (66 feet wide) as presently laid out; thence westerly along the said southerly line of Perry Street and continuing along the southerly line of Perry Street as it formerly existed 704.93 feet to the point or place of beginning.

TOGETHER with all right, title and interest in Illinois Street to the centerline thereof.

PARCEL II

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Lot No. 75, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) and the easterly line of Mississippi Street (60 feet wide); running thence easterly along the southerly line of Perry Street 195.0 feet to the westerly line of Baltimore Street (40 feet wide); thence southerly along the westerly line of Baltimore Street 672.10 feet to the northerly line of South Park Avenue (66 feet wide); thence westerly along the northerly line of South Park Avenue 195.0 feet to the easterly line of Mississippi Street; thence northerly along the easterly line of Mississippi Street 672.47 feet to the point or place of beginning.

TOGETHER with all right, title and interest in Mississippi Street and Baltimore Street to the centerlines thereof.

PARCEL III

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Lots Nos. 74 and 75, bounded and

- CONTINUED -

described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) and the easterly line of Baltimore Street (40 feet wide); thence easterly along the southerly line of Perry Street 113.68 feet to the westerly line of Columbia Street (50 feet wide); thence southerly along the westerly line of Columbia Street 531.8 feet more or less to the north line of lands of Consolidated Rail Corporation by deed recorded in the Erie County Clerk's Office in Liber 1056 of Deeds at page 293; thence westerly along the said north line of Consolidated Rail Corporation 113.68 feet to the easterly line of Baltimore Street; thence northerly along the easterly line of Baltimore Street 532.02 feet more or less to the southerly line of Perry Street and the point or place of beginning.

TOGETHER with all right, title and interest in Baltimore Street and Columbia Street to the centerlines thereof.

PARCEL IV

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Outer Lots Nos. 74 and 75, bounded and described as follows:

BEGINNING at a point in the westerly line of Columbia Street distant 140 feet northerly along said westerly line of Columbia Street from its intersection with the northerly line of South Park Avenue, which point is also the southeast corner of lands conveyed to Higgins Erectors & Haulers, Inc. by deed recorded in the Erie County Clerk's Office in Liber 8470 of Deeds at page 537; thence southerly along the westerly line of Columbia Street 140 feet to the north line of South Park Avenue; thence westerly along the northerly line of South Park Avenue 113.68 feet more or less to the easterly line of Baltimore Street; thence northerly along the easterly line of Baltimore Street 140 feet to the southwest corner of said lands conveyed to Higgins Erectors & Haulers, Inc. by deed aforesaid; thence easterly along the southerly line of said lands conveyed to Higgins Erectors & Haulers, Inc. 113.68 feet more or less to the point of beginning.

TOGETHER with all right, title and interest in Baltimore Street and Columbia Street to the centerlines thereof.

A1-39-65 to 67 et al

CROSSROADS ARENA

AUD CLUB CONCESSION LEASE

THIS LEASE made as of the 10th day of May, 1995, by and between **NIAGARA FRONTIER HOCKEY, L.P.**, a New York limited partnership ("Landlord") with offices at 140 Main Street, Buffalo, New York 14202, and **NEW YORK SPORTSERVICE, INC.** (the "Tenant") a New York corporation with offices at 438 Main Street, Buffalo, New York 14202.

W I T N E S S E T H:

WHEREAS, the Landlord is the owner of a National Hockey League ("NHL") franchise and Crossroads Arena LLC ("Developer") is an Affiliate of the Landlord and in the process of designing and developing an arena (the "Arena") to be constructed on a site in downtown Buffalo, New York, which is bounded on North by Perry Street on East by Columbia Street, on South by South Park Avenue, and on the West by Main Street, as set forth on **Exhibit A** (the "Premises") which Arena is intended to be the home arena of such franchise;

WHEREAS, the Premises is owned by the Buffalo Urban Renewal Agency ("BURA") and leased to the Erie County Industrial Development Agency (the "Agency") through various subleasing arrangements with the Public Participants;

WHEREAS the Agency has subleased the entire Premises, the Arena and its contents to Developer;

WHEREAS, the Developer has entered into a lease with the Landlord granting the Landlord occupancy rights and the exclusive use of the Arena to hold hockey Events on certain designated dates and the exclusive occupancy rights with respect to all food concession facilities and the sole right to provide food and beverage services on the Premises (the "Hockey Lease");

WHEREAS, it is the understanding of the parties that all of the foregoing will occur upon execution of certain construction loan agreements enabling the Developer to construct the Arena (the "Closing");

WHEREAS, Tenant desires to obtain certain occupancy and food and beverage concession rights in an area of the Arena to be operated as a private restaurant/club under the name the "Aud Club", as hereinafter described, to exercise such concession rights in a manner reasonably comparable with similar operations in other arenas in which professional major league sporting events and other public events are played and held and to lease certain areas and facilities in the Arena therefor;

WHEREAS, the Landlord desire to lease to Tenant such occupancy and concession rights, to cause Tenant to be leased certain facilities in the Arena for Tenant's exclusive use and occupancy, and to cause Tenant to be granted a nonexclusive leasehold interest in certain portions of the Arena, necessary to conduct its concessions operations, all as more particularly described hereinafter; and

WHEREAS, Tenant has agreed to loan the Landlord and has loaned the Landlord certain sums, which sums, in turn have been advanced by the Landlord to Developer to enable it to pay for architectural, engineering and other costs associated with the design and development of the Arena (the "Interim Loans") as evidenced by a certain promissory note for up to $3 million dated August 10, 1994, as amended (the "Note") all as described in Amendment No. 2 to the Auditorium Concession Agreement dated August 10, 1994 and has assisted the Developer and Landlord in obtaining a commitment for a $32,500,000 concession loan (part of which is to be used to satisfy the Note), all as described in a certain Interim and Term Concession Loan Agreement, dated as of May 10, 1995 among the Buffalo Sabres Concession LLC and the Concession Lenders (the "Concession Loan Agreement") and its parent has recently agreed to provide a Second Interim Loan of $2.5 million; and

NOW, THEREFORE, in consideration of the premises hereto and the mutual covenants hereinafter set forth, the parties agree as follows:

ARTICLE I

Definitions

1.1 Affiliates: "Affiliates" means any legal or natural person or entity directly or indirectly controlling or controlled by or under direct or indirect common control with a person. For purposes of this definition, "control" when used with respect to any specified entity means the power to direct the management and policies of such entity, directly or indirectly, whether through the ownership of voting securities or rights, by contract, trust, or otherwise; and the terms "controlling" and "controlled" have meanings which correlate with the foregoing.

1.2 Architectural Drawings: Certain Architectural Drawings for Leasehold Improvements and Food Concession Facilities for the Aud Club prepared by Ellerbe Becket dated December 7, 1994, as revised, and issued by Bergman Associates and Hamilton, Houston & Lownie Architects dated March 27, 1995.

1.3 Arena: Crossroads Arena, in Buffalo, New York.

1.4 Aud Club: Private dining rooms and party/banquet rooms and all kitchen, and preparation areas and support facilities related thereto shown as Area 1 on **Exhibit B** attached hereto, consisting of approximately 11,000 square feet on the main concourse level of the Arena.

1.5 Common Areas: All loading docks and facilities, elevators, common passage areas, restrooms, and other common areas of the Arena and Premises, and appurtenant easement and access areas thereto to the extent necessary for Tenant's use of the Aud Club for the purposes set forth herein.

1.6 Compensation of On-Site Personnel: The total wages and bonuses paid employees working for Tenant in the Aud Club together with the cost of providing "fringe benefits", employer's share of social security, disability and worker compensation, employer taxes and charges against income. For purposes of this provision fringe benefits include the cost of providing any and all health, disability welfare and life benefits, maintaining pension plans, profit sharing plans, or other group or individual benefits.

1.7 Concession Lenders: Shawmut Bank, N.A., Fleet Bank and all other participants, co-lenders or successors from time to time in the Concession Loan.

1.8 Concession Loan: Loan of $32.5 million to be provided by the Concession Lenders to the Landlord and the proceeds thereof to be advanced by the Landlord to the Club and/or the Developer for the development and construction of the Arena, subject to the terms of and as more particularly described in a certain Commitment Letter and Term Sheet issued by Shawmut Bank, N.A. to the Club and Landlord dated July 11, 1994, as the same may be modified by the Concession Loan documents and any refinancing thereof.

1.9 Construction Lenders: Marine Midland Bank, Key Bank of New York, and all other participants, co-lenders or successors from time to time in the construction loan to the Developer.

1.10 Crossroads Concession Lease: Concession Lease between Tenant and Landlord and its affiliate, Buffalo Sabres Concession LLC, pursuant to which Tenant has been granted the right to sell food and beverages elsewhere in the Arena.

1.11 Developer: Crossroads Arena LLC, a New York limited liability company and an Affiliate of the Landlord.

1.12 Equipment: All equipment, furniture and fixtures to be used by Tenant from time to time for the operation of the Food and Beverage Services at the Aud Club under this Lease, including all equipment used for storing food and/or beverages, preparing, cooking, serving, holding, selling, and vending same, warewashing equipment, all inventory control and point of sale equipment, registers, telephones and telecommunications equipment, all Mobile Stands, all lifts, transports and motor vehicles used in providing Food and Beverage Services in the Aud Club and all bar and beverage equipment, all refrigeration equipment, coolers and walk-ins, all restaurant tables, chairs and other furniture, furnishings and decorations, office furniture and equipment and all other fixed assets to be located in the Aud Club, from time to time, such as signage, graphics and menu boards for stands and bars.

1.13 Event: Any exhibition, contest, game, sports activity, concert, entertainment presentation, meeting, convention or other use of the Arena for which food and beverage services are to be provided at the Aud Club.

1.14 Excluded Area: The Waterfront Market.

1.15 Field Administrative Services: Field Administrative Services performed by Tenant or Tenant's parent or an affiliated company of the nature performed for other Tenant affiliates, including without limitation computer time and services; financial analysis; personnel, labor relations and payroll and benefits management; order entry and general ledger maintenance and record retention; preparation of sales/use and excise tax returns, preparation of financial and rental reports, statements and budgets for the Aud Club; in-house legal services and contract negotiations; centralized purchasing, facilities planning and supervision of approved construction; risk and claims management (but not premiums or deductibles); and general management and business planning supervision.

1.16 Food and Beverage Services: The sale of any and all food, non-alcoholic and alcoholic beverages provided by Tenant hereunder in the Aud Club.

1.17 Food Concession Facilities: All those areas in the Aud Club to be occupied and used exclusively by Tenant hereunder including all food preparation, receiving and storage areas, kitchen and commissary areas, beverage rooms, bars, grills and stands.

1.18 Force Majeure: Force Majeure shall be defined as an Act of God, riot, invasion, fire, accident, strike or walk-out, or government interference, regulation, appropriation or rationing or

inability to secure goods and materials or shipments or any other event or condition similar to those enumerated above, beyond the control of the party obligated to perform hereunder.

1.19 GAAP: Generally accepted accounting principles, consistently applied.

1.20 Public Participants: BURA, the Agency, New York State and New York State Urban Development Corporation, the City of Buffalo and County of Erie.

1.21 Gross Sales: The aggregate sales revenues of Tenant in providing Food and Beverage Services in the Aud Club hereunder, including all gratuities not actually paid to employees and service charges received or charged by Tenant for all Food and Beverage Services Sales made under this Lease, but excluding (a) applicable Sales Taxes, (b) all reduced price sales made to employees of the Landlord and third parties at the written direction of any of the Landlord (c) food and beverages consumed by employees of the Tenant working at the Aud Club and to whom Tenant has granted a free meal, and (d) a limited list of nonpaying guests of the Landlord or Tenant, such list to be subject to the mutual approval of the parties.

1.22 Law: Shall mean all applicable federal, state and local laws, statutes, rules, regulations, ordinances and codes.

1.23 Lease: Shall mean this agreement and the leasehold rights granted hereunder.

1.24 Leasehold Improvements: Shall mean all leasehold improvements now or hereafter constructed in the Aud Club including, as applicable, all demising walls, doors and doorways, flooring, floor coverings, walls and wall coverings, dropped ceiling grids and tiles, soffits, roll down security grills, general lighting, all exterior and interior finishes, adequate and necessary Utility Systems related thereto.

1.25 Lease Year: Shall mean each successive period of September 1 through August 31 of the following year occurring during the Term of this Lease, except that the initial Lease Year shall not commence until the first day an Event is held at the Arena and shall terminate on the next succeeding 31st day of August.

1.26 Membership Dues: Membership dues or fees charged to members of the Aud Club by the Landlord (and/or cover charges paid by non-members as permitted and/or required by Law) to be collected by Tenant on Landlord's behalf.

1.27 Mobile Stands: This shall mean all portable concession stands and bars, carts and kiosks.

1.28 Operating Expenses:

All actual operating expenses and costs incurred in the operation and maintenance and/or repair of the Equipment including, but not limited to, the following:

(a) Compensation of On-Site Personnel for all employees of the Tenant working in the Aud Club hereunder.

(b) All supplies, materials, hand tools and equipment used exclusively in the operation and maintenance of the Aud Club including but not limited to janitorial and cleaning supplies.

(c) The reasonable or necessary costs of providing all services to the Aud Club including but not limited to, the following: security, pest control, repair and/or maintenance of the Aud Club, rubbish and sewer removal, cleaning, and signage utilized by Tenant and all costs of leasing equipment, machinery and vehicles for use in or about or for the benefit of the Aud Club.

(d) Premiums paid on insurance for public liability, umbrella liability, workers compensation, fire and extended coverage, and any other insurance maintained for the benefit of the Aud Club (as required under Section 6.3 hereof).

(e) Sales Taxes, to the extent includable in Gross Sales with GAAP.

(f) The cost of food and beverages, condiments, supplies, disposables and consumables of all kinds, telephone service and outside accounting personnel fees, and legal costs and fees.

(g) All other costs of operation, marketing, sales and public relations, including, but not limited to: commissions and finders' fees, purveyor and supplier charges, advertising, printing, photography, and transportation, shipping, mailing, permit fees and/or bonds, and reasonable entertainment.

(h) An administrative fee of 5% of Gross Sales payable to Tenant, or an affiliate thereof for providing the Field Administrative Services defined in Section 1.10 above, which includes all in-house accounting functions and general and administrative overhead.

(i) Base rent payable to Landlord under Section 4.1(a) hereof.

1.29 Profits: The difference between Gross Sales received hereunder during any fiscal period and the Operating Expenses

incurred during the corresponding fiscal period, computed in accordance with GAAP on an accrual basis, provided Gross Sales exceed Operating Expenses for such period. Loss shall mean the difference between such Operating Expenses and such Gross Sales if Operating Expenses exceed Gross Sales.

1.30 Quality Arena Standards: Means the average standard of quality or performance generally accepted for first class arenas serving as (or capable of serving as) permanent home ice for NHL teams and of similar age, design, and ambiance as the Arena, including, for example, America West Arena, Phoenix, Arizona; The Fleet Center, Boston, Massachusetts; and Kiel Center, St. Louis, Missouri.

1.31 Rent: This shall mean the rent due from Tenant to the Landlord for the lease of the Food Concession Facilities, Leasehold Improvements and Equipment in the Aud Club, and the grant of operating rights described in this Lease as provided in Section 4.1 of this Lease.

1.32 Sales Taxes: Any tax on sales, excise taxes or value-added taxes, assessed against on site (and approved off-site) sales of, or services performed by Tenant hereunder.

1.33 Substantial Completion Date: Shall mean the date that construction on the Arena, all food concession facilities are substantially complete and all necessary occupancy permits are issued for the Arena (including the Food Concession Facilities and substantially all Equipment has been installed in the Arena and in the Aud Club).

1.34 Utility Systems: All heating, ventilation and air conditioning, electrical (including any fiber optics required for telecommunications or security), water, sewage, gas, plumbing and general lighting, telephone and telecommunication, facilities, ductwork, conduit, wiring, outlets and connections (as applicable). "Utility Services" shall mean the full and unimpeded use of the foregoing Utility Systems for their intended purpose.

ARTICLE II

2.1 LEASE OF FACILITIES & EQUIPMENT

(a) Landlord hereby leases to Tenant and Tenant hereby leases from Landlord, for Tenant's exclusive use from and after the Substantial Completion Date during the Term of this Lease, the Aud Club including without limitation all Food Concession Facilities and Equipment within the Aud Club. The Landlord warrants that for so long as Tenant fulfills its obligations hereunder, Tenant shall and may peaceably and quietly have, hold and enjoy the Aud Club and

the facilities and Equipment therein, to the exclusion of all others, for the Term of this Lease.

(b) The Landlord also hereby leases to Tenant, for its use in common with others on a nonexclusive basis, the Common Areas. The Landlord warrants and covenants that for so long as Tenant performs its obligations hereunder, Tenant shall have the use of the Common Areas, on a nonexclusive basis, for the purposes provided hereunder during the Term of this Lease.

(c) Notwithstanding the foregoing, the Landlord and its designated agents reserve the right of access to all areas leased to Tenant hereunder for purposes of maintaining and repairing the Arena and the Aud Club and all improvements therein or thereon and all Utility Systems related thereto provided the same does not unreasonably interfere with the Tenant's use of the Aud Club. Use of any space or property leased or licensed to Tenant hereunder for purposes other than those purposes set forth herein, without prior written approval of the Landlord, in its sole discretion, shall not be permitted.

(d) Location of auxiliary storage space required by the Tenant, from time to time, shall be approved in writing by the Landlord. The Tenant shall acquire no rights to such locations once assigned, and the Landlord reserves the right to require the Tenant to relocate items from any auxiliary storage space when needs of other events require the use of same.

(e) The parties agree to execute a Memorandum of Lease for recording in the Erie County Clerk's Office upon execution of this Lease in the form of **Exhibit D** and to record same on the Closing Date.

(f) The parties agree to prepare an initial inventory of Equipment within 90 days following the Substantial Completion Date.

(h) The parties acknowledge and agree that the interests granted to Tenant hereunder are leasehold interests in real estate comprising the Aud Club, and a nonexclusive leasehold interest in the Common Areas.

2.2 EXCLUSIVE RIGHTS:

a) Subject to the terms of this Lease, Landlord hereby grants Tenant the exclusive right to prepare, present, sell, vend and dispense within and about the Aud Club all refreshments, confectioneries, beverages (including alcoholic beverages to the extent permitted by applicable laws, now or hereafter in effect) snacks, tobacco products and all other food products ("Refreshments"). Landlord reserves the right to sell novelties and souvenirs in the Aud Club and to retain all revenues from such sales.

b) Such sales may be conducted by Tenant: from stands, bars, by wait-service or buffet service in dining rooms, Mobile Stands and all other public food and beverage outlets hereafter constructed in the Aud Club.

c) Except for the Excluded Area, no other facility comparable to the Aud Club shall be permitted within or about the Arena and no other party shall be permitted to sell Refreshments in the Aud Club.

d) The Aud Club facilities shall not be used by Tenant for off-site food functions except with Landlord's prior written approval. Should Tenant be permitted to utilize the Aud Club facilities for off-site food functions, all receipts shall be included in Gross Sales hereunder.

e) Chewing gum may not be sold in the Aud Club whether from vending machines or otherwise.

f) Tenant acknowledges that Landlord has the right to charge members and other patrons of the Aud Club Membership Dues and admissions fees/cover charges and such payments shall ensure solely to the benefit of the Landlord.

2.3 TERM

(a) The "Term" of this Lease shall commence on the date hereof and terminate on the last day of the twentieth (20th) Lease Year, provided that during each such Lease Year, the Landlord has played at least 38 regular season NHL hockey games at the Arena. In the event that during the initial Lease Year, the Landlord does not play at least 38 regular season NHL hockey games at the Arena, the Term of this Lease shall be extended by one full Lease Year, and the Term of this Lease shall also be extended by one full Lease Year for any other Lease Year during which the Landlord does not play at least 38 regular season NHL hockey games at the Arena.

(b) The Term of this Lease shall also be extended in the event the term of the Crossroads Concession Lease is extended in accordance thereof so that the Term hereof coincides with the term of the Crossroads Concession Lease.

(c) The Tenant's exclusive occupancy rights to the Food Concession Facilities shall commence on the Substantial Completion Date.

ARTICLE III

3.1 Responsibilities of the Landlord

3.1 DEVELOPMENT OF ARENA AND CONCESSION FACILITIES:

(a) The Landlord and its affiliates shall design and construct the Arena and all Food Concession Facilities (and Leasehold Improvements related thereto) in the Aud Club and purchase, receive, install, set up and connect to appropriate utility connections all Equipment required by Tenant in order to properly and efficiently exercise its rights described in Article II above. Tenant will provide to the Landlord, at no additional cost, facility and layout advice with respect to the Food Concession Facilities for the Aud Club and the related kitchen. Such advice shall include without limitation, the following services: (a) assistance with respect to selection of Equipment; and (b) freehand layouts showing Equipment placement with cut sheets showing dimensions of Equipment and necessary utility connections within the Food Concession Facilities, along with typical mill work selections and location and size of exhaust hoods. The Landlord agree to duly consider Tenant's recommendations in planning its construction program and equipment purchasing.

(b) At the request of Landlord, Tenant agrees to act as Landlord's agent with respect to the purchase and installation of the Equipment and/or to retain a third party, at Landlord's cost, to perform such function. The foregoing shall not be construed to relieve the Landlord from it responsibility to provide all necessary funding for the purchase and installation of Equipment as shown in the Architectural Drawings.

(c) Tenant shall not be entitled to a fee for rendering the services described in this Section 3.1, and such services shall be part of the Field Administrative Services provided hereunder. However, Tenant will be reimbursed for all reasonable out-of-pocket expenses, including reproduction costs, outside engineering, architectural design and graphic fees and expenses, and actual travel expenses.

3.2 FAILURE TO COMPLETE DEVELOPMENT AND CONSTRUCTION.

Notwithstanding any provision of this Lease to the contrary, if development and construction of the Arena is not completed by Landlord and its affiliates, Tenant shall have the right to enforce the provisions of this Lease to the extent of the Exclusive Rights granted pursuant to Section 7.3, but shall have no other claim or cause of action against the Landlord or its affiliates hereunder.

3.3 MAINTENANCE

The Landlord shall be responsible for maintenance and repair of the Arena (including, but not limited to the Aud Club), and all Utility Systems related thereto. The Landlord shall also be responsible for maintenance and repair of the structural components of the Food Concession Facilities in the Arena and Aud Club. Tenant shall be responsible for the maintenance and repair of the interior of the Food Concession Facilities in the Aud Club and the exterior design and facades thereof and all Equipment therein.

3.4 DECORATING AND SERVICEWARE:

The Landlord, at its cost, shall also be responsible for providing the following for the Aud Club:

(a) The initial finishing and decorating of the Food Concession Facilities (and Leasehold Improvements related thereto) including: (i) painting, decorating, signage and menu boards; and (ii) providing necessary and appropriate wall, window and/or floor treatments as required.

(b) Providing initial cutlery, utensils, cookware, china and glassware ("Serviceware"). The parties agree that Tenant will use any Serviceware it is presently using at Memorial Auditorium to the extent any such items are useable and presentable.

(c) The foregoing items shall be subject to the reasonable approval of both parties.

3.5 FIRST CLASS OPERATION:

The Landlord covenants to use all reasonable efforts to operate its professional hockey events in the Arena in a manner consistent with Quality Arena Standards. The Landlord will use their best efforts to keep any and all necessary governmental licenses and permits applicable to their respective operations in full force and effect.

3.6 ACCESS:

The Landlord shall provide Tenant's personnel with ready ingress and egress to and from the Arena through a gate or gates designated for such purpose, without charge, during all days on which events are held and at all other times necessary to enable Tenant to prepare for such events, and fulfill the other responsibilities hereunder.

3.7 SECURITY:

The Landlord shall be fully responsible at their sole cost and expense, for providing all necessary security forces for

crowd control on the Premises and to fulfill requirements of any governmental agency or NHL standards with respect to security at the Arena and for the Aud Club.

3.8 THIRD PARTY VENDORS:

Vendors, peddlers, or persons other than Tenant's employees, shall not be permitted to vend, otherwise sell, or distribute any Refreshments in, on, or about the Arena or the Aud Landlord shall, at all times, see to their dispersal, to the extent they (or any one of them) can legally do so. The Landlord further agree that in keeping with exclusivity of Tenant's rights hereunder, neither the Landlord nor its employees will sell or lease any Refreshments or any products which will conflict or compete with Refreshments in the Aud Club. Patrons will not be permitted to transport Refreshments from the street to the Arena or the Aud Club.

3.9 UTILITY SERVICES:

Landlord shall furnish Tenant with all necessary and appropriate Utility Systems and Utility Services as required for the conduct of the Food and Beverage Services. All water shall be fit for human consumption in compliance with all applicable laws, rules, regulations and orders. Tenant shall be furnished hot water at not less than 140°F for general use and at not less than 180°F for dishwashing, and at such higher temperatures as may from time to time be required under any applicable governmental, rule, regulation or order.

The Landlord, under no circumstances, shall be liable to Tenant in damages or otherwise for any interruption of Utility Services. However, they shall use all reasonable efforts to restore immediately to full service any Utility Service which is interrupted.

3.10 ENHANCEMENTS & REPLACEMENTS

Tenant shall make recommendations for replacements and enhancements to Leasehold Improvements and Equipment in the Aud Club and on an annual basis as part of its Business Plan for the following calendar year. Subject to its rights to approve or disapprove of the foregoing, Landlord shall be responsible for all replacements and enhancements to the foregoing assets. The Landlord and Tenant acknowledge that, on average, one percent of annual Gross Food Service Sales from operations hereunder is the anticipated cost of fulfilling this obligation.

Notwithstanding the foregoing, upon reasonable advance notice to Landlord, Tenant shall have the right to purchase replacement items for Equipment that is non-repairable and deduct the cost of same from Rent otherwise payable hereunder, if Landlord

fails or refuses to purchase same. Any dispute hereunder shall be subject to arbitration as hereinafter provided.

ARTICLE IV

Rent

4.1 PERCENTAGE RENT.

Tenant agrees to pay to Landlord as "Rent" with respect to the Food and Beverage Services provided in the Aud Club hereunder: (a) 6% of Gross Sales hereunder ("Base Rent"); plus (b) 50% of cumulative Profits related thereto. Losses incurred by Tenant in its operation of the Aud Club for any prior period shall be deducted from Profits before any rent shall be payable under this Section 4.1.

Calculation of Rent shall be made on a monthly basis and all amounts due for each month shall be paid on or before the 20th day of the following month together with the accounting described in Section 4.4 below.

4.2 MEMBERSHIP DUES:

In addition to the foregoing, Tenant shall account to the Landlord on a monthly basis for all Membership Dues and any Patron Fees collected by Tenant on Landlord's behalf. All funds received in payment of Membership Dues and Patron Fees shall be remitted each month to Landlord along with a report on collections together with the other payments and reports described in this Article IV.

4.3 OFFSET

If at any time the Landlord is indebted to Tenant, on account of Refreshments or services purchased by Landlord in the ordinary course of business or for other indebtedness (as may be agreed upon in connection with the initiation of such debt) , Tenant, after 20 days prior notice to Landlord, shall have the right to offset against and reduce any and all Rents or other sums payable by it under this Lease by an amount equal to sums then due and owing by Landlord to Tenant for such purchases.

4.4 RECORDS, ACCOUNTING AND AUDIT

(a) Tenant will keep at the Arena (or at Tenant's headquarters) adequate and accurate accounting books and records prepared in accordance with GAAP of all business and transactions conducted under this Lease, for all periods included within the Term of this Lease, said records to include without limitation the daily receipts, the daily bank deposits, the daily sales and business done by the Tenant and Tenant shall preserve and make

available for audit and examination by the Landlord all of such records relating to Gross Sales made, Operating Expenses incurred and Profits derived hereunder. Such records will be maintained for any year of operations hereunder at the Arena or at Tenant's headquarters for two years following completion of operations for such year.

(b) The Tenant shall maintain such accounting records on its standard fiscal year basis, from January 1 through December 31 (approximately).

(c) Throughout the Term of this Lease, Tenant shall submit to Landlord, within ninety (90) days after the end of each calendar year: an annual operating profit and loss statement covering its operations at the Aud Club. In the event that Landlord is not satisfied with the statements presented therein, Landlord shall have the right to conduct a special audit of the Tenant's books and records related to its operations at the Aud Club, by auditors selected by Landlord, provided it does so within 12 months following receipt of the above described report. Should such audit(s) uncover a deficiency or deficiencies in payments to Landlord for any period covered, Tenant shall pay to Landlord the amount of such deficiency within 20 days following of receipt of the audit report. If such deficiency is in excess of five percent of the aggregate amount reported, the cost of the audit shall be immediately due and payable to Landlord by the Tenant and shall not be expensed as a Operating Expense.

Failure to comply with the aforementioned clause shall result in the Tenant paying to Landlord as a penalty, the amount of Two Hundred Fifty Dollars ($250) or 1% of the outstanding balance computed on a 30 day basis whichever is greater, for each and every week exceeding the 90 day deadline. Such penalty shall apply after Landlord has given notice in writing to the Tenant of non-receipt of the report.

(d) The Tenant must submit the following information to Landlord:

(i) Daily sales reports of Gross Sales for each event held at the Arena, within 48 hours following completion of the Event.

(ii) Monthly by the twentieth (20th) of the following month, a profit and loss statement for the prior month's operations.

ARTICLE V

Additional Duties of Tenant

5.1 MANAGEMENT OF OPERATIONS.

(a) Tenant agrees to manage and operate in a professional manner all of the Food and Beverage Services in accordance with Quality Arena Standards to ensure that it will maintain consistent, prompt, and courteous service to the public.

(b) The Tenant will pay promptly all authorized Operating Expenses incurred in the normal operation of its business conducted hereunder.

(c) The Tenant shall pay all license fees, all Sales Taxes on products or services which the Tenant provides hereunder, including but not limited to all federal, state and local taxes, workers' compensation payments, unemployment insurance, payroll and other taxes with respect to services provided under this Lease and all other taxes arising from the Tenant's operations hereunder.

(d) Upon request Tenant will invoice all Aud Club members for Membership Dues on an annual basis and for all charges made at the Aud Club on a monthly basis.

5.2 REPAIR OF EQUIPMENT.

Tenant shall be responsible for the ordinary repair and maintenance of the Equipment and replacement of Serviceware as needed. The reasonable or necessary costs related thereto shall be included in Operating Expenses hereunder.

5.3 PERSONNEL.

Tenant will hire, train and supervise, discipline and, if need be, dismiss any and all persons necessary to operate its operations hereunder and will use reasonable efforts to assure that its employees continually practice high standards of cleanliness, safety, courtesy and service customarily followed in the conduct of a first-class concession operation in a club-like environment. Such individuals shall be employees of Tenant and shall wear neat and clean uniforms identifying themselves as Tenant's employees. All costs shall be included in Operating Expenses hereunder.

Tenant covenants that in the conduct of employment and discipline practices and the sale of Refreshments, it will not discriminate or permit discrimination based on race, color, religion, creed, age, sex, disability, national origin, ancestry, or political opinions.

Tenant agrees to implement the Affirmative Action/Equal Opportunity Plan for the Arena (to the extent applicable to the on-site operations hereunder) substantially as described in the Plan attached hereto as **Exhibit C** (the "Plan"). The foregoing shall not be construed as obligating Tenant to subcontract with any third party with respect to the operation of any Food and Beverage Services hereunder. However, to the extent Tenant chooses to sublet or subcontract out such rights, it will use good faith efforts to comply with the Plan.

5.4 LICENSES AND PERMITS.

Tenant shall obtain, and maintain in force during the Term of this Lease, all necessary food, liquor and other licenses and permits and renewals thereof and shall pay all fees and taxes which may be due and owing, from time to time, to federal, state or municipal authorities incidental to its operations hereunder, the cost of same shall be deductible Operating Expenses hereunder. Tenant shall furnish Landlord with copies of such licenses and permits and renewals thereof as are physically maintained at the Aud Club, as applicable. The Landlord agrees to cooperate with Tenant in connection with applications submitted for any and all such licenses and permits and renewals thereof.

5.5 COMPLIANCE WITH LAWS, POLICIES AND PROGRAMS.

(a) In connection with its sale of Refreshments hereunder, Tenant shall in good faith comply and faithfully observe all Laws (including without limitation fire, building, health, sanitation and environmental codes and regulations and liquor control laws and regulations).

(b) The Landlord specifically grants to Tenant:

(i) The right to enforce all New York State laws, rules, regulations or orders relating to premises licensed pursuant to and to enforce all rules, regulations or orders of the New York State Liquor Authority or other regulatory agencies relating to the Licenses.

(ii) Full right, power and authority to take any and all actions necessary to enable and to ensure compliance with all laws, rules, regulations and orders concerning the sale and consumption of alcoholic beverages in the Aud Club.

5.6 PROCEEDINGS INVOLVING LICENSES AND PERMITS.

Tenant shall advise Landlord in writing of any pending or threatened actions against Tenant, whether by governmental authorities or otherwise, which seek, or could result in, the suspension or revocation of any license or permit necessary for its performance of this Lease. In the event of any suspension in excess of 30 days or revocation of Tenant's license to serve alcoholic beverages, and if such suspension or revocation shall not be stayed or appealed in such manner that will permit Tenant to continue to serve alcoholic beverages at the Aud Club, then Tenant shall be obligated, subject to the approval of Landlord, to secure an interim licensed bar manager at the Aud Club to enable or permit the serving of alcoholic beverages. If Tenant has not secured an interim licensed bar manager or made other arrangements to Landlord's reasonable satisfaction, then upon the effectiveness of the suspension or revocation of Tenant's liquor license, Landlord, without waiving any rights which it may otherwise have hereunder, shall have the right, but not the obligation, to secure an interim licensed bar manager.

In such event, Tenant will make available to the interim licensed bar manager, to the extent permitted by applicable Law, if any, all supplies of applicable beverages then in its possession which were intended for sale or use at the Aud Club, will afford to such interim licensed bar manager the benefit of supply arrangements for beverages, and will make applicable personnel, and Equipment available to such interim licensed bar manager.

Tenant shall be entitled to reimbursement for its costs and expenses actually and necessarily incurred in rendering the assistance and cooperation contemplated by the foregoing. Tenant shall resume its duties and the sale of alcoholic beverages at the Aud Club upon restoration of the license(s) or permits to do so.

If the Landlord shall suffer any financial or economic loss a result of such suspension or revocation, the Tenant and the Landlord will negotiate in good faith to determine an equitable adjustment to the Rents to be paid by Tenant to compensate the Landlord for such loss.

5.7 HOURS OF OPERATION.

Tenant will open the Aud Club sufficiently prior to each Event to allow time for patrons to purchase Refreshments and utilize the Aud Club facilities and will continue to provide services until each such Event ends or such further time as may be reasonably necessary to adequately meet public demand.

5.8 REFUSE.

Tenant shall use reasonable efforts to keep the Aud Club neat and clean and in such condition as is consistent with its operation as a club and with Quality Arena Standards. Tenant shall pick up refuse in and about the Aud Club, maintain adequate trash receptacles, and shall dispose of same to the Arena's central trash storage area. Tenant will not permit its employees to dispose of or discharge waste, garbage or refuse in any area in or outside the Arena other than in areas specifically designated therefor. All refuse shall be removed to the central refuse collection point for the Arena on a regular basis. In addition, Tenant shall be responsible for cleaning the floors throughout the Aud Club and for any and all necessary pest control and sanitation activities, on a regular and continuing basis.

5.9 DELIVERIES.

All deliveries of Refreshments and other items used or sold by Tenant at the Aud Club shall be made only during normal operating hours (8:00 a.m. to 5:00 p.m.) and shall be made through a gate or gates designated by Landlord (or Developer). Tenant shall use reasonable efforts to prevent the entry of any unauthorized persons into the Arena through such gate or gates when open for purpose of such deliveries.

5.10 MECHANICS LIEN.

Tenant shall at all time protect and keep the Leasehold Improvements and Equipment, free and clear of all mechanics and other liens, attachments, encumbrances, or claims arising out of Tenant's operations hereunder, its performance under this Lease, and/or its use of same. In the event any such lien is placed, or such encumbrances created, Tenant shall use all reasonable efforts to attempt to have it removed, and if necessary, shall provide the liened party with a performance bond or other reasonable security. All additional costs incurred not directly related to operations hereunder shall be borne by Tenant.

5.11 PRODUCTS AND PRICES.

Tenant agrees that it will have available at all times sufficient quantities and varieties of pure and wholesome Refreshments. Prices, portions, product selection, and specific brands (except with respect to alcoholic beverages) shall be subject to Landlord's reasonable approval, which shall not be unreasonably withheld, provided that same are generally comparable to those appearing in other clubs at other public sporting arenas where a NHL team play home games consistent with Quality Arena Standards. Subject to Landlord's reasonable approval, Tenant shall also be entitled to use and promote any "private brand products" Tenant may own or control. Tenant will post menus, with prices, in

such places within the Aud Club as may be designated from time to time by Landlord.

5.12 SPECIALTY PRODUCTS.

The Landlord shall have the right to request Tenant to sell specialty products and to otherwise take innovative action to increase sales and/or improve customer satisfaction, provided that Tenant's rental rate (as delineated in Article IV above) with respect to such items is equitably reduced to take into account any differential between the cost of product for such item and the average price of similar items Tenant is then selling.

5.13 APPROVAL PROCEDURE.

No later than 30 days prior to the Commencement of each hockey season, Tenant will provide Landlord with its Business Plan for the ensuing season. Such plan shall include: (a) the menu, portion size, branding and pricing schedule for the Aud Club, (b) appropriate, comparative information with respect to other major arenas in other areas of the country and (c) response to any specific issues or areas of concern as to Aud Club operations brought to Tenant's attention by prior written notice from Landlord. Landlord shall notify Tenant within 10 days following receipt of changes it desires and the reasons therefor. The parties agree to review menus and operating plans informally on a quarterly basis.

5.14 ALTERING FACILITIES.

The Tenant shall not materially alter, add to or in any way vary the facilities or any material alterations or installations without having first obtained the consent in writing of Landlord.

5.15 FAIR WAGES AND HOURS.

The Tenant shall comply with all wage practices and laws of the government of the United States and shall also comply with all Law governing employment and conditions of employment. The Tenant will comply with the terms of the Workers' Compensation Act of the State of New York and any amendments thereto insofar as they are applicable to its operations hereunder.

5.16 ADVERTISING RESTRICTIONS.

The Tenant shall not advertise in any manner other than as reasonably approved by the Landlord in writing and the Tenant shall have no right to use the trademarks, symbols or trade name or name of the Landlord, the Aud Club or the Arena directly or indirectly, in connection with any production, promotion, service or publication without the prior written approval of the Landlord.

The foregoing shall not be construed to limit Tenant's right to use Tenant's logos in the ordinary course of its business on its uniforms, menus, cups and products.

5.17 **PROMOTION OF SALES**:

Tenant shall use all reasonable efforts to enhance sales and maintain and improve profitability of the Aud Club and to perform such acts as may be reasonably necessary to carry out the purposes of this Lease.

5.18 **UNIFORMS**.

The Tenant will use specially designed uniforms for the Arena, featuring the Arena's logo together with Tenant's. The uniform design shall be subject to the mutual agreement of Landlord and Tenant and shall be selected based on both aesthetic and practical consideration. Nothing herein shall be construed as requiring Tenant to design fully "customized" uniforms.

ARTICLE VI

Indemnification and Insurance

6.1 WAIVER OF SUBROGATION RIGHTS.

Notwithstanding any other provision of this Lease, it is expressly agreed that neither the Landlord nor Tenant shall be liable to the other, and each such party hereto hereby releases and waives all claims, rights of recovery, and causes of action that either such party or any party claiming by, through or under such party, by subrogation or otherwise, may now or hereafter have against the other party or any of the other party's directors, officers, employees, or agents for any loss or damage that may occur to the Arena, the Aud Club (and/or any and all improvements to either of the foregoing) the Food Concession Facilities and the Equipment, any of the contents of the Premises, the Arena or the Aud Club, or for any interruption in the business of either of them, if sustained by reason of fire, (even if such fire is the result of the negligence or gross negligence of either of the parties hereto or any one or more of their directors, officers, employees or agents), or if sustained by reason of storm damage or the elements, or by other casualty to the extent that such loss or damage is of a type that is, by its nature, recoverable by insurance (including any deductible), regardless of whether any policy is actually in effect. Both the Landlord and Tenant shall cause their respective insurance carriers to include provisions in all applicable policies authorizing the waiver of any rights by way of subrogation each might have against the other.

6.2 INDEMNIFICATION.

The Tenant and the Landlord (the "First Party") each agree to indemnify, defend and save and hold harmless the other (the "Second Party") from and against all suits and claims that may be based on any injury or alleged injury to any person (including death) or to the property of any person not a party hereto, that may arise, or that may be alleged to have arisen out of the negligence or intentional action of the First Party or that of its employees, servants or agents. In any such event, the First Party, at its own cost and expense, shall pay all reasonable charges of attorneys and all costs and other expenses arising therefrom or incurred by the Second Party in connection therewith. The foregoing indemnity shall not apply with respect to any injuries which may be alleged to have arisen out of the negligence or intentional action of the First Party if and to the extent the same shall be ultimately determined to have arisen out of the negligence or intentional action of the Second Party.

6.3 TENANT'S INSURANCE.

(a) The Tenant shall carry: (i) Worker's Compensation insurance in such amount as is required by the laws of the State of New York (ii) public liability insurance (commercial, liquor, consumer's product liability and automobile liability coverages) with limits of not less than $2,000,000 covering each person and $2,000,000 covering each occurrence and property damage liability insurance, with limits of not less than $1,000,000 covering each occurrence and $3,000,000 in the aggregate (with no exclusion for liability assumed by contract) , (iii) dram shop liability insurance of not less than $1,000,000 covering each person and $3,000,000 covering each occurrence, (iv) excess liability insurance in the amount of $10,000,000 (such limit shall be in excess of the coverage limits provided in subparagraphs (i) through (iii), inclusive); and (v) blanket crime insurance covering its employees in a minimum amount of $500,000. The Tenant shall deliver to Landlord prior to taking occupancy and commencing operations hereunder and then on or prior to, the expiration date of any then existing policies in the future during the Term hereof, a certificate or certificates evidencing that such insurance coverages are in effect for a period of not less than one year from the date of such certificate. All policies shall contain a clause providing in substance that such policies shall not be cancelled or any material provisions thereof amended adversely to the Landlord unless they shall have been first given at least thirty (30) days advance notice of such termination or of any such proposed amendment. Tenant shall cause the Landlord and all mortgagees to be named as an additional insured on its liability insurance policies for liability arising out of Tenant's responsibilities under this Lease, including but not limited to Section 6.2 above.

(b) All such policies may be provided under blanket and/or umbrella policies carried by the Tenant provided that the amounts hereinabove required are in addition to any amounts required to be carried by Tenant pursuant to the Crossroads Concession Agreement for the Arena.

(c) The insurance required by Section 6.3(a) shall be primary insurance and the insurer shall be liable for the full amount of any loss up to the total limit of liability required without the right of contribution of any other insurance coverage held by the Landlord.

(d) This Section 6.3 is subject to all limitations identified in Sections 6.1 and 6.2, respecting subrogation and indemnification respectively. Nothing in this Section 6.3 shall be construed as requiring liability coverage and/or indemnification of the Landlord or any mortgagees' respective negligence or willful action or omission.

(e) All insurance carriers providing the above coverage for the Tenant must be licensed to do so in New York State. All such carriers must also be rated no lower than "B+" by the most recent Best's Key Rating Guide or Best's Agent's Guide or must be otherwise acceptable to the Landlord.

(f) It is expressly understood and agreed by the Tenant that the insurance requirements specified above contemplate the use of occurrence liability forms. If claims-made coverage is evidenced to satisfy any of these requirements, the Tenant shall be subject to additional requirements as may be reasonably imposed by the Landlord to avoid any potential lapse in protection which is inherent in the use of claims-made coverage.

(g) Notwithstanding the foregoing provisions of this Section 6.3, the Landlord shall have the right to obtain the above-described liability coverage by adding Tenant to its liability policies, if the cost of doing so is less expensive than the coverage Tenant can obtain. In such event, any additional costs incurred by the Landlord for providing Tenant with such coverage shall be treated as an Operating Expense hereunder.

ARTICLE VII

Assignment, Location Change and Attornment

7.1 TENANT'S ASSIGNMENT.

Except as otherwise provided in the Lease, the Tenant shall not, without prior written consent of the Landlord, in its sole discretion, assign or sublet this Lease or any of its rights or duties as Tenant, provided that such written consent shall not

be required where such assignment is to an Affiliate or to any bank a financial institution providing financing to the Tenant. No such assignments shall relieve Tenant of its obligations hereunder without the express prior written consent of Landlord, in its sole discretion.

7.2 LANDLORD ASSIGNMENT.

The Landlord covenants to cause this Lease to be assigned to any transferee of its operations if such transferee shall continue to own/operate a professional NHL hockey franchise at the Arena and cause such transferee to assume the obligations of the Landlord hereunder. Upon acceptance of such assignment, such transferee shall be bound by all of the provisions of this Lease which are applicable to the Landlord and shall be entitled to all of its rights and benefits accruing hereunder. Landlord shall also have the right (a) to assign its rights hereunder to an affiliate of Landlord, and (b) to assign its rights hereunder to secure payment of any indebtedness or other obligations of Landlord. Except as described above, this Lease may not be assigned by the Landlord without the prior written consent of the Tenant. No assignment shall relieve the Landlord of its obligations hereunder without the express prior written consent of Tenant.

7.3 EXCLUSIVE RIGHTS.

The Landlord hereby grant to the Tenant the exclusive rights to any and all food, beverage (alcoholic and non-alcoholic) for a private restaurant or club that may be owned or controlled, directly or indirectly, whether by grant or contract, by its or any of its Affiliates in any venue used by the Landlord's NHL franchise for a period of twenty-one years from September 1, 1995, and such rights, (i) if the Landlord operates its NHL franchise at Buffalo Memorial Auditorium, to be governed by the Aud Club contract for the Memorial Auditorium dated August 31, 1994, or (ii) if the Landlord operates its hockey operations at the Arena, or at any other venue, to be governed by this Lease.

7.4 NHL RIGHTS.

(a) Tenant and Guarantor each hereby agree that nothing contained in this Lease in any way limits the rights of the NHL to bring disciplinary proceedings against the Club or the rights of the NHL to transfer ownership of, terminate or relocate the Club's NHL franchise pursuant to NHL Rules.

(b) Tenant and Guarantor each hereby agree that nothing in this Lease prohibits the Club from playing exhibition games, Championship games and Stanley Cup Playoff Games constituting Buffalo Sabres home games at any location other than Buffalo Memorial Auditorium or the Arena, as applicable, to the extent

required by NHL Rules or expressly permitted by the Aud Lease or the Hockey Lease as applicable.

(c) The obligations of the Sabre Entities set forth in Section 7.3 of this Lease shall be binding only upon a Franchisee.

(d) Tenant and Guarantor each hereby acknowledge and agree that, notwithstanding anything contained in this Lease or in any other Operative Document to which it is a party or in any other document executed in conjunction with the transactions contemplated by the Operative Documents, any entity or entities that succeed to the ownership or operation of the Club's NHL franchise or any entity or entities that succeed to the ownership of substantially all of the assets of Club, in each case as a result of action taken by the NHL (an "NHL-Sponsored Successor"), including without limitation any action taken by the NHL pursuant to Sections 3.9 and 3.10 of the NHL Constitution (or any successor sections), shall, for only so long as such NHL-Sponsored Successor continues operations of an NHL hockey team at Buffalo Memorial Auditorium or the Arena, as applicable, be bound by the obligations of the Club set forth in this Lease, other than those obligations set forth in Section 7.3 hereof. Any NHL-Sponsored Successor that ceases, at any time, to conduct operations of an NHL hockey team at Buffalo Memorial Auditorium or the Arena, as applicable, shall, as of the date such operations cease, have no further obligations under this Lease and, upon such date, this Lease shall be deemed null and void and of no further force or affect, as to the NHL-Sponsored Successor.

(e) It is acknowledged, understood and agreed that to the extent the provisions hereof relate to the Club (1) this Lease is subject to NHL Rules and (2) in the event of any conflict between the terms of the NHL Rules and this Lease, the terms of the NHL Rules shall prevail; provided, however, and except as may be set forth in the Financing Participants' Cooperation Agreement, nothing in the preceding clauses (1) and (2) is intended to nullify the Club's obligations under Section 7.3 of this Lease except as may otherwise be contemplated therein.

(f) All capitalized terms used in this Section 7.4 and not otherwise defined in this Lease shall have the meaning given to them in that certain Non-Relocation Agreement (Public Sector) dated of even date herewith among the Club, the City of Buffalo, the New York State Urban Development Corporation and the County of Erie.

7.5 ATTORNMENT.

(a) Tenant agrees that all of its rights under this Lease are and will be subject and subordinate to all superior ownership or leasehold interests, mortgages and/or security instruments (collectively referred to as "Senior Liens") that now exist or may later be placed upon the Premises, the Arena, Food Concession Facilities, Equipment, or any of them. Tenant also agrees that if the holder of any such Senior Lien ("Senior Lienors") or if the "Purchaser" of any such interest, requests Tenant to do so, Tenant shall attorn to and establish direct privity of estate and contract with and recognize such Senior Lienor or Purchaser as the successor to Landlord under this Lease with respect to the property rights involved.

(b) In consideration for the foregoing, and as a precondition to the effectiveness of Tenant's obligations under this Lease, the Landlord, Buffalo Sabres Concessions LLC, the Public Participants, the Developer, the Concession Lenders, and the Construction Lenders have executed and delivered to the Tenant the Non-Disturbance and Attornment Agreement dated as of May 10, 1995 (the "Non-Disturbance Agreement"), which is hereby incorporated herein, as if fully set forth herein.

(c) In the event the Landlord does not commence or has ceased playing NHL hockey home games at the Arena on a permanent basis, and the Construction Lenders or the Public Participants, or any one of them, or their successors and assigns (the "New Landlord") assume or otherwise acquire any duties or obligations of the Landlord under this Lease pursuant to the Non-Disturbance Agreement or otherwise, then, notwithstanding anything in this Lease or the Non-Disturbance Agreement to the contrary:

(i) the New Landlord shall have no affirmative obligation to cause professional hockey events or professional sporting events to take place in the Arena;

(ii) The Tenant may, at its option, terminate this Lease upon thirty (30) days written notice to the New Landlord, without further obligation hereunder;

(iii) The Tenant's and New Landlord's respective rights and obligations under this Lease may be deferred for a period not to exceed one (1) year, at Tenant's election, in its sole discretion, until such time NHL hockey home games or other acceptable national sporting events take place at the Arena, and in such event, the Term hereof shall be automatically extended for the period of such deferral;provided, however, that in the event Tenant elects such deferral, the Tenant shall have the first right to provide such services on such terms and conditions as Tenant and

New Landlord might agree during such deferral period and in the event the Tenant and the New Landlord do not so agree, the New Landlord may during such deferral period engage another concession operator to provide concession services on such terms and conditions as the New Landlord and such concession operator might agree;

(iv) Unless the Tenant has elected to terminate this Lease under subparagraph (ii) above, (A) if the New Landlord elects not to operate the Arena, the New Landlord's and the Tenant's respective rights and obligations shall be automatically deferred during the period that the Arena is not operated, and (B) if the New Landlord elects to operate the Arena, subject to Tenant's rights to terminate under subparagraph (ii) or to defer under subparagraph (iii), Tenant shall perform its obligations under this Lease subject to the provisions of this Section 7.5(c).

(v) If the New Landlord operates events at the Arena without NHL hockey home games, "Quality Arena Standards" shall then mean such standards of quality and performance in effect generally at arenas holding the type of events then held at the Arena;

(vi) Neither the New Landlord nor the Tenant shall have any obligations to each other or any other party pursuant to the second sentence of Section 2.3(a), Section 3.1, Section 3.4, and Section 7.3 of this Lease;

(vii) Only the New Landlord shall have the obligation to perform obligations of the Landlord hereunder, except for maintenance of the Arena which obligation shall be the responsibility of the lessor of the Arena from time to time;

(viii) Tenant shall comply with any special agreement relating to the name of the Arena, if Tenant agreed to be bound to such agreement with the Landlord or the Developer; and

(ix) This Lease may be terminated by the Tenant or the New Landlord upon a total casualty or a total Taking.

(d) Neither the Landlord nor the Developer shall amend, terminate or modify any lease prior in right hereto to which any of them is a party, if such amendment would adversely affect any of the Tenant's rights hereunder and the Landlord shall exercise all rights it may have to enforce any of such leases which are prior in right. In the event that the Landlord or the Developer fails to perform any obligation with respect to any lease prior in right hereto, the Landlord shall provide notice to Tenant of such non-performance and, at its option, Tenant shall have the right to cure such non-performance. In such event the Landlord and the Developer shall be liable to the Tenant for all loss, cost, liability and expense (including reasonable attorneys' fees and disbursements)

arising out of such amendment, termination, modification or non-performance.

ARTICLE VIII

Termination

8.1 TERMINATION OF TENANT.

Landlord may terminate this Lease by written notice to such effect for cause in the event: (a) Tenant fails to remit, for a period of fifteen (15) days after receipt of written notice of demand therefor, any sums due and owing to Landlord under Article IV of this Lease (except for such amounts which the Tenant, in good faith, disputes as owing or is permitted to withhold hereunder); or (b) the Crossroads Concession Lease is terminated as the result of a default by Tenant or its affiliate thereunder; or (c) the Tenant fails in a material and substantial manner to meet the standards of performance required of it hereunder or to perform its obligations hereunder where the effect thereof is to deprive Landlord, in a substantial and material manner, of the benefits of this Lease (except where such failure or refusal is due to a "Force Majeure" as described in Article XII hereof) and such failure continues substantially unremedied for a period of thirty days (30) days after receipt of written notice of the particular failure to perform.

8.2 TERMINATION BY TENANT.

In the event (a) the Landlord fails to fulfill, in any material and substantial respect, its obligations hereunder and such failure continues unremedied for thirty (30) days after receipt of written notice of the particular failure (except where such failure or refusal is due to a "Force Majeure" as described in Article XII hereof), or (b) the Crossroads Concession Lease is terminated due to a default by Landlord or its affiliate thereunder, Tenant may terminate this Lease by furnishing Landlord with written notice of its intent to do so.

8.3 GENERAL CURE PERIOD.

If the particular failure to perform under Section 8.1 or Section 8.2 cannot be cured within the applicable curative periods provided above, the breaching party shall have a reasonable time thereafter in which to remedy the problem provided that it is diligently and continuously making any and all reasonable efforts required to correct the problem.

8.4 SETTLEMENT.

Upon termination of this Lease, by lapse of time or otherwise, all matters, rights and liabilities existing on the date of termination between the parties hereto shall be determined by the parties hereto as of such termination date (except as described above), and discharged as promptly as possible thereafter. No termination shall be fully effective until all matters rights and liabilities between the parties are resolved and all debts of the parties, each to the other are fully paid and satisfied.

ARTICLE IX
Casualty Event

9.1 RESTORATION.

After any damage to or destruction of the Arena or any portion of the Arena, Tenant shall continue the operation of its operations hereunder to the extent practicable from the standpoint of good business. To the extent of insurance proceeds available, the Landlord shall make repairs, reconstruction or restoration of any such damage or destruction necessary. In any such event, Tenant shall not be entitled to any monetary or other damages because of any resulting inconvenience or loss. In the event the Landlord does not repair, reconstruct or restore any such damage or destruction to the Arena and the Arena becomes fully or substantially unsuitable for its intended use, this Lease and Tenant's obligations and duties to perform hereunder shall terminate.

9.2 EXTENSION OF TERM.

In the event of any such damage or destruction of the type described in Section 9.1, the Term of this Lease shall be automatically extended in an equitable manner so that all parties shall have the full operational benefit of operating for the entire period originally intended under this Lease. In the event that the Arena is shut down because of the occurrence, the Term shall be extended for a period of time equal to the shutdown period.

ARTICLE X

Arbitration

Any controversy arising out of or relating to this Lease, or relating to any breach hereof, which involves a dispute of $250,000 or less shall be settled by arbitration in Buffalo, New York in accordance with the Commercial Arbitration Rules of the

American Arbitration Association then in effect. One Arbitrator shall be selected by the "strike-off" method. The award rendered by the Arbitrator shall be final and judgment upon the award rendered by the Arbitrator may be entered upon it in any court having jurisdiction thereof. The Arbitrator shall possess the power to issue mandatory orders, and restraining orders in connection with such arbitration, including ordering specific performance. The expense of arbitration shall be borne by the losing party unless otherwise allocated by the Arbitrator. This agreement to arbitrate shall be specifically enforceable under the prevailing Arbitration Law. During the continuance of any arbitration proceedings, the parties shall continue to perform their respective obligations under this Lease.

ARTICLE XI

Condemnation

11.1 ENTIRE TAKING.

In the event of a taking, for any public or quasi-public use, under any statute or by right of eminent domain (a "Taking") of (a) all of the Arena or (b) so much of the Arena so that it no longer can be used for, or restored for, playing NHL hockey games or holding Events, Tenant's obligation to perform under the terms and conditions of this Lease shall cease unless Landlord shall continue at another facility in which case this Lease shall continue in effect at such new facility in the manner and subject to the terms of Section 7.3 hereof.

11.2 COMPENSATION.

In any event, Tenant shall have right to prosecute an action against the condemning authority for compensation for the loss of its leasehold estate and personal property.

ARTICLE XII

Force Majeure

It is expressly understood and agreed that failure or delay on the part of either party hereto in the performance in whole, or in part, of the terms and conditions of this Lease shall not constitute a breach hereof, nor a default hereunder, if such failure or delay is attributable to acts of God, fire, floods, inevitable accident, or riots, insurrection, public commotion, strikes or labor disturbances, embargo, emergency or governmental orders, regulations, actions, priority or other limitations or restrictions, or unforeseen causes interfering with personnel,

sales, source of supplies, production, transportation and delivery, or for any cause beyond the control of either party ("Forces Majeure").

ARTICLE XIII

Miscellaneous

13.1 APPLICABLE LAW.

The Lease shall be governed in all respects by the Laws of the State of New York, without regard to such state's position with respect to Conflict of Laws.

13.2 This Lease and the terms hereof shall be unaffected by any reorganization, merger, recapitalization or change in structure of either party or by any transfer, lease, assignment or other change in ownership of the Landlord.

13.3 BINDING ON.

This Lease shall be binding upon, and inure to the benefit of the parties hereto and their respective successors and assigns, as may be permitted herein.

13.4 WHOLE AGREEMENT.

This Lease and the exhibits attached hereto, contain all of the covenants, promises and agreements between the parties concerning the concession operations at the Aud Club. This Lease all prior agreements, arrangements or understanding, whether written or oral. This Lease may not be amended or modified except in a writing signed by the parties.

13.5 NO JOINT VENTURE.

Nothing hereinabove or elsewhere contained in this Lease shall in any manner be deemed to create a partnership or joint venture relationship between the Landlord and Tenant, or any of their respective Affiliates.

13.6 NOTICES.

All notices required or permitted to be given under the terms of this Lease shall be sent in writing by certified mail, return receipt requested, or by courier service to the parties hereto at their addresses first set forth above or to such other address as the parties may hereinafter designate in writing.

13.7 INVALID SECTIONS.

Any provision of this Lease prohibited or invalidated by a court of competent jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or invalidity without affecting the validity of the remaining provisions of this Lease.

13.8 CONSENTS AND APPROVALS.

Where consent or approval of or authorization (the "Consent") from the Landlord is required hereunder, such Consent shall mean the Consent of the Landlord's on-site general manager. Where Consent of Tenant is required hereunder such Consent shall mean that of its President. Each party agrees that except as otherwise provided in this Lease whenever prior Consent of a proposed action is required, it will not unreasonably withhold or delay such Consent. Failure to provide an explanation for disapproval shall be considered "unreasonable" per se. The foregoing, however, shall not be applicable to an assignment of this Lease by the Tenant. Each party also agrees that if it fails to either approve or disapprove a request for a period of twenty (20) days or longer, the other party shall have the right to construe such silence as Consent.

13.9 ECIDA REQUIREMENTS. During the Term of this Lease, the Tenant agrees that it shall comply with the ECIDA Requirements attached to this Lease as **Exhibit E**.

IN WITNESS WHEREOF, this Lease has been duly executed as of the day and year first above written.

NEW YORK SPORTSERVICE, INC.

By: _____
Michael F. Thompson, President

NIAGARA FRONTIER HOCKEY, L.P.

By: Niagara Frontier Hockey Management Corporation, its General Partner

By: _____

STATE OF NEW YORK)
SS:
COUNTY OF ERIE)

On this 22d day of May, 1995, before me personally came Michael F. Thompson, to me known, who, being by me duly sworn, did depose and say that he resides at 208 Viscount Drive, Williamsville, New York; that he is the President of NEW YORK SPORTSERVICE, INC.; the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that he signed his name thereto by like order.

_____
Notary Public

JANET M NOVAKOWSKI GABEL
Notary Public, State of New York
Qualified in Genesee County
My Commission Expires October 31 19 95

STATE OF NEW YORK)
COUNTY OF ERIE) SS.:

On this 23rd day of May, 1995, before me personally came Daniel J. DiPofi, to me known, who, being by me duly sworn, did depose and say that he resides at 428 Chicora Road, Lewiston, New York; that he is the Vice President of Finance of NIAGARA FRONTIER HOCKEY MANAGEMENT CORPORATION, the general partner of NIAGARA FRONTIER HOCKEY, L.P., described in, and which executed, the foregoing instrument; and that he signed his name thereto by order of the board of directors of the General Partner of the limited partnership.

Notary Public

JANET M. NOVAKOWSKI GABEL
Notary Public State of New York
Qualified in Genesee County
My Commission Expires October 31 19 95

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EXHIBITS

A	-	Premises
B	-	Aud Club
C	-	Affirmative Action Plan
D	-	Memorandum of Lease
E	-	ECIDA Requirements

EXHIBIT A

PREMISES

PARCEL I

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Outer Lots Nos. 76, 77 and 78, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) as it formerly existed and the easterly line of Main Street (99 feet wide); thence southerly along the easterly line of Main Street 328.76 feet to the north line of South Park Avenue (66 feet wide) as presently laid out; thence southeasterly along the said northerly line of South Park Avenue 285.87 feet to an angle point; thence continuing southeasterly at an interior angle of 161° 35′ 40" along the said northerly line of South Park Avenue 503.54 feet to the intersection of the said northerly line of South Park Avenue and westerly line of Illinois Street (50 feet wide); thence northerly along the westerly line of Illinois Street 660.35 feet to the intersection of the westerly line of Illinois Street and the southerly line of Perry Street (66 feet wide) as presently laid out; thence westerly along the said southerly line of Perry Street and continuing along the southerly line of Perry Street as it formerly existed 704.93 feet to the point or place of beginning.

TOGETHER with all right, title and interest in Illinois Street to the centerline thereof.

PARCEL II

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Lot No. 75, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) and the easterly line of Mississippi Street (60 feet wide); running thence easterly along the southerly line of Perry Street 195.0 feet to the westerly line of Baltimore Street (40 feet wide); thence southerly along the westerly line of Baltimore Street 672.10 feet to the northerly line of South Park Avenue (66 feet wide); thence westerly along the northerly line of South Park Avenue 195.0 feet to the easterly line of Mississippi Street; thence northerly along the easterly line of Mississippi Street 672.47 feet to the point or place of beginning.

TOGETHER with all right, title and interest in Mississippi Street and Baltimore Street to the centerlines thereof.

PARCEL III

ALL THAT TRACT OR PARCEL OF LAND situate in the City of Buffalo, County of Erie and State of New York, being part of Lots Nos. 74 and 75, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) and the easterly line of Baltimore Street (40 feet wide); thence easterly along the southerly line of Perry Street 113.68 feet to the westerly line of Columbia Street (50 feet wide); thence southerly along the westerly line of Columbia Street 531.8 feet more or less to the north line of lands of Consolidated Rail Corporation by deed recorded in the Erie County Clerk's Office in Liber 1056 of Deeds at page 293; thence westerly along the said north line of Consolidated Rail Corporation 113.68 feet to the easterly line of Baltimore Street; thence northerly along the easterly line of Baltimore Street 532.02 feet more or less to the southerly line of Perry Street and the point or place of beginning.

TOGETHER with all right, title and interest in Baltimore Street and Columbia Street to the centerlines thereof.

PARCEL IV

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Outer Lots Nos. 74 and 75, bounded and described as follows:

BEGINNING at a point in the westerly line of Columbia Street distant 140 feet northerly along said westerly line of Columbia Street from its intersection with the northerly line of South Park Avenue, which point is also the southeast corner of lands conveyed to Higgins Erectors & Haulers, Inc. by deed recorded in the Erie County Clerk's Office in Liber 8470 of Deeds at page 537; thence southerly along the westerly line of Columbia Street 140 feet to the north line of South Park Avenue; thence westerly along the northerly line of South Park Avenue 113.68 feet more or less to the easterly line of Baltimore Street; thence northerly along the easterly line of Baltimore Street 140 feet to the southwest corner of said lands conveyed to Higgins Erectors & Haulers, Inc. by deed aforesaid; thence easterly along the southerly line of said lands conveyed to Higgins Erectors & Haulers, Inc. 113.68 feet more or less to the point of beginning.

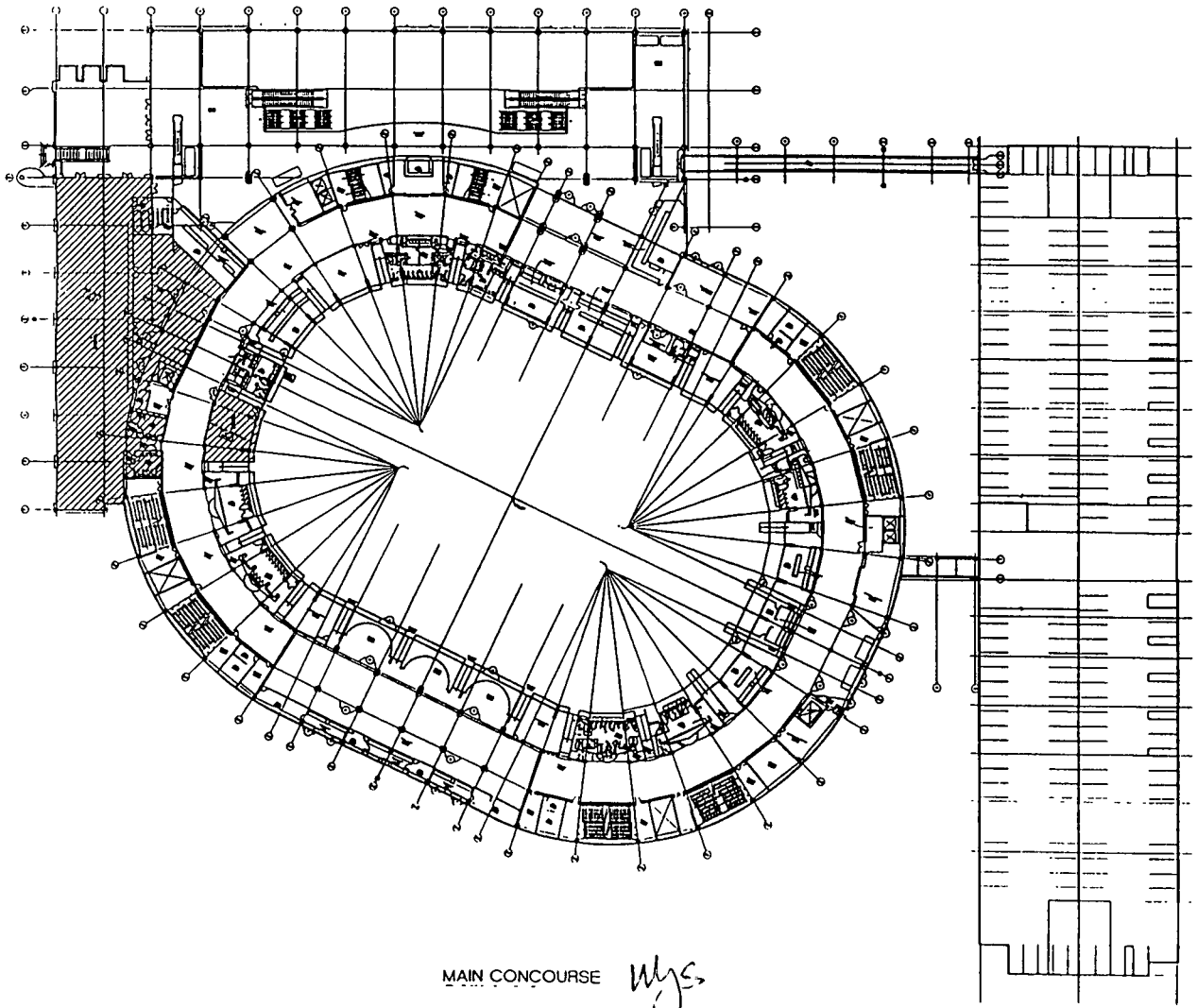
TOGETHER with all right, title and interest in Baltimore Street and Columbia Street to the centerlines thereof.

For Conveyance Only
Together with all right, title and interest of, in and to any streets and roads abutting the above described premises. Our policy of title insurance include such buildings and improvements thereon which by law constitute real property, unless specifically excepted therein.

EXHIBIT **B**

LEGEND

1. AUD CLUB (WITH KITCHEN)
   - 2002 AUD CLUB STORAGE
   - 2014 VESTIBULE
   - 2015 WOMEN'S TOILET
   - 2015A VESTIBULE
   - 2016 MEN'S TOILET
   - 2016A VESTIBULE
   - 2C02 AUD CLUB
   - 2C02A COATS
   - 2C02B AUD CLUB KITCHEN
   - 2C02C OFFICE
   - 2C02D STORAGE



MAIN CONCOURSE

AUD CLUB

EXHIBIT C

AGREEMENT

This Agreement is made this 18th day of October , 1994 by and between the Crossroads Arena Corporation ("CAC"), Niagara Frontier Hockey, L.P. (the "Sabres"), the City of Buffalo, New York ("City"), and the Buffalo Urban Renewal Agency ("BURA").

Whereas, CAC and the Sabres entered into negotiations with the New York State Urban Development Corporation ("UDC"), the County of Erie, New York ("County"), the Erie County Industrial Development Agency ("ECIDA"), the City and BURA (collectively, the "Public Participants") with respect to the financing and construction of a state-of-the-art community entertainment facility referred to as the "Crossroads Arena"; and

Whereas, CAC, the Sabres and the Public Participants entered into a Memorandum of Understanding ("MOU") regarding the financing and construction of such arena, which requires CAC and the Sabres to adopt and implement an Affirmative Action/Equal Opportunity Hiring Plan ("Plan"); and

Whereas, CAC and the Sabres have negotiated the terms of the Plan with the City, as the representative of the Public Participants; and

Whereas, the Plan, attached hereto as Exhibit A, was filed with the City Clerk's office on October 14, 1994;

Now Therefore, it is hereby agreed that CAC and the Sabres shall adopt and implement the Plan, attached hereto as Exhibit A, in accordance with its terms.

CAC

By: _____

SABRES

By: _____

CITY

By: _____
MAYOR

BURA

By: _____
CHAIRMAN

EXHIBIT C

CROSSROADS ARENA CORPORATION

AFFIRMATIVE ACTION/EQUAL OPPORTUNITY HIRING PLAN

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I. Policy

It is the policy of the Crossroads Arena Corporation ("CAC"), consistent with applicable law, that equal opportunity be provided to minority group members, women, minority-owned business enterprises ("MBEs") and women-owned business enterprises ("WBEs") to participate in the business opportunities generated by the Crossroads Arena Project ("Project").

This Affirmative Action/Equal Opportunity Hiring Plan ("Plan") has been adopted to ensure equal employment opportunities for minority group members and women and the opportunity for meaningful participation of MBEs and WBEs in connection with the Construction of the Crossroads Arena and the Operation of the Crossroads Arena so that the recipients of the benefits of the business opportunities generated by the Project will reflect the diversity of the City of Buffalo.

In order to achieve these objectives, CAC has adopted a plan of equal employment opportunities and good faith efforts to achieve participation by minority group members and women. MBE and WBE participation goals are expressed as a percentage of the total dollar value of all expenditures, barters, trades-in-kind and offsets made in connection with the Project including, without limitation, all Contracts awarded in connection with the Construction of the Crossroads Arena and all Contracts for the furnishing of labor, services, materials, supplies, equipment, fixtures, and furnishings, and in connection with the Operation of the Crossroads Arena. The participation goals are 20% participation by MBEs, 5% participation by WBEs and 25% combined minority and women work force participation. These participation percentages are numerical objectives to be pursued by good faith efforts. The achievement of the above stated numerical objectives shall not be assumed to be compliance with the Plan nor shall the failure to achieve the above stated numerical objectives be assumed to be noncompliance with the Plan.

II. Definitions

For purposes of this Plan, the following terms shall have the meaning set forth below:

1. "Minority group member" shall mean a United States citizen or permanent resident alien who is and can demonstrate membership in one of the following groups:

(a) Black persons having origins in any of the Black African racial groups;

(b) Hispanic persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American descent of either Indian or Hispanic origin, regardless of race;

(c) Native American or Alaskan native persons having origins in any of the original peoples of North America; and

(d) Asian and Pacific Islander persons having origins in any of the Far East countries, South East Asia, the Indian subcontinent or the Pacific Islands.

2. "Minority-owned business enterprise" shall mean a business enterprise, including a sole proprietorship, partnership or corporation that is:

(a) At least fifty-one percent owned by one or more minority group members;

(b) An enterprise in which such minority ownership is real, substantial and continuing;

(c) An enterprise in which such minority ownership has and exercises the authority to control and operate, independently, the day-to-day business decisions of the enterprise; and

(d) An enterprise authorized to do business in the State of New York and is independently owned and operated.

(e) An enterprise certified as a MBE by the New York State Department of Economic Development, the County or the City.

3. "Women-owned business enterprise" shall mean a business enterprise, including a sole proprietorship, partnership or corporation that is:

(a) At least fifty-one percent owned by one or more citizens or permanent resident aliens who are women;

(b) An enterprise in which the ownership interest of such women is real, substantial and continuing;

(c) An enterprise in which such women ownership has and exercises the authority to control and operate, independently, the day-to-day business decisions of the enterprise; and

(d) An enterprise authorized to do business in the State of New York and which is independently owned and operated.

(e) An enterprise certified as a WBE by the New York State Department of Economic Development, the County or the City.

4. "Contractor" shall mean any individual or business enterprise, including, without limitation, a sole proprietorship, partnership, corporation or not-for-profit corporation which has a Contract with CAC in connection with the Construction of the Crossroads Arena or Operation of the Crossroads Arena, but not a Customer.

5. "Contract" shall mean an agreement providing for a total value in excess of twenty-five thousand dollars with respect to the Construction of the Crossroads Arena or Operation of the Crossroads Arena.

6. "Subcontract" shall mean (a) in the case of a Contract in excess of fifty thousand dollars, an agreement providing for a total expenditure of twenty-five thousand dollars in which a portion of a Contractor's obligation with respect to a Contract is undertaken or assumed by a third party or (b) in the case of a Contract of fifty thousand dollars or less, an agreement providing for a total expenditure of ten thousand dollars in which a portion of a Contractor's obligation with respect to a Contract is undertaken or assumed by a third party.

7. "UDC" shall mean the New York State Urban Development Corporation or its designee.

8. "City" shall mean the City of Buffalo, New York or its designee.

9. "County" shall mean the County of Erie, New York or its designee.

10. "CAC" shall mean a wholly owned subsidiary of the Sabres (or a limited partnership to be formed of which CAC will be the sole managing partner and in which the Sabres will hold substantially all of the limited partnership interests).

11. "Sabres" shall mean Niagara Frontier Hockey, L.P., a Delaware limited partnership whose sole managing general partner is Niagara Frontier Hockey Management Corporation, a New York corporation.

12. "Construction of the Crossroads Arena" shall mean the construction, demolition, replacement, repair, renovation, planning or design of real property or improvements thereon for a state-of-the-art community entertainment center, referred to herein as "the Crossroads Arena".

13. "Operation of the Crossroads Arena" shall mean the functioning of a state-of-the-art community entertainment center, referred to herein as "the Crossroads Arena", but which do not include those activities set forth in the definition of "Construction of the Crossroads Arena".

14. "Customer" shall mean a Person (including but not limited an individual, firm, corporation or partnership) which leases or purchases commodities or services from CAC or the Sabres, regardless of whether such lease, acquisition or purchase satisfies the definition of a Contract. For example and by way of illustration but not limitation, Customers of CAC or the Sabres include advertisers, ticketholders, suite holders, premium seat club holders, performers, sports teams or franchises other than those owned by the Sabres, and entertainers. A Person is not a Customer when such Person is a supplier of commodities or services.

III. Construction of the Crossroads Arena

The provisions of this Section III shall apply during the Construction of the Crossroads Arena. Copies of Section I, II, and III of this Plan shall be provided to each Contractor or subcontractor in connection with the Construction of the Crossroads Arena.

A. Equal Employment Opportunity for Minority Group Members and Women.

CAC shall and shall require each Contractor to specifically agree that:

1. It will not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status, and will undertake or continue existing programs to ensure that minority group members and women are afforded equal employment opportunities without discrimination.

2. It shall request each employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding, to furnish a written statement that such employment agency, labor union or authorized representative will not discriminate on the basis of race, creed, color, national origin, sex, age, disability or marital status and that such employment agency, labor union or authorized representative will affirmatively cooperate in the implementation of the Contractor's obligations herein.

3. It shall state in all solicitations or advertisements for employees that, in the performance of the Contract, all qualified applicants will be afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status.

4. It shall include the provisions of this Section III in every Subcontract in such a manner that the provisions will be binding upon each subcontractor with respect to all of its work in connection with the Construction of the Crossroads Arena.

5. It shall, and shall cause its subcontractors to, make every effort to achieve meaningful participation of minorities and women in its workforce, and shall, and shall require each of its subcontractors, to demonstrate good faith efforts in connection with the Construction of the Crossroads Arena at least as extensive as the following to achieve same:

(a) Ensure and maintain a working environment free of harassment, intimidation and coercion at the Project site(s) and in all facilities at which employees are assigned to work in connection with the Construction of the Crossroads Arena. Foremen, superintendents and/or other supervisory personnel shall be made aware of the obligation to maintain such a working environment.

(b) Establish and maintain a current list of recruitment, training and employment sources for minorities and women, provide written notification to these sources when employment opportunities become available, and provide a reasonable opportunity for such source's response. Such list shall include all employment, recruitment and training sources recommended by CAC and/or UDC.

(c) Maintain a current file of each off-the-street application from minorities or women which includes the name, address and telephone number thereof and the name, address and telephone number of each referral from a union or a recruitment, training or employment source for minorities or women and of the action taken with respect to each individual.

(d) Disseminate the affirmative action/nondiscrimination obligations under this Plan to employment agencies, labor unions or authorized representatives and requesting their cooperation in assisting the Contractor in meeting its obligations, by including a statement that the Contractor is an equal opportunity employer in publications referring to the Contractor and any advertising related to the Contract, including but not limited to any notices of available jobs, and by informing subcontractors of the obligations under this Plan.

(e) Review, before the commencement of construction work at the Project site(s) and at least quarterly thereafter, the affirmative action/nondiscrimination obligations under this Plan with all employees having any responsibility for hiring, assignment, layoff, termination or other employment decisions,

including on-site supervisory personnel such as superintendents and general foremen. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and actions taken.

(f) Direct its recruitment efforts, both oral and written, to community organizations representing the interests of minorities and/or women, to schools with minority students, and to employment, recruitment and training organizations serving minorities and/or women in the Contractor's recruitment area. Such notification shall describe the openings, screening procedures and tests to be used in the selection of workers, apprentices or trainees for work in connection with the Construction of the Crossroads Arena.

(g) Encourage minority and women employees to recruit other minority and women workers and, where reasonable, provide after-school, summer and vacation employment to minority and women students.

(h) Ensure that seniority practices, job classifications, work assignments, collective bargaining agreements and other personnel practices do not have a discriminatory effect by monitoring all personnel and employment related activities to ensure that the affirmative action/nondiscrimination obligations under this Plan are being carried out.

(i) Conduct a review, at least quarterly, of adherence to and performance pursuant to this Plan.

(j) Maintain written documentation of all activities pursuant to this Section III.A. in such form as will enable CAC or UDC to verify compliance therewith. Such documentation shall be retained for a period of one year after completion of the Contract and shall be available to CAC or UDC or their representatives during regular business hours.

B. MBE/WBE Participation.

CAC shall, and shall require each Contractor and subcontractor to, take the following good faith efforts to achieve MBE and WBE participation herein:

1. Actively and affirmatively solicit bids for Subcontracts from qualified MBEs or WBEs, including circulation of solicitations to minority and women contractor associations.

2. Ensure that plans, specifications, requests for proposals and other documents used to secure proposals for the performance of work or supply of materials will be made available in sufficient time for review by prospective MBEs or WBEs.

3. Where economically and technically feasible, divide the work into smaller portions to enhance participation by MBEs and WBEs.

4. Encourage, where economically and technically feasible, the formation of joint ventures, partnerships or other similar arrangements among contractors to enhance participation by MBEs and WBEs.

5. Consult with and use the services of governmental agencies, their consultants, and contractor associations in connection with efforts to fulfill participation goals.

6. Place timely advertisements in appropriate general circulation, trade and minority and women-oriented publications.

7. Make written solicitations in a timely fashion of MBEs and WBEs.

8. Document and maintain a record of all bid solicitations, including solicitations to MBEs and WBEs, and the results thereof.

9. Take such other reasonable measures as CAC or UDC shall direct.

C. Training.

Each Contractor (and CAC, if it engages in construction related activity) shall provide and maintain an on-site training program for the purpose of educating unskilled individuals, occupying entry level positions in specific construction trade procedures and skills required in connection with the Contract. Such training programs shall be initiated upon commencement of the

Contractor's work and continue through the completion of the Contract.

If the Contractor (or CAC, if it engages in construction related activity), in its sole discretion, implements on-site supervisory or management training programs, such Contractor (or CAC as the case may be) shall use its best efforts to include minorities and women in such training programs.

Prior to initiation of any training program, each Contractor shall submit to CAC a detailed written description of the specific components of the training program for CAC's approval and shall receive same prior to commencing the program. CAC shall forward to UDC a copy of all programs it approves within ten (10) days of such approval.

D. Compliance.

1. CAC, if applicable, shall submit to UDC or its designated agent, and Contractor shall submit to CAC or its designated agent, with copies to the UDC, compliance reports as approved by UDC. Each compliance report shall include but not be limited to the following information:

(a) The name, address and telephone number of each MBE and WBE being used or intended to be used to comply with the participation goals;

(b) A brief description of the Contract scope of work to be performed by each MBE and WBE and the scheduled dates for performance;

(c) A statement of whether there is a written agreement with each MBE and WBE being used or intended to be used and, if requested, copies of such agreements;

(d) The actual total cost of each Contract, the work performed and the materials provided, and the scope of work to be performed by each MBE and WBE for each Contract;

(e) The actual amounts of any payments made to each MBE and WBE as of the date the compliance report was submitted; and

(f) The percentage of total MBE and WBE contractors, subcontractors, vendors and suppliers utilized for the Construction of the Crossroads Arena and total contract value such percentages constitute.

2. During the initial construction of the Crossroads Arena, CAC or UDC may conduct a semi-annual audit and compliance review at such time and in such manner as it deems necessary in order to review compliance with this Plan. Thereafter, CAC or UDC may annually conduct an audit and compliance review in order to review compliance with this Plan.

3. Contractor will incorporate or cause to be incorporated the requirements of this Plan in all of its Subcontracts entered into in connection with the Construction of the Crossroads Arena in such manner as will require each subcontractor to comply with this Plan.

4. For purposes of determining the contract value of work performed by MBEs and WBEs, all contracts, whether awarded directly by CAC, by a Contractor, or awarded by the subcontractor of a Contractor, shall be considered. The following standards shall apply in determining the dollar value of any contract involving an MBE or WBE:

(a) Where the MBE or WBE is the Contractor or where the Contractor is a joint venture consisting entirely of MBEs or WBEs, the value shall be 100% of the contract price.

(b) Where the Contractor is a joint venture including one or more MBEs or WBEs as joint venturer(s), the value shall be the contract price multiplied by the percentage which represents the interest of the MBEs or WBEs in the venture.

(c) Where the MBE or WBE is a Contractor which subcontracts work to a party not an MBE or WBE, the value shall be the excess, if any, of the contract price of the work contracted by the MBE or WBE over the contract price of the work subcontracted by such MBE or WBE.

(d) Where the MBE or WBE is a bona fide supplier, the value shall be the price of the materials purchased, provided that if the MBE or WBE acts as a supplier or distributor of goods

manufactured or produced by a party which is not an MBE or WBE, the price paid by the MBE or WBE to the manufacturer or supplier shall be deducted from the price of the materials purchased.

5. In the event CAC or a Contractor is unable to achieve the above-noted MBE and/or WBE participation numerical objectives:

(a) CAC and each Contractor will maintain detailed records of the good faith actions that it and its contractors and subcontractors have taken to achieve the participation goals in such form as will enable CAC or the UDC to determine that Contractor has indeed made such good faith efforts in accordance with this Plan. Records shall include, but not be limited to, those set forth in Sections III.A. and III.B. above.

(b) The Contractor may apply to CAC or its designee (or, if applicable, CAC may apply to UDC or its designee) for a waiver or modification of the Plan's requirements by the submission of a written request for a waiver or modification documenting good faith efforts by the Contractor (or CAC, if applicable) to meet the participation goals of the Plan, which waiver or modification may be granted after careful consideration of the following factors:

(i) The names of general circulation, trade association and minority and women-oriented publications in which bids were solicited;

(ii) The dates bid solicitations for MBE and WBE participation were published in any of the publications identified pursuant to paragraph (i) and the text of the bid solicitation;

(iii) A list of MBEs and WBEs which were solicited in writing to provide bids;

(iv) Proof of dates on which such solicitations were made in writing and copies of solicitations made, or a sample copy of the solicitation if an identical solicitation was made of all MBEs and WBEs;

(v) Copies of responses made by MBEs and WBEs to solicitations made by (CAC or) the Contractor;

(vi) A description of any contract documents, plans, or specifications made available to MBEs and WBEs for purposes of soliciting their bids, and the dates and manner in which these documents were made available;

(vii) Documentation of any negotiations between CAC or the Contractor and MBEs and WBEs;

(viii) With respect to the recruitment efforts undertaken to identify and hire supervisory employees, evidence of good faith efforts may include, but not be limited to, CAC's, the Contractor's and each subcontractor's participation at women and minority job fairs, each party's utilization of employment and job placement agencies, each party's encouragement of its women and minority supervisory personnel to solicit other employees, and, the number of interviews granted to qualified applicants;

(ix) Any other information determined relevant by CAC or the Contractor; and

(x) A statement setting forth CAC's or the Contractor's bases for requesting a waiver or modification.

6. Each Subcontract entered into for the Construction of the Crossroads Arena shall include a provision that CAC and UDC shall be deemed third-party beneficiaries of the provisions included in such Subcontract pursuant to this Plan and shall have the full right of enforcement thereof. Nothing contained in this Plan shall be construed to create any third party beneficiary right in any party other than as expressly provided herein.

E. Sanctions.

In the event Contractor fails to comply with the provisions of this Plan, CAC may withhold payment of any amounts due, suspend, cancel or terminate any Contract without incurring any penalty or damage on account of such action and without any further liability.

IV. Operation of the Crossroads Arena

The provisions of this Section IV shall apply during the Operation of the Crossroads Arena. Copies of Section I, II and IV of this Plan shall be provided to each Contractor or subcontractor in connection with the Operation of the Crossroads Arena.

A. Equal Employment Opportunity for Minority Group Members and Women.

1. CAC shall and shall require the Sabres and each Contractor to specifically agree that:

(a) It will not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status, and will undertake or continue existing programs to ensure that minority group members and women are afforded equal employment opportunities without discrimination.

(b) It shall request each employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding, to furnish a written statement that such employment agency, labor union or authorized representative will not discriminate on the basis of race, creed, color, national origin, sex, age, disability or marital status and that such employment agency, labor union or authorized representative will affirmatively cooperate in the implementation of the obligations herein.

(c) It shall state in all solicitations or advertisements for employees that all qualified applicants will be afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status.

2. Each Contractor will include the provisions of this Section IV in every Subcontract in such a manner that the provisions will be binding upon each subcontractor with respect to all of its work in connection with a Contract.

3. CAC, the Sabres (except as to hockey players, scouts and coaches, the hockey general manager, assistant general manager and

trainers of the Sabres), and each Contractor and subcontractor shall make every effort to achieve meaningful participation of minorities and women in its work force, and will demonstrate good faith efforts at least as extensive as the following to achieve same:

(a) Ensure and maintain a working environment free of harassment, intimidation and coercion in all facilities at which employees are assigned to work and ensure that all supervisory personnel are aware of and carry out the obligation to maintain such a working environment with specific attention to minorities and women working at such site(s) or in such facilities.

(b) Establish and maintain a current list of recruitment, training and employment sources for minorities and women, provide written notification to these sources when employment opportunities become available, and provide a reasonable opportunity for such source's response. Such list shall include all employment, recruitment and training sources recommended by CAC and/or UDC.

(c) Maintain a current file of each off-the-street application from minorities or women which includes the name, address and telephone number thereof and the name, address and telephone number of each referral from a union or a recruitment, training or employment source for minorities or women and of the action taken with respect to each individual.

(d) Disseminate the affirmative action/nondiscrimination obligations under this Plan to employment agencies, labor unions or authorized representatives and requesting their cooperation and assistance in meeting the obligations under this Plan, by including a statement that it is an equal opportunity employer in advertising and notices of available jobs with CAC, the Sabres or the Contractor, and by informing subcontractors of the obligations under this Plan.

(e) Review, at least annually, the affirmative action/nondiscrimination obligations under this Plan with all employees having any responsibility for hiring, assignment, layoff, termination or other employment decisions, including on-site supervisory personnel such as superintendents and general foremen. A written record shall be made and maintained identifying the time

and place of these meetings, persons attending, subject matter discussed, and actions taken.

(f) Direct recruitment efforts, both oral and written, to community organizations representing the interests of minorities and/or women, to schools with minority students, and to employment, recruitment and training organizations serving minorities and/or women in the Western New York area. Written notification may include a description of the openings, screening procedures and tests to be used in the selection of workers, apprentices or trainees.

(g) Encourage minority and women employees to recruit other minority and women workers and, where reasonable, provide afterschool, summer and vacation employment to minority and women students.

(h) Ensure that seniority practices, job classifications, work assignments, collective bargaining agreements and other personnel practices do not have a discriminatory effect by monitoring all personnel and employment related activities to ensure that the affirmative action/nondiscrimination obligations under this Plan are being carried out.

(i) Conduct periodic reviews, of adherence to and performance pursuant to this Plan.

(j) Maintain written documentation of all activities pursuant to this Section IV.A. in such form as will enable verification of compliance therewith. Such documentation shall be retained for a period of one year and shall be available to CAC, UDC or their designees during regular business hours.

B. MBE/WBE Participation.

1. With respect to the Operation of the Crossroads Arena, CAC will, and will require its Contractors and subcontractors (other than the Sabres) to, take the following good faith efforts to achieve MBE and WBE participation herein:

(a) Actively and affirmatively solicit bids for Contracts and Subcontracts from qualified MBEs or WBEs, including circulation of solicitations to minority and women contractor associations.

(b) Ensure that plans, specifications, requests for proposals and other documents used to secure proposals for the performance of work or supply of materials will be made available in sufficient time for review by prospective MBEs or WBEs.

(c) Where economically and technically feasible, divide the work into smaller portions to enhance participation by MBEs and WBEs.

(d) Encourage, where economically and technically feasible, the formation of joint ventures, partnerships or other similar arrangements to enhance participation by MBEs and WBEs.

(e) Consult with governmental agencies, their consultants and contractor associations in connection with efforts to fulfill participation goals.

(f) Place timely advertisements in appropriate general circulation, trade and minority and women-oriented publications.

(g) Make written solicitations in a timely fashion of MBEs and WBEs.

(h) Document and maintain a record of all Contract solicitations, including solicitations to MBEs and WBEs, and the results thereof.

2. The Sabres shall develop and periodically update a list of qualified MBEs and WBEs to which it shall refer, prior to purchasing supplies or materials, in order to create business opportunities for such firms, and to provide such list to CAC. The Sabres may seek the assistance of the City, County and New York State in the development of such list of qualified MBEs and WBEs.

C. Training.

With respect to the Operation of the Crossroads Arena, CAC, if appropriate and applicable, and each Contractor shall provide and maintain an on-site program for the purpose of educating unskilled individuals occupying entry level positions in specific skills required in connection with the Contract. Each Contractor shall submit to CAC and, if applicable, CAC shall submit to UDC a detailed written description of the specific components of the

training plan for CAC's and/or UDC's approval and shall receive same prior to commencing the program. CAC shall forward to UDC, or its designee, a copy of all programs it approves within ten (10) days of such approval.

If the labor market is not providing qualified minority or women candidates for supervisory positions, training programs which are funded by the federal, state, county or city government or other public or private agencies may be implemented.

If a Contractor (or CAC, if appropriate and applicable), in its sole discretion, implements on-site supervisory or management training programs, such Contractor (or CAC) shall use its best efforts to include minorities and women in such training programs.

D. Compliance.

1. CAC or UDC may annually conduct an audit and compliance review of CAC or the Sabres at such time and in such manner as it deems necessary in order to review compliance with this Plan.

2. CAC and each Contractor shall incorporate or cause to be incorporated the requirements of this Plan in all of its Contracts or Subcontracts entered into in connection with a Contract in such manner as will require each subcontractor to comply with this Plan.

3. Contractors and the Sabres will submit to CAC, and CAC, if applicable, to UDC, compliance reports which shall describe all steps which have been taken to comply with this Plan, including, where applicable:

(a) The name, address and telephone number of each MBE and WBE which CAC or Contractor is using or intends to use to comply with the participation goals;

(b) A brief description of the Contract scope of work to be performed for CAC or Contractor by each MBE and WBE and the scheduled dates for performance;

(c) A statement of whether CAC, the Sabres or Contractor have a written agreement with any MBE and WBE which CAC, the Sabres or Contractor is using or intends to use and, if requested, copies of such agreements;

(d) The actual total cost of any Contract or Subcontract, the work performed and the materials provided, and the scope of work to be performed by each MBE and WBE for each Contract or Subcontract;

(e) The actual amounts of any payments made to each MBE and WBE as of the date the compliance report was submitted; and

(f) A report detailing compliance with the Equal Employment Opportunity provisions of this Section IV.

4. For purposes of determining the contract value of work performed by MBEs and WBEs, all contracts, whether awarded directly by CAC or by Contractors or subcontractors, shall be considered. The following standards shall apply in determining the dollar value of any contract involving an MBE or WBE:

(a) Where the MBE or WBE is the Contractor or where the Contractor is a joint venture consisting entirely of MBEs or WBEs, the value shall be 100% of the contract price.

(b) Where the Contractor is a joint venture including one or more MBEs or WBEs as joint venturer(s), the value shall be the contract price multiplied by the percentage which represents the interest of the MBEs or WBEs in the venture.

(c) Where the MBE or WBE is a Contractor which subcontracts work to a party not an MBE or WBE, the value shall be the excess, if any, of the contract price of the work contracted by the MBE or WBE over the contract price of the work subcontracted by such MBE or WBE.

(d) Where the MBE or WBE is a bona fide supplier, the value shall be the price of the materials purchased, provided that if the MBE or WBE acts as a supplier or distributor of goods manufactured or produced by a party which is not an MBE or WBE, the price paid by the MBE or WBE to the manufacturer or supplier shall be deducted from the price of the materials purchased.

5. In the event CAC, the Sabres or a Contractor is unable to achieve the above-noted equal employment opportunity or MBE/WBE participation numerical objectives:

(a) Detailed records of the good faith actions that it has undertaken to achieve the goals shall be maintained in such form as will enable CAC or the UDC to determine that such good faith efforts have been undertaken. Records shall include, but not be limited to, those set forth in Sections IV.A. and IV.B. above.

(b) The Contractor or the Sabres may apply to CAC, or in the case of CAC, it may apply to UDC, for a waiver or modification of the Plan's requirements by the submission of a written request for a waiver or modification stating the bases for such request and documenting good faith efforts to meet the goals of the Plan, which waiver or modification may be granted after careful consideration of the relevant following factors:

(i) The names of general circulation, trade association and minority and women-oriented publications in which employment opportunities were advertised or bids solicited.

(ii) The dates, employment opportunities or bid solicitations for MBE and WBE participation were published in any of the publications identified pursuant to paragraph (i) and its text.

(iii) A list of MBEs and WBEs which were solicited in writing to provide bids.

(iv) Proof of dates on which such solicitations were made in writing and copies of solicitations made, or a sample copy of the solicitation if an identical solicitation was made of all MBEs and WBEs.

(v) Copies of responses made by MBEs and WBEs to solicitations.

(vi) A description of any contract documents, plans, or specifications made available to MBEs and WBEs for purposes of soliciting their bids, and the dates and manner in which these documents were made available.

(vii) Documentation of any negotiations between CAC, the Sabres or Contractor with MBEs and WBEs.

(viii) The nature of all recruitment efforts undertaken to identify and hire management and other employees. Such efforts shall include, but not be limited to, CAC's, or the Sabres or the Contractor's the participation at women and minority job fairs, utilization of employment and job placement agencies, encouragement of their women and minority management personnel to solicit other management and non-management employees.

(ix) The number of job applications received by CAC, the Sabres and Contractor for all positions, both management and non-management. The number of interviews granted to such applicants.

(x) Any other relevant information.

6. Each Contract or Subcontract shall include a provision that CAC, UDC and the City shall be deemed third-party beneficiaries of the provisions included in such Contract or Subcontract pursuant to this Plan and shall have the full right of enforcement thereof. Nothing contained in this Plan shall be construed to create any third party beneficiary right in any party other than as expressly provided herein.

E. Failure to Comply.

In the event CAC or the Sabres is notified of its failure to meet the provisions of this Plan, CAC or the Sabres will take appropriate steps to correct such deficiencies and will notify the City (as the designee of UDC), in writing, of the steps taken to remedy such deficiencies. The City (as the designee of UDC) reserves the right to suggest reasonable steps to correct such deficiencies.

V. City, UDC and County Cooperation and Dissemination of the Objectives of this Plan

The City, County and UDC shall support CAC, Contractors, and the Sabres in working with applicable unions to obtain greater affirmative action and equal employment opportunities in accordance with this Plan. Similarly, CAC and the Sabres shall provide copies of Section I of this Plan or a similar policy statement to Customers.

VI. Modifications

This Plan shall not be altered without the written consent of the City (as the designee of UDC).

EXHIBIT D

MEMORANDUM OF LEASE

The undersigned, NIAGARA FRONTIER HOCKEY, L.P. (the "Landlord"), a New York limited partnership with an office at 140 Main Street, Buffalo, New York 14202 and NEW YORK SPORTSERVICE, INC. (the "Tenant"), a New York Corporation with an office 438 Main Street, Buffalo, New York 14202, entered into the Crossroads Arena Aud Club Concession Lease dated as of May 10, 1995 (the "Lease") for the lease of certain portions of the Premises, as described in **Exhibit A** attached hereto. The Crossroads Arena (the "Crossroads Arena") is to be constructed on the Premises. All capitalized terms not specifically defined herein shall have such meaning as is set forth in the Lease.

Such Lease covers those areas of the Premises shown on **Exhibit B** attached hereto (the "Aud Club").

Such Lease provides for the rental of the Aud Club from the Landlord and for the payment by the Tenant of rent payable pursuant to such Lease over a lease term continuing until the last day of the twentieth (20th) Lease Year, unless such term is earlier terminated or extended as provided therein.

IN WITNESS WHEREOF, the undersigned have caused this Memorandum of Lease to be executed in their respective names as of May ___, 1995.

NEW YORK SPORTSERVICE, INC.

By:_____

NIAGARA FRONTIER HOCKEY, L.P.

By: Niagara Frontier Hockey Management Corporation, its General Partner

By:_____

STATE OF NEW YORK)
SS:
COUNTY OF ERIE)

On this _____ day of May, 1995, before me personally came Michael F. Thompson, to me known, who, being by me duly sworn, did depose and say that he resides at 208 Viscount Drive, Williamsville, New York; that he is the President of NEW YORK SPORTSERVICE, INC.; the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that he signed his name thereto by like order.

_____
Notary Public

STATE OF NEW YORK)
SS:
COUNTY OF ERIE)

On this ____ day of May, 1995, before me personally came ____ _____, to me known, who, being by me duly sworn, did depose and say that __he resides at _____ _____, that __he is the _____ of Niagara Frontier Hockey Management Corporation, the corporate general partner of NIAGARA FRONTIER HOCKEY, L.P., the limited partnership described in and which executed the foregoing instrument; that __he knows the seal of said corporation; the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and the __he signed h___ name thereto by like order as an officer of the corporate general partner of the partnership described herein.

_____
Notary Public

EXHIBIT E

ECIDA REQUIREMENTS

1. Tenant shall operate the Aud Club as a qualified "project" in accordance with and as defined in the New York State Industrial Development Agency Act (Title 1 of Article 18-A of the General Municipal Law), as amended, and Chapter 293 of the 1970 Laws of New York, as amended.

2. The consummation of the transaction contemplated by this Lease will not result in the removal of a facility of Tenant from one area of the State of New York to another area of the State of New York, and the Aud Club is reasonably necessary to discourage Tenant from removing its operations to a location outside the State of New York and to preserve the competitive position of Tenant in its industry.

3. Tenant shall furnish to ECIDA such information as ECIDA shall reasonably request regarding employment (past, present and future) at the Aud Club.

4. Except as otherwise provided by collective bargaining contracts or agreements, new employment opportunities created at the Aud Club (whether by Tenant or any sublessee or licensee of Tenant) shall be listed by Tenant (or, if applicable, by such other sublessee or licensee) with the New York State Department of Labor Community Services Division, and with the administrative entity of the service delivery area created by the Federal Job Training Partnership Act (P.L. No. 97-300) in which the Premises is located. Except as is otherwise provided by collective bargaining contracts or agreements, Tenant agrees, and shall cause any of its sublessees or licensees to agree, where practicable, to first consider persons eligible to participate in the Federal Job Training Partnership (P.L. No. 97-300) programs who shall be referred by administrative entities of service delivery areas created pursuant to such act or by the Community Service Division of the New York State Department of Labor for such new employment opportunities.

5. Tenant shall include the above provision in any sublease, license or other agreement entered into by Tenant with regard to use or occupancy of the Premises.

MEMORANDUM OF LEASE
(Aud Club Sublease)

The undersigned, NIAGARA FRONTIER HOCKEY, L.P. (the "Landlord"), a New York limited partnership with an office at 140 Main Street, Buffalo, New York 14202 and NEW YORK SPORTSERVICE, INC. (the "Tenant"), a New York Corporation with an office 438 Main Street, Buffalo, New York 14202, entered into the Crossroads Arena Aud Club Concession Lease dated as of May 10, 1995 (the "Lease") for the lease of certain portions of the Premises, as described in **Exhibit A** attached hereto. The Crossroads Arena (the "Crossroads Arena") is to be constructed on the Premises. All capitalized terms not specifically defined herein shall have such meaning as is set forth in the Lease.

Such Lease covers those areas of the Premises shown on **Exhibit B** attached hereto (the "Aud Club").

Such Lease provides for the rental of the Aud Club from the Landlord and for the payment by the Tenant of rent payable pursuant to such Lease over a lease term continuing until the last day of the twentieth (20th) Lease Year, unless such term is earlier terminated or extended as provided therein.

IN WITNESS WHEREOF, the undersigned have caused this Memorandum of Lease to be executed in their respective names as of May 10, 1995.

NEW YORK SPORTSERVICE, INC.

By: _____
Michael F. Thompson, President

NIAGARA FRONTIER HOCKEY, L.P.

By: Niagara Frontier Hockey Management Corporation, its General Partner

By: _____

STATE OF NEW YORK)
COUNTY OF ERIE) SS.:

On this 22d day of May, 1995, before me personally came Michael F. Thompson, to me known, who, being by me duly sworn, did depose and say that he resides at 208 Viscount Drive, Williamsville, New York; that he is the President of NEW YORK SPORTSERVICE, INC.; the corporation described in and which executed the above instrument; and that he signed his name thereto by order of the Board of Directors.

Notary Public

JANET M NOVAKOWSKI GABEL
Notary Public, State of New York
Qualified in Genesee County
My Commission Expires October 31 19 95

STATE OF NEW YORK)
COUNTY OF ERIE) SS.:

On this 23rd day of May, 1995, before me personally came Daniel J. DiPofi, to me known, who, being by me duly sworn, did depose and say that he resides at 428 Chicora Road, Lewiston, New York; that he is the Vice President of Finance of NIAGARA FRONTIER HOCKEY MANAGEMENT CORPORATION, the general partner of NIAGARA FRONTIER HOCKEY, L.P., described in, and which executed, the foregoing instrument; and that he signed his name thereto by order of the board of directors of the General Partner of the limited partnership.

Notary Public

JANET M NOVAKOWSKI GABEL
Notary Public State of New York
Qualified in Genesee County
My Commission Expires October 31 19 95

EXHIBIT A

PROJECT REAL PROPERTY

PARCEL I

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Outer Lots Nos. 76, 77 and 78, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) as it formerly existed and the easterly line of Main Street (99 feet wide); thence southerly along the easterly line of Main Street 328.76 feet to the north line of South Park Avenue (66 feet wide) as presently laid out; thence southeasterly along the said northerly line of South Park Avenue 285.87 feet to an angle point; thence continuing southeasterly at an interior angle of 161° 35′ 40" along the said northerly line of South Park Avenue 503.54 feet to the intersection of the said northerly line of South Park Avenue and westerly line of Illinois Street (50 feet wide); thence northerly along the westerly line of Illinois Street 660.35 feet to the intersection of the westerly line of Illinois Street and the southerly line of Perry Street (66 feet wide) as presently laid out; thence westerly along the said southerly line of Perry Street and continuing along the southerly line of Perry Street as it formerly existed 704.93 feet to the point or place of beginning.

TOGETHER with all right, title and interest in Illinois Street to the centerline thereof.

PARCEL II

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Lot No. 75, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) and the easterly line of Mississippi Street (60 feet wide); running thence easterly along the southerly line of Perry Street 195.0 feet to the westerly line of Baltimore Street (40 feet wide); thence southerly along the westerly line of Baltimore Street 672.10 feet to the northerly line of South Park Avenue (66 feet wide); thence westerly along the northerly line of South Park Avenue 195.0 feet to the easterly line of Mississippi Street; thence northerly along the easterly line of Mississippi Street 672.47 feet to the point or place of beginning.

TOGETHER with all right, title and interest in Mississippi Street and Baltimore Street to the centerlines thereof.

PARCEL III

ALL THAT TRACT OR PARCEL OF LAND situate in the City of Buffalo, County of Erie and State of New York, being part of Lots Nos. 74 and 75, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) and the easterly line of Baltimore Street (40 feet wide); thence easterly along the southerly line of Perry Street 113.68 feet to the westerly line of Columbia Street (50 feet wide); thence southerly along the westerly line of Columbia Street 531.8 feet more or less to the north line of lands of Consolidated Rail Corporation by deed recorded in the Erie County Clerk's Office in Liber 1056 of Deeds at page 293; thence westerly along the said north line of Consolidated Rail Corporation 113.68 feet to the easterly line of Baltimore Street; thence northerly along the easterly line of Baltimore Street 532.02 feet more or less to the southerly line of Perry Street and the point or place of beginning.

TOGETHER with all right, title and interest in Baltimore Street and Columbia Street to the centerline thereof.

PARCEL IV

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Outer Lots Nos. 74 and 75, bounded and described as follows:

BEGINNING at a point in the westerly line of Columbia Street distant 140 feet northerly along said westerly line of Columbia Street from its intersection with the northerly line of South Park Avenue, which point is also the southeast corner of lands conveyed to Higgins Erectors & Haulers, Inc. by deed recorded in the Erie County Clerk's Office in Liber 8470 of Deeds at page 537; thence southerly along the westerly line of Columbia Street 140 feet to the north line of South Park Avenue; thence westerly along the northerly line of South Park Avenue 113.68 feet more or less to the easterly line of Baltimore Street; thence northerly along the easterly line of Baltimore Street 140 feet to the southwest corner of said lands conveyed to Higgins Erectors & Haulers, Inc. by deed aforesaid; thence easterly along the southerly line of said lands conveyed to Higgins Erectors & Haulers, Inc. 113.68 feet more or less to the point of beginning.

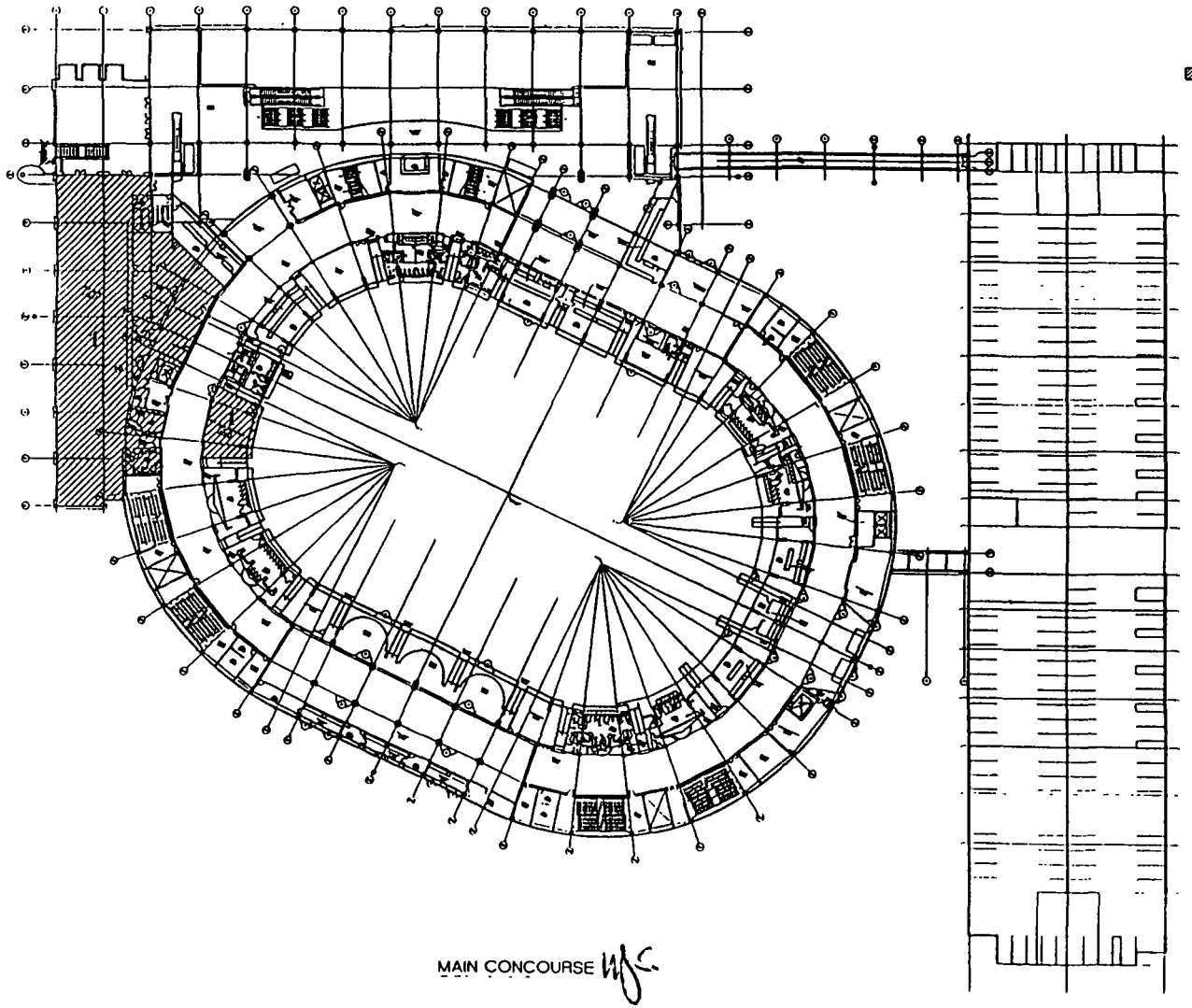
TOGETHER with all right, title and interest in Baltimore Street and Columbia Street to the centerlines thereof.

For Conveyance Only
Together with all right, title and interest of, in and to any streets and roads abutting the above described premises. Our policy of title insurance include such buildings and improvements thereon which by law constitute real property, unless specifically excepted therein.

EXHIBIT B

LEGEND

1. AUD CLUB (WITH KITCHEN)
2002 AUD CLUB STORAGE
2014 VESTIBULE
2015 WOMEN'S TOILET
2015A VESTIBULE
2016 MEN'S TOILET
2016A VESTIBULE
2E02 AUD CLUB
2E02A COATS
2E02B AUD CLUB KITCHEN
2E02C OFFICE
2E02D STORAGE



MAIN CONCOURSE

AUD CLUB

NIAGARA FRONTIER HOCKEY, L.P. and
BUFFALO SABRES CONCESSION LLC
CONCESSION LEASE

THIS LEASE made as of the 10th day of May, 1995, by and between **NIAGARA FRONTIER HOCKEY L.P.,** a Delaware limited partnership (the "Club"), and **BUFFALO SABRES CONCESSION LLC** a New York limited liability company ("Tenant"), all with offices at 140 Main Street, Buffalo, New York 14202.

W I T N E S S E T H:

WHEREAS, pursuant to the Prior Leases Crossroads Arena LLC ("Developer"), a New York limited liability company and affiliate of the Club, has a leasehold interest in the Project Real Property (as hereinafter defined), as described in Exhibit A attached hereto, upon which a facility to be known as The Crossroads Sports and Entertainment Complex, together with related parking lots and/or parking structures is to be constructed pursuant to a Development and Construction Agreement dated the date hereof, by and among the Developer, the New York State Urban Development Corporation, a public benefit corporation created by Chapter 174 of the laws of 1968 ("UDC"), the County of Erie, a municipal corporation of the State of New York ("County"), the Erie County Industrial Development Agency, a public benefit corporation created pursuant to Article 18-A of the General Municipal Law ("ECIDA"), the City of Buffalo, a municipal corporation of the State of New York ("City"), and the Buffalo Urban Renewal Agency, a public benefit corporation created pursuant to Article 15-B of the General Municipal Law ("BURA");

WHEREAS, pursuant to the terms and conditions set forth in that certain lease dated as of the date hereof (the "Hockey Lease") the Developer has leased to the Club certain portions of the Premises (as hereinafter defined) and has, among other things, granted the Club occupancy rights and the exclusive use of the Arena to hold Hockey Events (as defined in the Hockey Lease) on certain designated dates and the exclusive occupancy rights with respect to all Food Concession Facilities and Parking Facilities (both as defined herein) and the sole right to provide Concession Services and Parking Concession Operations (each as defined herein) on the Premises;

WHEREAS, the Club has acquired an additional parcel of land located between Columbia Street and Michigan Avenue as more particularly described in Exhibit B attached hereto (the "Adjacent

Parking Parcel") which will be improved to provide additional surface parking and which will become part of the Parking Lots; and

WHEREAS, Tenant desires to lease from the Club certain portions of the Premises (the "Leased Premises", as hereinafter defined) to operate the Concession Services and Parking Concession Operations.

NOW, THEREFORE, in consideration of the premises hereto and the mutual covenants hereinafter set forth, the parties agree as follows:

ARTICLE 1

Definitions

1.1 Adjacent Parking Parcel: The additional parcel of real property located between Columbia Street and Michigan Street, as described in Exhibit B attached hereto, to be acquired by Landlord and to be used to provide approximately 261 sealed surface parking spaces as part of the Parking Concession Operations hereunder. The Adjacent Parking Parcel shall be included as part of the Parking Lots for all purposes hereunder.

1.2 Affiliate: Any legal or natural person or entity directly or indirectly controlling or controlled by or under direct or indirect common control with a person. For purposes of this definition, "control" when used with respect to any specified entity means the power to direct the management and policies of such entity, directly or indirectly, whether through the ownership of voting securities or rights, by contract, trust, or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

1.3 Architectural Drawings: Certain architectural drawings for the Food Concession Facilities, Leasehold Improvements and Food Service Equipment prepared by Galagher, Craig and Boesing dated October 12, 1994, as revised, and issued by Ellerbe Becket Architects & Engineers, P.C., and certain architectural drawings for Parking Facilities and Parking Equipment prepared by The Krog Corp. dated January 24, 1995.

1.4 Arena: The "Crossroads Arena" to be constructed on the Project Real Property described in Exhibit A and all improvements therein, all with a street address of One Main Street, Buffalo, NY.

1.5 Catering Services: Any and all Food and Beverage Services to Suites and to premium or "club" seating areas, including, but not limited to, services provided in any restaurant, bar or other fixed facility adjacent to or within such areas or servicing only Suites and/or the premium or "club" seating areas.

1.6 Closing Date: The date of execution and delivery of the Prior Leases and the Hockey Lease. The "Closing" shall mean execution and delivery of all of the foregoing documents.

1.7 Common Areas: All loading docks and facilities, elevators, common passage areas, restrooms, and other common areas of the Arena and Premises, and appurtenant easement and access areas thereto, to the extent necessary for Tenant's use of the Leased Premises for Tenant's Concession Services and Parking Concession Operations hereunder.

1.8 Compensation of On-Site Parking Personnel: The total wages and bonuses paid an employee working for Tenant or for Tenant's sublessee(s) in the Parking Lots together with the cost of providing "fringe benefits", employer's share of social security, disability and worker compensation, employer taxes and charges against income. For purposes of this provision fringe benefits include the cost of providing any and all health, disability, welfare and life insurance benefits, maintaining pension plans, profit sharing plans, or other group or individual benefits.

1.9 Concession Lenders: Shawmut Bank, N.A., Fleet Bank, and all other participants, co-lenders or successors from time to time in the Concession Loan to be provided by the Concession Lenders to Tenant.

1.10 Concession Loan: A loan in the amount of Thirty two million, five hundred thousand dollars ($32,500,000.00) from the Concession Lenders to Tenant, the proceeds of which will be advanced to the Developer to be used to construct The Crossroads Sports and Entertainment Complex; the terms of such Concession Loan to be governed by an Interim and Term Concession Loan Agreement between the Concession Lenders and Tenant dated as of the date hereof.

1.11 Concession Services: Any and all Food and Beverage Services in and throughout the Arena (including Catering Services), but excluding any and all Food and Beverage Services in the Excluded Areas.

1.12 Construction Lenders: Marine Midland Bank, Key Bank of New York, and all other participants, co-lenders or successors from time to time in the construction loan to be provided by the Construction Lenders to the Developer.

1.13 ECIDA Requirements: The requirements of the Erie County Industrial Development Agency as described in Exhibit H attached hereto.

1.14 Event: Any exhibition, contest, game, sports activity, concert, entertainment presentation, meeting, convention or other use of the Arena for which Concession Services are to be provided,

including, without limitation, Civic Events as defined in the Hockey Lease.

1.15 Event Days: Days on which Events are held at the Arena.

1.16 Excluded Areas: Those areas of the Arena described in Exhibit E attached hereto to be used by the Club exclusively as provided for herein, including the Video Communications Center (Area 2, Event Floor), Waterfront Market Restaurant (Area 5, Event Floor), Locker Rooms (Area 6, Event Floor), Team Store (Area 8, Event Floor), Club Offices (Area 10, Event Floor, Player Parking (Area 13, Event Floor/Parking Structure), Aud Club (Area 1, Main Concourse), Executive Offices (Area 1, Suite Level), Directors' Room (Area 17, Club Level) and Novelties (Area 7, Upper Concourse).

1.17 Food and Beverage Services: The sale of any and all food and non-alcoholic and alcoholic beverages provided by Tenant hereunder.

1.18 Food Concession Facilities: All those areas of the Arena to be occupied and used exclusively by the Tenant to provide Concession Services hereunder, including, but not limited to, all commissary and food and beverage service storage areas, food and beverage wash areas, pantry areas, kitchens, food preparation and food and beverage cleaning areas, change rooms for food and beverage personnel, concession stands, booths, bars and kiosks, public and service bars and grills, restaurant areas (except those excluded as described below), beer gardens, food and beverage training facilities, offices, money counting and record-keeping rooms dedicated for the food service operations located within the Arena, all as substantially shown on Exhibit C attached hereto together with all Leasehold Improvements related thereto. Those areas of the Arena to be occupied by Mobile Stands shall also be considered Food Concession Facilities, although the location of same will be determined by the Club and Tenant from time to time hereafter. Food Concession Facilities specifically do not include the Excluded Areas.

1.19 Food Service Equipment: All equipment used by Tenant or its sublessee(s) from time to time for the operation of the Concession Services at the Arena under this Lease, including all equipment used for storing food and/or beverages, preparing, cooking, serving, holding, selling, and vending same, warewashing equipment, all inventory control and point of sale equipment (including, but not limited to, hand-held sales units for preferred seating areas), security and surveillance equipment, computer hardware, software and peripherals, registers, telephones and telecommunications equipment, all Mobile Stands, all lifts, transports and motor vehicles used in Concession Services and all bar and beverage equipment, all refrigeration equipment, coolers and walk-ins, all furniture, furnishings and decorations, office furniture and equipment and all other fixed assets located in the

Food Concession Facilities, from time to time, such as signage, graphics and menu boards for concession stands, bars and other public food/beverage service outlets.

1.20 Force Majeure: An Act of God, riot, invasion, insurrection, public commotion, fire, flood, earthquake, accident, government interference, regulation, appropriation or rationing or inability to secure goods and materials or shipments or any other event or condition similar to those enumerated above, beyond the control of the party obligated to perform hereunder.

1.21 GAAP: Generally accepted accounting principles, consistently applied.

1.22 Gov't Participants: BURA, ECIDA, New York State, UDC, the City and the County.

1.23 Gross Food Service Sales: Shall mean the aggregate of all sales revenues derived by Tenant or Tenant's sublessee(s) from providing Concession Services hereunder, including, without limitation, all gratuities not actually paid to employees and service charges received or charged by Tenant for all Food and Beverage Services Sales made under this Lease, including manufacturer's rebates and display payments (but not "pouring rights" payments paid to the Club by non-alcoholic beverage purveyors for the right to be displayed or sold at the Arena) and all revenues received from third-party sublet vendors permitted under Section 5.10 below but excluding (a) applicable sales taxes, (b) all reduced price sales made to employees of the Club and third parties at the written direction of the Club, (c) food and beverage consumed by employees of the Tenant working at the Area and in Parking Lots and to whom Tenant has granted a free meal, (d) all sales of third-party sublet vendors permitted under Section 5.10, below, and (e) a limited list of nonpaying guests of the Club or Tenant, such list to be subject to the mutual approval of the Club and Tenant. Gross Food Service Sales shall include pouring rights fees received by Tenant with respect to the Arena and a pro-rata share of manufacturer's rebates issued to Tenant or Tenant's Affiliates by virtue of brand identification used in the Arena and Tenant shall enjoy all revenue related thereto, subject to paying Rent on all such revenues generated.

1.24 Gross Parking Revenues: All revenues derived by Tenant or by Tenant's sublessee(s) from the Parking Concession Operations hereunder (including, without limitation, all proceeds of parking space pre-sales under Section 5.9(b) below). Sales taxes are not included in Gross Parking Revenues.

1.25 Law: Shall mean all applicable federal, state and local laws, statutes, rules, regulations, ordinances and codes.

1.26 Lease: Shall mean this lease and the leasehold rights granted hereunder.

1.27 Leased Premises: Shall mean the areas of the Premises to be leased exclusively to Tenant hereunder, including the Food Concession Facilities, Parking Facilities and Parking Lots, as shown on Exhibit D attached hereto, and shall include the Food Service Equipment and the Parking Equipment.

1.28 Leasehold Improvements: This shall mean all leasehold improvements now or hereafter constructed for the Food Concession Facilities including, as applicable, all demising walls, doors and doorways, flooring, floor coverings, walls and wall coverings, dropped ceiling grids and tiles, soffits, roll down security grills, general lighting, all exterior and interior finishes, and adequate and necessary Utility Systems related thereto.

1.29 Lease Year: Shall mean each successive period of September 1 through August 31 of the following year occurring during the Term of this Lease, except that the initial Lease Year shall not commence until the first day an Event is held at the Arena and shall terminate on the next succeeding 31st day of August.

1.30 Mobile Stands: This shall mean all portable concession stands and bars, carts and kiosks.

1.31 Parking Concession Operations: Operation of a public parking business by Tenant in the Parking Lots on Event Days and all other days.

1.32 Parking Equipment: All equipment required to operate the Parking Concession Operations.

1.33 Parking Expenses: All actual operating expenses and costs incurred by Tenant or by Tenant's sublessee(s) in the operation and maintenance and/or repair of the Parking Facilities and Parking Equipment and for the operation of the Parking Concession Operations, including, but not limited to, the following:

(a) Compensation of On-Site Parking Personnel for all employees of Tenant or of Tenant's sublessee(s) working in the Parking Concession Operations hereunder.

(b) All supplies, materials, hand tools and equipment used exclusively in the operation and maintenance of the Parking Concession Operations including, but not limited to, janitorial and cleaning supplies.

(c) The costs of providing all services to the Parking Concession Operations including, but not limited to, the following: security, pest control, repair and/or maintenance of Parking Facilities and parking Equipment, general repair and maintenance of

the Parking Lots, rubbish and sewer removal, snow removal, cleaning, landscaping and signage and all costs of leasing equipment, machinery and vehicles for use in or about or for the benefit of the Parking Concession Operations.

(d) Premiums paid on insurance for public and automobile liability and garage keepers legal liability, umbrella liability, workers compensation, fire and extended coverage, business interruption and rental interruption coverage and any other insurance maintained for the benefit of the Parking Concession Operations. A Deductible of $250,000.00 shall be permitted and losses funded as a Parking Expense to the extent of such deductible.

(e) Applicable sales taxes (to the extent included in Gross Parking Revenues under GAAP).

(f) The cost of supplies and expenses, gasoline and oil, consumables or all kinds, telephone service and accounting, personnel, and legal costs and fees.

(g) All other costs of operation, marketing, sales and public relations, including, but not limited to: commissions and finders' fees, purveyor and supplier charges, advertising, printing, photography, travel, transportation, shipping, mailing, permit fees and/or bonds, and reasonable entertainment.

(h) All utility costs, including all water, sewer services and/or usage charges, and all costs of providing power, gas, heat, lighting, ventilation and air-conditioning for the Parking Concession Operations (but only to the extent such utility costs are paid by Tenant).

(i) A cost reimbursement charge payable to Tenant or its sublessee(s) with respect to each Lease Year, for providing field administrative services, equal to 3% of Gross Parking Revenues for any Lease Year received by Tenant for the Club pursuant to Section 5.9(b) below on or before October 1 of such Lease Year and 5% of all other Gross Parking Revenues received by Tenant for such Lease Year.

1.34 Parking Facilities: All booths, service buildings, roadways, asphalted parking surfaces (duly finished and striped) and perimeter security fences to be constructed on or in the Parking Lots to enable Tenant to operate the Parking Concession Operations hereunder.

1.35 Parking Lots: (a) Open air parking lot(s) and covered parking structures, to contain 737 striped and sealed spaces and 1,125 striped and covered spaces, respectively, to be constructed on the Project Real Property, and (b) an open air parking lot to contain 261 striped and sealed spaced to be constructed on the Adjacent Parking Parcel.

1.36 Parking Profits: The difference between Gross Parking Revenues during any fiscal period and the Parking Expenses during the corresponding fiscal period, computed in accordance with GAAP on an accrual basis, provided Gross Parking Revenues exceed Parking

Expenses for such period.

1.37 Player Parking Area: The area of the parking structures as shown on Exhibit E (Area 13, Event Floor/Parking Structure) attached hereto that have been designated by the Club as parking reserved for the Club's NHL team players, coaches and staff, but in no event to exceed 30 spaces.

1.38 Premises: The Project Real Property, the Adjacent Parking Parcel, the Parking Lots, the Arena and the other elements and structures comprising The Crossroads Sports and Entertainment Complex.

1.39 Prior Leases: Means the (a) lease of the Project Real Property from BURA to the County dated as of the date hereof, (b) the sublease of the Project Real Property from the County to the City dated as of the date hereof, (c) the sublease of the Project Real Property from the City to the County dated as of the date hereof, (d) the sublease of the Project Real Property and the Arena Shell from the County to ECIDA dated as of the date hereof, and (e) the sublease of the Project Real Property and the Arena Shell from ECIDA to the Developer dated as of the date hereof.

1.40 Project Real Property: The real property leased to the Developer pursuant to the Prior Leases, as described in Exhibit A attached hereto.

1.41 Quality Arena Standards: Means the average standard of quality or performance generally accepted for first class arenas serving as (or capable of serving as) permanent home ice for NHL teams and of similar age, design and ambiance as The Crossroads Sports and Entertainment Complex, for example: America West Arena, Phoenix, Arizona; The Fleet Center, Boston, Massachusetts; and Kiel Center, St. Louis, Missouri.

1.42 Rent: The rent due to the Club for the lease of the Leased Premises, including the Food Concession Facilities, Food Service Equipment, Parking Lots, Parking Facilities and Parking Equipment, and for the lease, on a nonexclusive basis, of the Common Areas, and the grant of food service concession and parking concession operating rights all as further described in this Lease.

1.43 Substantial Completion Date: Shall mean the date that construction of the Arena, all Food Concession Facilities and Parking Facilities are substantially complete and all necessary occupancy permits are issued for the Parking Facilities and Parking Lots and the Arena (including the Food Concession Facilities) and substantially all Food Service Equipment and Parking Equipment has been installed.

1.44 Suite: Luxury suites, executive suites and skyboxes located in the Arena.

1.45 Term: Shall have the meaning set forth in Section 2.3 of this Lease.

1.46 Utility Systems: This shall mean all fundamental operational systems of the Arena. "Utility Services" shall mean the full and unimpeded use of the Utility Systems for their intended purpose.

ARTICLE 2

Grant of Leasehold Interests, Exclusive Rights & Term

2.1 LEASE OF FACILITIES & EQUIPMENT.

(a) The Club hereby leases to Tenant, and Tenant hereby leases from the Club, for Tenant's exclusive use during the Term of this Lease, the Leased Premises, including, but not limited to, all Food Concession Facilities and Food Service Equipment, and the Parking Lots, Parking Facilities and Parking Equipment. In the event the Club and Tenant agree that additional space or structures are reasonably needed for the preparation, storage, handling and/or sale of Refreshments in the Arena, or for the proper management of the Parking Concession Operations, the Club will (subject to the consent of the Developer, if required pursuant to the terms of the Hockey Lease) provide such additional space and/or facilities to Tenant as part of the Leased Premises, at the Club's sole cost and expense, and the Leased Premises shall be amended accordingly. The Club warrants and covenants that for so long as Tenant performs its obligations hereunder, Tenant shall and may peacefully and quietly have, hold, operate and enjoy the Leased Premises, to the exclusion of all others, for the purposes provided hereunder during the Term of this Lease.

(b) The Club also hereby leases to Tenant, for its use in common with others on a nonexclusive basis, the Common Areas. The Club warrants and covenants that for so long as Tenant performs its obligations hereunder, Tenant shall have the use of the Common Areas, on a nonexclusive basis, for the purposes provided hereunder during the Term of this Lease.

(c) Tenant shall not use the Leased Premises for purposes other than, and shall not use the Common Areas other than in connection with, the Concession Services and Parking Concession Operations to be conducted by Tenant under this Lease without the prior written approval of the Club, in its sole discretion.

(d) Notwithstanding anything to the contrary in this Lease, the Club and its designated agents reserve the right of reasonable access to all areas leased to Tenant hereunder for purposes of maintaining and repairing the Arena, the Parking Lots and all improvements therein or thereon and all Utility Systems

related thereto.

(e) Location of all Mobile Stands and auxiliary storage space required by the Tenant, from time to time, shall be determined by the Tenant. Notwithstanding the foregoing, Tenant shall acquire no rights to such locations once assigned, and the Club reserves the right to require Tenant to move Mobile Stands and to relocate items from any auxiliary storage space outside the Leased Premises when needs of other events require the use of same.

(f) The parties agree to execute a Memorandum of Lease for recording in the Erie County Clerk's Office upon execution of this Lease in the form of Exhibit G attached hereto and to record same on the Closing Date.

(g) The Club and Tenant acknowledge and agree that the interests granted to Tenant under this Lease consist of a leasehold interest in the real property comprising the Leased Premises, and a nonexclusive leasehold interest in the Common Areas as provided herein.

2.2 TENANT'S EXCLUSIVE RIGHTS.

(a) Subject to the terms of this Lease, and in consideration of the Tenant entering into this Lease and the payment of Rent in accordance with the terms hereof, the Club hereby grants Tenant the sole and exclusive right to prepare, present, sell, vend and dispense within and about the Arena (except within the Excluded Areas) all refreshments, confectioneries, beverages (including alcoholic beverages to the extent permitted by applicable laws, now or hereafter in effect) snacks, tobacco products and any and all other food products of every kind and nature ("Refreshments").

(b) Sales of Refreshments may be conducted by Tenant: (i) from stands, booths, bars, grills, beer gardens, rooms, Mobile Stands and all other public food and beverage outlets within the Leased Premises or Common Areas in the Arena, except within the Excluded Areas; (ii) by vending throughout the Arena, except within the Excluded Areas; and (iii) through Catering Services within the Arena and/or provided to any party in private party rooms (except within the Excluded Areas) and/or on the Premises surrounding the Arena.

(c) Except within the Excluded Areas, the Club shall not sell nor permit (subject to the provisions of Section 3.6) any other party the right to sell any Refreshments within or about the Arena; provided, however, that the Tenant agrees that nothing in this Lease shall be construed to prohibit third party event promoters at the Arena from (i) exhibiting any merchandise or articles in connection with their events, (ii) dispensing free samples of Refreshments (except alcoholic beverages), or (iii)

selling certain limited specialty products (such as cotton candy), as described below:

(1) Tenant agrees that nothing in this Lease shall be construed to prohibit third party event promoters at the Arena from exhibiting any merchandise or articles in connection with their events, or from dispensing free samples of Refreshments (except alcoholic beverages). Such sampling shall be subject to approval of the Club and Tenant but normally shall be restricted to the following:

Food - 1 oz. portion
Beverage - 2 oz. cup

(2) In addition, Tenant acknowledges that from time to time certain third party event promoters will require that they retain the right to sell certain limited specialty products (such as cotton candy) and nothing herein shall be construed to prevent the Club from permitting such activities provided that such activities are in keeping with Quality Arena Standards. Furthermore, Tenant acknowledges that from time to time certain Civic Event promoters will require that they retain the right to sell certain limited specialty products, promotional novelties and publications, and nothing herein shall be construed to prevent the Club from permitting such activities provided that such activities are in keeping with Quality Arena Standards.

(3) Tenant shall not use the Food Concession Facilities for food functions off of the Premises except with the Club's prior written approval. In the event the Club permits Tenant to use the Food Concession Facilities for an off-Premises food function, all receipts thereof shall be included in Gross Food Service Sales.

(4) The Club and Tenant agree that they will not sell or permit to be sold chewing gum in the Arena, from vending machines or otherwise.

(d) Notwithstanding the foregoing, the Club will not install concession stands within the Excluded Areas and will not use facilities within the Excluded Areas to vend Refreshments or provide catering services outside the Excluded Areas.

(e) In addition, subject to the terms of this Lease and except for the Player Parking Area, the Club hereby grants Tenant the exclusive right to operate and to manage all Parking Concession Operations and Parking Facilities on and within the Parking Lots. Except for the Player Parking Area, the Club hereby agrees not to operate or grant any right to operate parking facilities on the Project Real Property or the Adjacent Parking Parcel.

(f) Reservation of Excluded Areas and Use of Common Areas: Notwithstanding anything to the contrary provided in this Lease, the Club shall have exclusive use of the Excluded Areas as identified on Exhibit E attached hereto for the duration of the Term of this Lease with full rights of access to and use thereof.

The Club may use and operate the Excluded Areas in its sole discretion (except as provided in Section 2.2(d) above), and the Tenant shall have no rights with respect to access, use or operation of such Excluded Areas. The Club and Developer shall have access to, use of and any related easements relating to, the Common Areas for the conduct of their operations and as provided in this Lease and the Hockey Lease.

2.3 TERM.

(a) The "Term" of this Lease shall commence on the date hereof and shall terminate on midnight of the last day of the twentieth (20th) Lease Year, provided that during each such Lease Year, the Club has played at least thirty eight (38) regular season NHL games at the Arena. In the event that during the initial Lease Year, the Club does not play at least thirty eight (38) regular season NHL hockey games at the Arena, the Term of this Lease shall be extended by one full Lease Year, and the Term of this Lease shall be extended by one full Lease Year for any other Lease Year during which the Club does not play at least thirty eight (38) regular season NHL hockey games at the Arena.

(b) In the event Tenant is deemed to have obtained an interest loan (an "Interest Loan") pursuant to the provisions of the sublease between the Club, Tenant and New York Sportservice, Inc. ("Sportservice) dated as of the date hereof (the "Concession Sublease"), the Term of this Lease shall be extended for such further period as is necessary for Sportservice to offset against rents due Tenant from Sportservice pursuant to the relevant provisions of the Concession Sublease all amounts necessary to repay all principal and interest due with respect to the Interest Loan. However, such extension shall not be less than any extension granted under Section 2.3(a), above.

(c) The Tenant's possession of the Leased Premises and right to use the Common Areas as provided herein shall commence on the Substantial Completion Date.

2.4 SUBLEASE BY TENANT.

Tenant may sublet all or part of the Leased Premises, Tenant's appurtenant use of the Common Areas in connection therewith, and Tenant's rights, duties and obligations under this Lease to any person, firm, organization or other entity with the Club's prior consent, which consent may not be unreasonably withheld; provided, however, that any such sublease shall not relieve Tenant from its responsibilities, duties and obligations under this Lease. The Club hereby acknowledges and consents to Tenant's sublease of the Leased Premises (and sublease of Tenant's appurtenant use the Common Areas) to Sportservice pursuant to the terms of the Concession Sublease. Notwithstanding the foregoing or any other provision hereof to the contrary, this Lease shall be

construed to provide all of the rights and privileges necessary for the Tenant to fully perform and fulfill its obligations as Landlord under the Concession Sublease, regardless of any inconsistent, conflicting or different provisions contained herein, and it is understood that Sportservice is relying on the rights granted in the Concession Sublease, without regard to any provision hereof which may otherwise be interpreted to limit, curtail or interfere with its rights under the Concession Sublease in any way.

ARTICLE 3

Responsibilities of the Club and Tenant

3.1 MAINTENANCE.

The Club shall be responsible for maintenance and repair of the Arena, the Parking Lots and all Utility Systems related thereto. The Club shall also be responsible for maintenance and repair of the structural components of the Food Concession Facilities and Parking Facilities. Tenant shall be responsible for the maintenance and repair of the interior of the Food Concession Facilities and the Parking Facilities and the exterior design and facades thereof, all Food Service Equipment, and all Parking Equipment, all in accordance with Quality Arena Standards.

3.2 DECORATING AND SERVICEWARE.

The Club, at its cost, shall also be responsible for the initial finishing and decorating of the Food Concession Facilities (and Leasehold Improvements related thereto) and Parking Facilities, paving, striping, and signing of the Parking Lots, and providing initial cutlery, utensils, cookware, china and glassware ("Serviceware"). Tenant shall be responsible for maintaining all Serviceware in accordance with Quality Arena Standards.

3.3 FIRST CLASS OPERATION.

The Club covenants to use all reasonable efforts to operate its professional Hockey Events in the Arena in a manner consistent with Quality Arena Standards. The Club and Tenant will use their best efforts to keep any and all necessary governmental licenses and permits applicable to their respective operations in full force and effect.

3.4 ACCESS.

Tenant's personnel and the personnel of Tenant's sublessees shall have access to and egress from the Leased Premises at all times. Tenant's executive staff working at the Arena on Event Days shall be entitled to a maximum of ten (10) free parking spaces on all Event Days and regular business days at a specific location on

the Parking Lots approved by the Club.

3.5 SECURITY.

The Club shall be fully responsible at its sole cost and expense, for providing all necessary security forces for crowd control on the Premises and/or to fulfill requirements of any governmental agency or NHL standards with respect to security at the Arena.

3.6 THIRD PARTY VENDORS.

Vendors, peddlers, or persons other than Tenant's employees, shall not be permitted to vend, otherwise sell, or distribute any Refreshments in, on, or about the Arena (except within the Excluded Areas and for sales or distributions by third party event promoters and their employees as described in Section 2.2(c) hereof), and the Club and Tenant shall, at all times, see to their dispersal to the extent they (or any one of them) can legally do so. The Club further agrees that in keeping with exclusivity of Tenant's rights hereunder, neither the Club nor its employees will sell or lease any Refreshments or any products which will conflict or compete with Refreshments except within the Excluded Areas. Patrons will not be permitted to transport Refreshments from the Excluded Areas or from the street to the Arena.

3.7 UTILITY SERVICES.

Tenant shall be furnished with all necessary and appropriate Utility Systems and Utility Services as required for the conduct of the Food and Beverage Services and Parking Concession Operations hereunder.

The Club, under no circumstances, shall be liable to Tenant in damages or otherwise for any interruption of Utility Services. However, the Club shall use all reasonable efforts to restore immediately to full service any Utility Service which is interrupted.

3.8 ENHANCEMENTS & REPLACEMENTS.

The Club shall be responsible for all additions, replacements and enhancements to the Leasehold Improvements (with the exception of the Utility Systems relating thereto, which shall be the responsibility of the Club pursuant to Section 3.1 above), Food Service Equipment and Parking Equipment, and the Food Concession Facilities and Parking Facilities.

3.9 NOTICE OF DEFAULT.

The Club agrees that it will immediately upon receipt deliver to Tenant a copy of any written notice from the Developer alleging the Club's default under the provisions of the Hockey Lease, and the Club shall deliver to Tenant simultaneously with delivery to the Developer any written notice by the Club alleging the Developer's default under the provisions of the Hockey Lease. Tenant agrees that it will immediately upon receipt deliver to the Club a copy of any written notice from Sportservice, or any replacement, successor, or assignee thereof, or any other sublessee of Tenant, alleging Tenant's default under the provisions of Tenant's sublease with Sportservice, or such other sublease, and Tenant shall deliver to the Club simultaneously with delivery to Sportservice, or any other sublessee, any written notice by Tenant alleging Sportservice's, or such other sublessee's, default under the provisions of such party's sublease with Tenant.

ARTICLE 4

Rent

4.1 (a) CONCESSION SERVICES RENT. Tenant agrees to pay to the Club or its designee the following Rent with respect to the Food and Beverage Services provided hereunder:

(i) 42% of Gross Food Service Sales except those derived from Catering Services.

(ii) 25% of Gross Food Service Sales derived from Catering Services.

The Rent payable pursuant to this provision shall be paid for each calendar month during each Lease Year with such monthly payment due on the 25th day of the following month, together with all documentation reasonably requested by the Club as support for Tenant's calculation of Concession Services Rent for such calendar month, including, but not limited to, any documentation received by any sublessee of Tenant.

(b) PARKING RENT. In addition, Tenant agrees to pay to the Club as Rent with respect to the Parking Concession Operations a sum equal to 85% of Parking Profits.

The Rent payable pursuant to this provision shall be paid for each calendar month during each Lease Year with each such monthly payment due on the 25th day of the following month, together with all documentation reasonably requested by the Club as support for Tenant's calculation of Parking Rent for such calendar month, including, but not limited to, any documentation received by any sublessee of Tenant.

(c) In the event (and pursuant to the provisions of Section 2.4 above) Tenant sublets all or a portion of the Leased Premises with the appurtenant rights to the Concession Services and/or the Parking Concession Operations granted to Tenant hereunder (including, without limitation, the sublease to Sportservice), the terms Gross Food Service Sales and/or Parking Profits, and all elements thereof, shall be deemed to apply to the Gross Food Service Sales and/or Parking Profits generated by each such sublessee, and the Rent payable to the Club pursuant to Article 4 hereof shall be determined based on each such sublessee's Gross Food Service Sales and/or Parking Profits. Accordingly, Tenant shall, in each such sublease (including the Concession Sublease), provide that Tenant shall be entitled to rent from such sublessee in amounts at least equal to the Rent described in Article 4 hereof, as applicable to such sublessee's Gross Food Service Sales and/or Parking Profits, and Tenant shall be responsible for applying such amounts toward the payment of Rent as described herein.

(d) If at any time during the Term of this Lease, either of Tenant or the Club defaults in the payment (a "Defaulted Payment") when due (subject to any applicable grace period) of any indebtedness to Sportservice under (a) certain interim loans advanced by Sportservice to the Club, the proceeds of which were advanced by the Club to Developer to enable Developer to pay for certain architectural, engineering and other costs associated with the design and development of the Arena, (b) the concession loan to be advanced by the Concession Lenders to Tenant (as a result of Sportservice having succeeded to the rights of the Concession Lenders with respect thereto), (c) the reimbursement obligations of Tenant or Club under certain letter of credit obligations of Sportservice pursuant to Section 6.2(b) of the Concession Sublease, or (d) any Interest Loan as described in Section 2.3(b) of the Concession Sublease, then Tenant shall have the right to offset against any and all Rents or other sums payable by Tenant to the Club under this Lease an amount equal to the Defaulted Payment. Tenant shall also have the right to offset against any and all Rents or other sums payable by Tenant to the Club under this Lease an amount equal to any indebtedness then due and owing by the Club or Tenant to Sportservice under the terms of this Lease (other than indebtedness described in the preceding sentence) provided, however, such right of offset shall not be exercised by Tenant unless the Club or Tenant, or either of them, has defaulted in the performance of its obligations with respect to the interim loan described in preceding sentence, the concession loan to be provided by the Concession Lenders to Tenant, or under Section 6.2(b) of the Concession Sublease. Furthermore, Tenant may offset against any and all Rents or other sums payable by Tenant to the Club under this Lease the amount of all expenses incurred by Tenant to cure any default by the Club to Sportservice under the Concession Lease.

4.2 REDUCTION OF RENT

Notwithstanding any other provision of this Lease, the Club hereby agrees with Tenant that the Rent payable to the Club as provided for herein shall be reduced by such amounts of principal and interest as are required to be paid to the Concession Lenders by Tenant under the provisions of the Concession Loan, including, in certain circumstances as described in the Concession Loan, all rent received by Tenant under the Concession Sublease. In the event the Concession Lenders succeed to the interest of Tenant hereunder pursuant to the provisions of the Concession Loan, all Rent payable by Tenant to the Club hereunder shall abate until the Concession Loan is paid in full (pursuant to the provisions thereof). The Club acknowledges that substantial consideration exists for the foregoing rental abatement provisions, including, without limitation, the Tenant's procurement of the Concession Loan for the benefit of the Developer, a party in which the Club has an interest, and the benefits accruing to the Club under the Hockey Lease.

ARTICLE 5

Additional Duties of Tenant

5.1 MANAGEMENT OF OPERATIONS.

(a) Tenant agrees to manage and operate in a professional manner all of the Parking Concession Operations and the Concession Services in accordance with Quality Arena Standards, and Tenant will maintain consistent, prompt, and courteous service to the public.

(b) The Tenant shall pay promptly all authorized bills, payroll and other expenses incurred in the operation of the Concession Services and Parking Concession Operations.

(c) The Tenant shall pay when due all license fees, taxes and all retail sales taxes on the products or services which the Tenant provides hereunder, including but not limited to all federal, state and local taxes, workers,' compensation payments, unemployment insurance, payroll and other taxes with respect to services provided under this Lease and all other taxes arising from the Tenant's operations hereunder.

(d) Tenant will provide all perishable and non-durable inventory associated with start up and operation of the Concession Services including, but not limited to, food, beverages, and all paper products.

5.2 REPAIR OF EQUIPMENT.

Tenant shall be responsible for the repair and maintenance of the Food Service Equipment and Parking Equipment and for the replacement of Serviceware as needed, all in accordance with Quality Arena Standards. Costs related to repair and maintenance of Parking Equipment shall be included in Parking Expenses hereunder.

5.3 PERSONNEL.

Tenant will be responsible for all personnel issues relating to its employees, including hiring, firing, compensation, benefits and discipline.

Tenant covenants that in the conduct of employment and discipline practices and the Food and Beverage and Parking Concession Operations hereunder it will not discriminate or permit discrimination based on race, color, religion, creed, age, sex, disability, national origin, ancestry, or political opinions.

Tenant agrees to implement the Affirmative Action/Equal Opportunity Plan for the Arena (to the extent applicable to the on-site operations hereunder) substantially as described in the Plan attached hereto as Exhibit F (the "Plan").

Tenant covenants and agrees that it shall comply with the ECIDA Requirements as described in Exhibit H attached hereto.

5.4 LICENSES AND PERMITS.

Tenant shall obtain and maintain in force during the Term of this Lease, all food, liquor, parking and other licenses and permits and renewals thereof necessary to operate the Food Concession Facilities and Parking Facilities and to carry out the Parking Concession Operations and Concession Services hereunder. Tenant shall pay all fees and taxes which may be due and owing, from time to time, to federal, state or municipal authorities incidental to its operations hereunder. Tenant shall furnish the Club with copies of such licenses and permits and renewals thereof as are physically maintained at the Arena and Parking Lots, as applicable.

5.5 COMPLIANCE WITH LAWS, POLICIES AND PROGRAMS.

(a) In connection with the Parking Concession Operations and the Concession Services hereunder, Tenant shall in good faith comply and faithfully observe all Laws (including without limitation fire, building, health, sanitation and environmental codes and regulations and liquor control laws and regulations).

(b) The Club specifically grants to Tenant:

(i) The right to enforce all New York State laws, rules, regulations or orders relating to premises licensed pursuant to and to enforce all rules, regulations or orders of the New York State Liquor Authority or other regulatory agencies relating to the Licenses.

(ii) Full right, power and authority to take any and all actions necessary to enable and to ensure compliance with all laws, rules, regulations and orders concerning the sale and consumption of alcoholic beverages in the Arena.

5.6 PROCEEDINGS INVOLVING LICENSES AND PERMITS.

Tenant shall advise the Club in writing of any pending or threatened actions against Tenant, whether by governmental authorities or otherwise, which seek, or could result in, the suspension or revocation of any license or permit necessary for its performance of this Lease. The Club and Tenant shall takes such actions as are necessary to avoid such suspension or revocation as may be agreed to between the Club and Tenant.

5.7 REFUSE.

Tenant shall use reasonable efforts to keep the Food Concession Facilities neat and clean. Tenant shall be responsible for cleaning the Food Concession Facilities and the floor immediately in front of its stands, bars and Mobile Stands and for any and all necessary pest control and sanitation activities, on a regular and continuing basis.

Each party agrees not to use hazardous substances at or on the Premises, except in accordance with applicable law, and each party agrees to indemnify, defend, and hold the other party harmless for all losses, costs, damages, liabilities and expenses arising out of its use, generation or storage of hazardous substances at the Arena and Parking Lots.

5.8 MECHANICS LIEN.

Tenant shall at all time protect and keep the Food Concession Facilities and Food Service Equipment, Parking Facilities and Parking Equipment and any property of the Gov't Participants and of the Club and its Affiliates free and clear of all mechanics and other liens, attachments, encumbrances, or claims arising out of (a) Tenant's operations hereunder; (b) Tenant's performance under this Lease; and (c) Tenant's use of the Food Concession Facilities and Food Service Equipment and the Parking Facilities and Parking Equipment. In the event any such lien is placed, or such encumbrances created, Tenant shall cause any such liens to be promptly removed, and if necessary, shall provide the liened party

with a performance bond or other reasonable security. All additional costs related to the procedure of discharging such liens or encumbrances shall be Tenant's responsibility.

5.9 PRODUCTS AND PRICES.

(a) Tenant shall make available such quantities and varieties of Refreshments through the Concession Services as it deems appropriate for the Arena, in accordance with Quality Arena Standards, for both Hockey Events and non-Hockey Events, and shall set such prices therefor as are appropriate. Tenant shall establish such prices for the Parking Concession Operations as are appropriate.

(b) The Club shall have the right to license parking spaces in the Parking Lots in connection with the license of Suites and club seats, as further described in the Hockey Lease. All such parking space revenues received by the Club shall be remitted monthly by the end of each calendar month to Tenant. The price for each parking space pre-sold by the Club shall be equal to the Event parking rates in effect during the applicable Lease Year.

(c) The Club shall have the right to use, without charge, (i) up to 10 parking spaces in the Parking Lots for general daytime parking, and (ii) up to 10 parking spaces in the Parking Lots for Events. Up to 100 additional parking spaces shall be available to the Club at nominal rates. The actual location and rates shall be established, from time to time, by mutual agreement of the Club and Tenant.

5.10 SPECIALTY PRODUCTS AND CIVIC EVENTS.

The Club shall have the right to request Tenant to sell specialty products and to otherwise take innovative action to increase sales and/or improve customer satisfaction, provided that Tenant's rental rate (as delineated in Article 4, above) with respect to such items is equitably reduced to take into account any differential between the cost of product for such item and the average price of similar items Tenant is then selling. Subject to the Club's prior written approval, in its sole discretion, Tenant shall have the right, to sublet or license Food Concession Facilities and the Food Service Equipment related thereto to third party vendors (including both private and charitable and/or not-for-profit organizations). Tenant shall permit sponsors of Civic Events (as defined in the Hockey Lease) to sell or distribute promotional goods and materials in accordance with the provisions of the Hockey Lease.

5.11 APPROVAL PROCEDURE.

No later than 45 days prior to the commencement of each Lease Year, Tenant will provide the Club with its Business Plan for the ensuing Lease Year. Such plan shall include: (a) the menu, portion size, branding and pricing schedule for the Arena by type of location; and (b) appropriate, comparative information with respect to other major arenas in other areas of the country. The Club shall notify Tenant within 20 days following receipt thereof of changes it desires and the reasons therefor. Tenant shall consider the Club's comments on such Business Plan, but Tenant shall have ultimate authority to make all decisions with respect thereto.

5.12 ALTERING FACILITIES.

Tenant shall not materially alter, add to or in any material way vary the Leased Premises or make any alterations or installations to the Common Areas without having first obtained the consent in writing of the Club.

5.13 FAIR WAGES AND HOURS.

Tenant shall comply with all wage practices and laws of the government of the United States and shall also comply with all Law governing employment and conditions of employment and shall indemnify, defend and hold the Club and its Affiliates harmless with respect thereto. The Tenant shall comply with the terms of the Workers' Compensation Act of the State of New York and any amendments thereto insofar as they are applicable to its operations hereunder.

5.14 ADVERTISING RESTRICTIONS.

The Tenant shall not advertise in any manner other than as reasonably approved by the Club and the Tenant shall have no right to use the trademarks, symbols or trade name or name of the Arena or the Club directly or indirectly, in connection with any production, promotion, service or publication without the approval of the Club. Tenant agrees to honor any Naming Rights Agreement entered into by the Developer.

5.15 PASS-THROUGH OF DUTIES. Notwithstanding anything to the contrary contained in this Article 5 or elsewhere in this Lease, for so long as, and to the extent, Tenant sublets the Leased Premises, Concession Services and Parking Concession Operations hereunder to Sportservice or any other sublessee, the obligations and duties placed on Tenant under Articles 5 and 6 shall be satisfied by Tenant if Tenant obligates Sportservice under the Concession Sublease, and each other sublessee of Tenant under its sublease, to comply with provisions in such agreement(s) that are similar in all material respects to those contained in Articles 5

and 6 hereof.

ARTICLE 6

Indemnification and Insurance

6.1 WAIVER OF SUBROGATION RIGHTS.

Notwithstanding any other provision of this Lease, it is expressly agreed that neither the Club nor Tenant shall be liable to the other, and each such party hereto hereby releases and waives all claims, rights of recovery, and causes of action that either such party or any party claiming by, through or under such party, by subrogation or otherwise, may now or hereafter have against the other party or any of the other party's directors, officers, employees, or agents for any loss or damage that may occur to the Arena, the Premises or to the Parking Lots (and/or any and all improvements to either of the foregoing) the Food Concession Facilities, the Food Service Equipment, the Parking Facilities, and the Parking Equipment any of the contents of the Premises, the Arena or the Parking Lots, or for any interruption in the business of either of them, if sustained by reason of fire, (even if such fire is the result of the negligence or gross negligence of either of the parties hereto or any one or more of their directors, officers, employees or agents), or if sustained by reason of storm damage or the elements, or by other casualty to the extent that such loss or damage is of a type that is, by its nature, recoverable by insurance (including any deductible), regardless of whether any policy is actually in effect. Both the Club and its Affiliates and Tenant shall cause their respective insurance carriers to include provisions in all applicable policies authorizing the waiver of any rights by way of subrogation each might have against the other.

6.2 INDEMNIFICATION.

The Tenant and the Club (the "First Party") each agree to indemnify, defend and save and hold harmless the other (the "Second Party") from and against all suits and claims that may be based on any injury or alleged injury to any person (including death) or to the property of any person not a party hereto, that may arise, or that may be alleged to have arisen out of the negligence or intentional action of the First Party or that of its employees, servants or agents. In any such event, the First Party, at its own cost and expense, shall pay all reasonable charges of attorneys and all costs and other expenses arising therefrom or incurred by the Second Party in connection therewith. The foregoing indemnity shall not apply with respect to any injuries which may be alleged to have arisen out of the negligence or intentional action of the First Party if and to the extent the same shall be ultimately determined to have arisen out of the negligence or intentional

action of the Second Party.

6.3 TENANT'S INSURANCE.

(a) The Tenant shall carry: (i) Worker's compensation insurance in such amount as is required by the laws of the State of New York; (ii) public liability insurance (commercial, consumer's product liability, and automobile and garage keeper's legal liability coverages) with limits of not less than $5,000,000.00 covering each person and $10,000,000.00 covering each occurrence, and property damage liability insurance, with limits of not less than $5,000,000.00 covering each occurrence and $10,000,000.00 in the aggregate (with no exclusion for liability assumed by contract); (iii) dram shop coverage of at least $1,000,000.00 covering each person and $3,000,000.00 covering each occurrence; and (iv) blanket crime insurance covering its employees (i.e., employee dishonesty coverage) in a minimum amount of $500,000.00. In the event Tenant sublets all or any portion of its rights, duties and obligations under this Lease to any person, firm, organization or other entity pursuant to the provisions of Section 2.4, above, Tenant shall require each such sublessee to carry insurance in the types and amounts of insurance described above as are applicable to such sublessee's business or operations, and Tenant shall carry such types of insurance and levels of coverage as the Club may reasonably require. The Tenant shall deliver to the Club at least 30 days prior to taking occupancy and commencing operations hereunder and then at least 30 days prior to, the expiration date of any then existing policies in the future during the Term hereof, a certificate or certificates evidencing that such insurance coverages are in effect for a period of not less than one year from the date of such certificate. All policies shall contain a clause providing in substance that such policies shall not be cancelled or any material provisions thereof amended adversely to the Club or the Gov't Participants unless they shall have been first given at least thirty (30) days advance notice of such termination or of any such proposed amendment. If any policy expires or is cancelled, the Tenant shall immediately furnish a new certificate evidencing renewal or replacement. Tenant shall cause the Club and the Gov't Participants, the Concession Lenders, and any mortgagee holding an interest in the Premises, the Arena and/or the Parking Lots to be named as an additional insured on its liability insurance policies for liability arising out of Tenant's responsibilities under this Lease, including, but not limited to, Section 6.2 above.

(b) All such policies may be provided under blanket and/or umbrella policies carried by the Tenant.

(c) The insurance required by Section 6.3(a) shall be primary insurance and the insurer shall be liable for the full amount of any loss up to the total limit of liability required without the right of contribution of any other insurance coverage

held by the Club or Gov't Participants.

(d) This Section 6 is subject to all limitations identified in Sections 6.1 and 6.2, respecting Subrogation and Indemnification respectively. Nothing in this Section 6 shall be construed as requiring liability coverage and/or indemnification of the Club or Gov't Participants, as applicable, for the Club's or the Gov't Participants' respective negligence or willful action or omission.

(e) It is expressly understood and agreed by the Tenant that the insurance requirements specified above contemplate the use of occurrence liability forms. If claims-made coverage is evidenced to satisfy any of these requirements, the Tenant shall be subject to additional requirements as may be reasonably imposed by the Club to avoid any potential lapse in protection which is inherent in the use of claims-made coverage.

ARTICLE 7

Assignment, Location Change and Attornment

7.1 TENANT'S ASSIGNMENT.

Except as otherwise provided in the Lease, the Tenant shall not, without prior written consent of the Club, in its sole discretion, assign or sublet this Lease or any of its rights or duties as Tenant. No such assignment shall relieve Tenant of its obligations hereunder without the express prior written consent of the Club, in its sole discretion.

7.2 CLUB ASSIGNMENT.

The Club covenants to cause this Lease to be assigned to any transferee of its respective operations if such transferee shall continue to own/operate a professional NHL hockey franchise at the Arena and cause such transferee to assume the obligations of the Club hereunder. Upon acceptance of such assignment, such transferee shall be bound by all of the provisions of this Lease which are applicable to the Club and shall be entitled to all of its rights and benefits accruing hereunder. Except as provided above, and except for a collateral assignment of rights hereunder to the Concession Lenders, this Lease may not be assigned by the Club, without the prior written consent of the Tenant. No such assignment shall relieve the Club of its obligations hereunder without the express prior written consent of Tenant.

7.3 LOCATION CHANGE BY CLUB.

Pursuant to the Concession Sublease the Club has granted Sportservice certain rights to remain the food and parking

concessionaire for the Club at any arena other than the Arena (an "Other Arena"), in the event the Club transfers its NHL franchise professional hockey operations to an Other Arena, all as further described in the Concession Sublease (the "Follow the Franchise Rights"). The Club and Tenant agree that in the event Sportservice elects to enforce its Follow the Franchise Rights under the Concession Sublease and enter into a replacement sublease to the Concession Sublease, the Club and Tenant will enter into a concession lease, with terms and provisions substantially similar to the terms hereof and as may be modified to be consistent with such replacement sublease.

7.4 NHL RIGHTS.

(a) Tenant hereby agrees that nothing contained in this Lease in any way limits the rights of the NHL to bring disciplinary proceedings against the Club or the rights of the NHL to transfer ownership of, terminate or relocate the Club's NHL franchise pursuant to NHL Rules.

(b) Tenant hereby agrees that nothing in this Lease prohibits the Club from playing exhibition games, Championship Games and Stanley Cup Playoff Games constituting Buffalo Sabres home games at any location other than Buffalo Memorial Auditorium or the Arena, as applicable, to the extent required by NHL Rules or permitted by the Aud Lease or the Hockey Lease as applicable.

(c) The obligations of the Club set forth in Sections 7.2 and 7.3 of this Lease shall be binding only upon a Franchisee. Tenant hereby acknowledges and agrees that, notwithstanding anything contained in this Lease or in any other Operative Document to which it is a party or in any other document executed in conjunction with the transactions contemplated by the Operative Documents, any entity or entities that succeed to the ownership or operation of the Club's NHL franchise or any entity or entities that succeed to the ownership of substantially all of the assets of the Club, in each case as a result of action taken by the NHL (an "NHL-Sponsored Successor"), including, without limitation, any action taken by the NHL pursuant to Sections 3.9 and 3.10 of the NHL Constitution (or any successor sections), shall, for only so long as such NHL-Sponsored Successor continues operations of an NHL hockey team at Buffalo Memorial Auditorium or the Arena, as applicable, be bound by the obligations of the Club set forth in this Lease, other than those obligations set forth in Section 7.2 and 7.3 hereof. Any NHL-Sponsored Successor that ceases, at any time, to conduct operations of an NHL hockey team at Buffalo Memorial Auditorium or the Arena, as applicable, shall, as of the date such operations cease, have no further obligations under this Lease and, upon such date, this Lease shall be deemed null and void and of no further force or effect.

(d) It is acknowledged, understood and agreed that (1) this Lease is subject to NHL Rules and (2) in the event of any conflict between the terms of the NHL Rules and this Lease, the terms of the NHL Rules shall prevail; provided, however, and except as may be set forth in the Financing Participants' Cooperation Agreement, nothing in the preceding clauses (1) and (2) is intended to nullify the Club's obligations under Section 7.3 of the Concession Sublease except as may otherwise be contemplated therein.

(e) All capitalized terms used in this Section 7.4 and not otherwise defined in this Lease shall have the meaning given to them in that certain Non-Relocation Agreement (Public Sector) dated of even date herewith among the Club, the City of Buffalo, the New York State Urban Development Corporation and the County of Erie.

7.5 ATTORNMENT.

(a) Tenant agrees that all of its rights under this Lease are and will be subject and subordinate to all superior ownership or leasehold interests, mortgages and/or security instruments (collectively referred to as "Senior Liens") that now exist or may later be placed upon the Premises, the Arena, Food Concession Facilities, Food Service Equipment, Parking Facilities and/or Parking Equipment, or any of them. Tenant also agrees that if the holder of any such Senior Lien ("Senior Lienors") or if the "Purchaser" of any such interest, requests Tenant to do so, Tenant shall attorn to and establish direct privity of estate and contract with and recognize such Senior Lienor or Purchaser as the successor to the Club under this Lease with respect to the property rights involved.

(b) In consideration of the foregoing, and as a precondition to the effectiveness of Tenant's obligations to pay Rent under Article 4 hereof, the Developer, the Concession Lenders, the Construction Lenders and the Gov't Participants have executed and delivered to Tenant the Non-Disturbance and Attornment Agreement dated as of May 10, 1995 (the "Non-Disturbance Agreement"), which is hereby incorporated herein, as if fully set forth herein.

(c) In the event the Club does not commence or has ceased playing NHL hockey home games at the Arena on a permanent basis, and the Construction Lenders or the Gov't Participants, or any one of them, or their successors and assigns (the "New Landlord") assume or otherwise acquire any duties or obligations of the Club under this Lease pursuant to the Non-Disturbance Agreement or otherwise, then, notwithstanding anything in this Lease or the Non-Disturbance Agreement to the contrary:

(i) the New Landlord shall have no affirmative obligation to cause professional hockey events or professional sporting events to take place in the Arena;

(ii) Tenant may, at its option, terminate this Lease upon thirty (30) days written notice to the New Landlord, without further obligation hereunder;

(iii) Tenant's and New Landlord's respective rights and obligations under this Lease may be deferred for a period not to exceed one (1) year, at Tenant's election, in its sole discretion, until such time NHL hockey home games or other acceptable national sporting events take place at the Arena, and in such event, the Term hereof shall be automatically extended for the period of such deferral; provided, however, that in the event Tenant elects such deferral, Tenant shall have the first right to provide such services on such terms and conditions as Tenant and the New Landlord might agree during such deferral period, and in the event Tenant and the New Landlord do not so agree, the New Landlord may, during such deferral period, engage another concession operator to provide concession services on such terms and conditions as the New Landlord and such concession operator might agree.

(iv) Unless Tenant has elected to terminate this Lease under subsection (ii) above, (A) if the New Landlord elects not to operate the Arena, the New Landlord's and Tenant's respective rights and obligations shall be automatically deferred during the period that the Arena is not operated, and (B) if the New Landlord elects to operate the Arena, subject to Tenant's rights to terminate under subsection (ii) or to defer under subsection (iii), Tenant shall perform its obligations under this Lease subject to the provisions of this Subsection 7.5(c);

(v) If the New Landlord operates events at the Arena without NHL hockey home games, "Quality Arena Standards" shall then mean such standards of quality and performance in effect generally at arenas holding the type of events then held at the Arena;

(vi) Neither the New Landlord nor Tenant shall have any obligations to each other or any other party pursuant to the second sentence of Subsection 2.3(a), Section 3.2, Subsection 4.1(d), Section 4.2 and Section 7.3 of this Lease.

(vii) Only the New Landlord shall have the obligation to perform obligations of the Club hereunder, except for maintenance of the Arena, which obligation shall be the responsibility of the lessor of the Arena from time to time;

(d) Tenant shall comply with any special agreement relating to the name of the Arena;

(i) This Lease may be terminated by Tenant or the New Landlord upon a total casualty or a total Taking; and

(ii) Payment of the "Sabre Obligations" as defined in the Concession Sublease shall not be a condition to any termination hereof by the New Landlord.

ARTICLE 8

Termination

8.1 TERMINATION BY CLUB.

(a) Subject to the terms of Sections 8.3 and 8.4 below, the Club may terminate this Lease by written notice to such effect for cause in the event: (i) Tenant fails to remit, for a period of fifteen (15) days after receipt of written notice of demand therefor, any rent due and owing to the Club under Article IV of this Lease, or; (ii) the Tenant fails in a material and substantial manner to perform its other obligations hereunder where the effect thereof is to deprive the Club, in a substantial and material manner, of the benefits of this Lease (except where such failure or refusal is due to a Force majeure) and such failure continues substantially unremedied for a period of thirty (30) days after receipt of written notice of the particular failure to perform or, in the case of a failure due to Force Majeure, such failure continues unremedied for a period of thirty (30) days after the condition constituting a Force Majeure has terminated.

(b) Notwithstanding anything in this Lease to the contrary, (i) Tenant shall not be deemed to have defaulted in the payment of Rent under Section 8.1(a), above, or to have otherwise breached the provisions of this Lease, in the event Tenant's failure to remit Rent to the Club is due to a default by Sportservice, or any other sublessee of Tenant, under its obligation to pay rent to Tenant as provided in the Concession Sublease, or such other sublease of Tenant; and (ii) so long as the Concession Sublease has not been terminated, the Club may not, and shall not, terminate this Lease.

8.2 TERMINATION BY TENANT.

(a) Subject to the terms of Sections 8.3 and 8.4 below, in the event the Club fail to perform, in any material and substantial respect, its obligations hereunder where the effect thereof is to deprive the Tenant, in a substantial and material manner, of the benefits of this Lease (except where such failure or refusal is due to a Force Majeure), and such failure continues unremedied for thirty (30) days after receipt of written notice of the particular failure, Tenant may terminate this Lease by furnishing the Club with written notice of its intent to do so.

(b) If the Club's NHL franchise is relocated or transferred to a facility other than the Arena or ceases to exist, Tenant shall have the unilateral right to terminate this Lease by issuing written notice to all affected parties of its desire to do so. Exercising such termination right shall not be construed to limit or terminate Tenant's rights to follow the Club's NHL franchise to another facility as described in Section 7.3 hereof.

(c) If, upon an Event of Default under the concession loan provided by the Concession Lenders to Tenant, the Concession Lenders remove the Food Concession Equipment from the Food Concession Facilities (a "Collateral Default"), Tenant may elect to continue to provide Concession Services pursuant to this Lease. If, upon a Collateral Default, Tenant elects to continue to provide Concession Services hereunder, Tenant shall reasonably promptly provide Food Concession Equipment reasonably equivalent in type, age and quality to that removed by the Concession Lenders. If, upon a Collateral Default, Tenant elects not to continue this Lease, this Lease shall terminate.

8.3 GENERAL CURE PERIOD.

Except in the case of a payment default by Tenant under Section 8.1(a)(i), if the particular failure to perform under Section 8.1 or Section 8.2 cannot be cured within the applicable curative periods provided above, the breaching party shall have a reasonable time thereafter in which to remedy the problem provided that it is diligently and continuously making any and all reasonable efforts required to correct the problem.

8.4 SETTLEMENT.

Upon Termination of this Lease, Tenant shall immediately surrender possession of the Parking Lots, Parking Facilities and Food Concession Facilities to the Club, and all matters, rights and liabilities existing on the date of termination between the parties hereto shall be determined by the parties hereto as of such termination date and discharged as promptly as possible thereafter, including but not limited to any claims for damages either party may have against the other for breach of the terms and conditions hereof. Any such surrender shall require delivery of possession in good condition, reasonable and ordinary wear and tear excepted.

ARTICLE 9

Casualty Event

9.1 RESTORATION.

After any damage to or destruction of the Arena or any portion of the Arena or the Parking Lots which adversely impacts Food Concession Facilities or Parking Facilities, Tenant shall continue the operation of its Food Concession Facilities and Parking Facilities hereunder to the extent practicable from the standpoint of good business. To the extent of casualty insurance proceeds available and subject to the Financing Participants Agreement dated as of May 10, 1995 among the Gov't Participants, Concession Lenders, Tenant, the Club and others, the Club shall make any repairs, reconstruction or restoration of any such damage

or destruction. In any such event, Tenant shall not be entitled to any monetary or other damages because of any resulting inconvenience or loss. In the event the Club or Developer do not repair, reconstruct or restore any such damage or destruction to the Arena and the Arena becomes fully or substantially unsuitable for its intended use, this Lease and Tenant's obligations and duties to perform hereunder shall terminate.

9.2 EXTENSION OF TERM.

In the event of any such damage or destruction of the type described in Section 9.1, the Term of this Lease shall be automatically extended in an equitable manner so that all parties shall have the full operational benefit of operating for the entire period originally intended under this Lease. In the event that the Arena is shut down because of the occurrence, the Term shall be extended for a period of time equal to the shutdown period. In the event of partial shutdown, the Term shall be extended on an equitable basis based on the reduction in the number of available sales outlets.

ARTICLE 10

Arbitration

Any controversy arising out of or relating to this Lease, or relating to any breach hereof, shall not be settled by arbitration unless otherwise agreed upon by the Club and Tenant.

ARTICLE 11

Condemnation

11.1 ENTIRE TAKING.

In the event of a taking, for any public or quasi-public use, under any statute or by right of eminent domain (a "Taking") of (a) all of the Arena, or (b) so much of the Arena so that it no longer can be used for, or restored for, playing NHL hockey games or holding Events, Tenant's obligation to perform under the terms and conditions of this Lease shall cease unless the Club shall continue at another facility in which case this Lease shall continue in effect at such new facility in the manner and subject to the terms of Section 7.5 hereof.

11.2 PARTIAL TAKING.

In the event of any other taking of the Arena for public or quasi-public use under any statute or by right of eminent domain which does not result in the conditions described in section 11.1,

the Club shall, to the extent of any award, restore the Arena to a condition suitable for playing NHL hockey games and holding other Events, and this Lease shall continue in full force and effect.

11.3 COMPENSATION.

In any event, Tenant shall have right to prosecute an action against the condemning authority for compensation for the loss of its leasehold estate and personal property and Tenant shall assign the proceeds of any such action to the Concession Lenders as collateral security for the Concession Loan.

ARTICLE 12

Miscellaneous

12.1 APPLICABLE LAW.

The Lease shall be governed in all respects by the Laws of the State of New York, without regard to such state's position with respect to Conflict of Laws.

12.2 This Lease and the terms hereof shall be unaffected by any reorganization, merger, recapitalization or change in structure of either party or by any transfer, lease, assignment or other change in ownership of the Club or its Affiliates' interests in the Premises or the Arena or the Parking Lots or any portion thereof.

12.3 BINDING ON.

This Lease shall be binding upon, and inure to the benefit of the parties hereto and their respective successors and assigns, as may be permitted herein.

12.4 WHOLE AGREEMENT.

This Lease and the exhibits attached hereto, contain all of the covenants, promises and agreements between the parties concerning the Concession Services and Parking Concession Operations. This Lease supersedes all prior agreements, arrangements or understanding, whether written or oral. This Lease may not be amended or modified except in a writing signed by the parties.

12.5 NO JOINT VENTURE.

Nothing hereinabove or elsewhere contained in this Lease shall in any manner be deemed to create a partnership or joint venture relationship between the Club and Tenant, or any of their respective Affiliates.

12.6 NOTICES.

All notices required or permitted to be given under the terms of this Lease shall be sent in writing by certified mail, return receipt requested, or by courier service to the parties hereto at their addresses first set forth above or to such other address as the parties may hereinafter designate in writing. Notices shall be deemed given when deposited in the mail or actually delivered by courier.

12.7 INVALID SECTIONS.

Any provision of this Lease prohibited or invalidated by a court of competent jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or invalidity without affecting the validity of the remaining provisions of this Lease.

12.8 CONSENTS AND APPROVALS.

Where consent or approval of or authorization (the "Consent") from the Club is required hereunder, such Consent shall mean that of the Club's general partner. Where Consent of Tenant is required hereunder such Consent shall mean that of an authorized member. Each party agrees that except as otherwise provided in this Lease whenever prior Consent of a proposed action is required, it will not unreasonably withhold or delay such Consent. Failure to provide an explanation for disapproval shall be considered "unreasonable" per se. Each party also agrees that if it fails to either approve or disapprove a request for a period of twenty (20) days or longer, the other party shall have the right to construe such silence as Consent.

IN WITNESS WHEREOF, this Lease has been duly executed as of the day and year first above written.

ATTEST:

NIAGARA FRONTIER HOCKEY L.P.

By: Niagara Frontier Hockey Management Corporation, its general partner

By: _____

BUFFALO SABRES CONCESSION LLC

By: Niagara Frontier Hockey Management Corporation, its Member

By _____

EXHIBITS

A	-	Description of Project Real Property
B	-	Description of Adjacent Parking Parcel
C	-	Layout of Food Concession Facilities and Parking Facilities
D	-	Leased Premises
E	-	Excluded Areas
F	-	Affirmative Action Plan
G	-	Memorandum of Lease
H	_	ECIDA Requirements

EXHIBIT A

Description of Project Real Property

PARCEL I

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Outer Lots Nos. 76, 77 and 78, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) as it formerly existed and the easterly line of Main Street (99 feet Wide); thence southerly along the easterly line of Main Street 328.76 feet to the north line of South Park Avenue (66 feet wide) as presently laid out; thence southeasterly along the said northerly line of South Park Avenue 285.87 feet to an angle point; thence continuing southeasterly at an interior angle of 161° 35′ 40" along the said northerly line off South Park Avenue 503.54 feet to the intersection of the said northerly line of South park Avenue and westerly line of Illinois Street (50 feet wide); thence northerly along the westerly line of Illinois Street 660.35 feet to the intersection of the westerly line of Illinois Street and the southerly line of Perry Street (66 feet wide) as presently laid out; thence westerly along the said southerly line of Perry Street and continuing along the southerly line of Perry Street as it formerly existed 704.93 feet to the point or place of beginning.

TOGETHER with all right, title and interest in Illinois Street to the Centerline thereof.

PARCEL II

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Lot No. 75, Bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) and the easterly line of Mississippi Street (60 feet wide); running thence easterly along the southerly line of Perry Street 195.0 feet to the westerly line of Baltimore Street (40 feet wide); thence southerly along the westerly line of Baltimore Street 672.10 feet to the northerly line of South Park Avenue (66 feet wide); thence westerly along the northerly line of South Park Avenue 195.0 feet to the easterly line of Mississippi Street; thence northerly along the easterly line of Mississippi Street 672.47 feet to the point or place of beginning.

TOGETHER with all right, title and interest in Mississippi Street and Baltimore Street to the centerlines thereof.

PARCEL III

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Lots Nos. 74 and 75, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) and the easterly line of Baltimore Street (40 feet wide); thence easterly along the southerly line of Perry Street 113.68 feet to the westerly line of Columbia Street (50 feet wide); thence southerly along the westerly line of Columbia Street 531.8 feet more or less to the north line of lands of Consolidated Rail Corporation by the deed recorded in the Erie County Clerk's Office in Liber 1056 of Deeds at page 293; thence westerly long the said north line of Consolidated Rail Corporation 113.68 feet to the easterly line of Baltimore Street; thence northerly along the easterly line of Baltimore Street 532.02 feet more or less to the southerly line of Perry Street and the point or place of beginning.

TOGETHER with all right, title and interest in Baltimore Street and Columbia Street to the centerlines thereof.

PARCEL IV

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Outer Lots Nos. 74 and 75, bounded and described as follows:

BEGINNING at a point in the westerly line of Columbia Street distant 140 feet northerly along said westerly line of Columbia Street from its intersection with the northerly line of South Park Avenue, which point is also the southeast corner of lands conveyed to Higgins Erectors & Haulers, Inc. by deed recorded in the Erie County Clerk's Office in Liber 8470 of Deeds at page 537; thence southerly along the westerly line of Columbia Street 140 feet to the north line of South Park Avenue; thence westerly along the northerly line of South Park Avenue 113.68 feet more or less to the easterly line of Baltimore Street; thence northerly along the easterly line of Baltimore Street 140 feet to the southwest corner of said lands conveyed to Higgins Erectors & Haulers, Inc. by deed aforesaid; thence easterly along the southerly line of said lands conveyed to Higgins erectors & Haulers, inc. 113.68 feet more or less to the point of beginning.

TOGETHER with all right, title and interest in Baltimore Street and Columbia Street to the centerlines thereof.

EXHIBIT B

ADJACENT PARKING

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Outer Lot 74, described as follows:

BEGINNING at the intersection of the east line of Columbia Street (50 feet wide) and the south line of Perry Street (66 feet wide); running thence southerly along the east line of Columbia Street 516.88 feet to a point which is 155 feet north of the north line of South Park Avenue; running thence easterly parallel with South Park Avenue, 80 feet; running thence northerly parallel with Columbia Street, 1.60 feet; running thence easterly parallel with South Park Avenue 161.00 feet to the west line of Michigan Street (66 feet wide); running thence northerly along the west line of Michigan Street 193.97 feet; running thence westerly at an exterior angle of 90° 02' 18" a distance of 120 feet; running thence northerly parallel with Columbia Street 130.41 feet to the north line of Baker by deed recorded in Liber 999 of Deeds at page 479; running thence westerly along the north line of said Baker on an extension thereof 1.0 foot; thence running northerly parallel with Columbia Street 190.80 feet to the south line of Perry Street; running thence westerly along the south line of Perry Street 120.00 feet to the point of beginning.

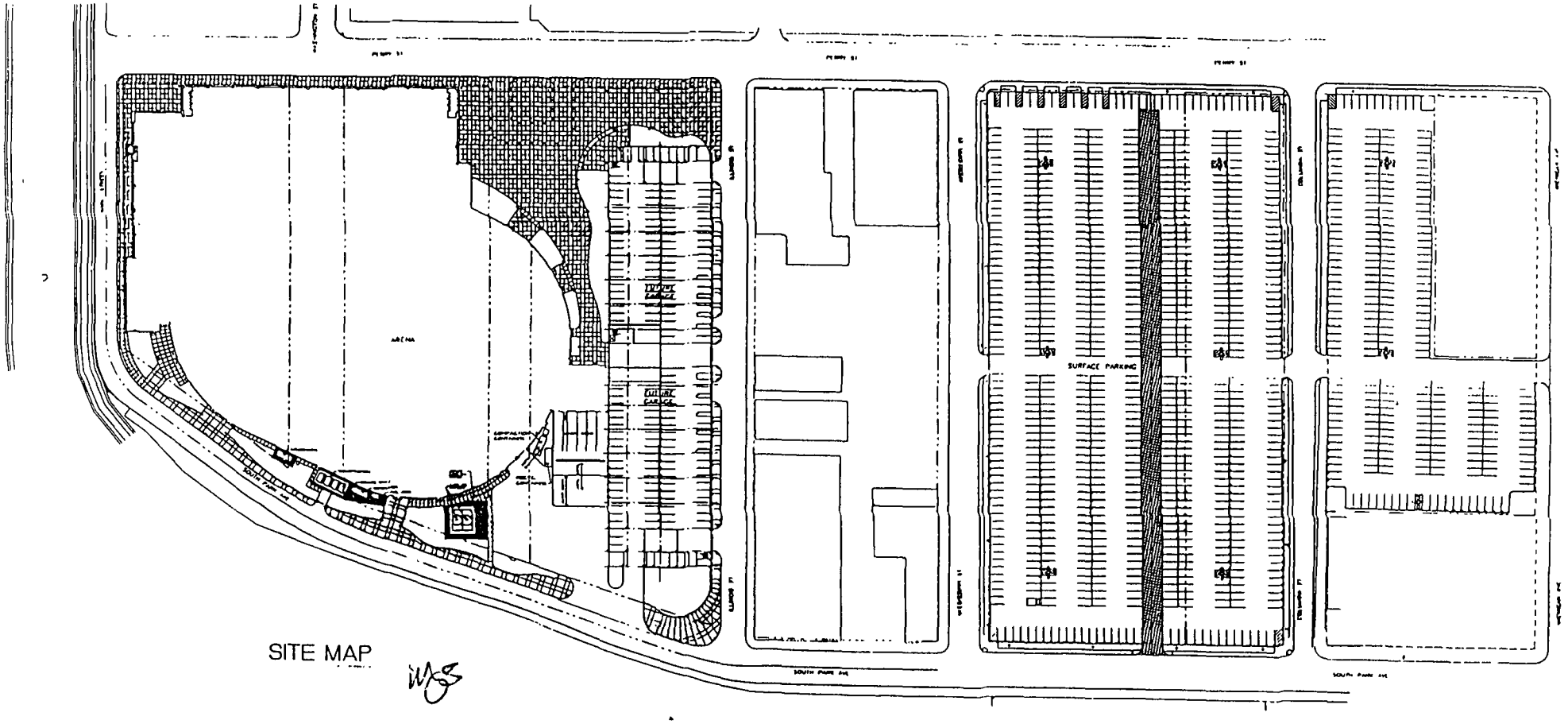
lses.r

EXHIBIT C

Layout of Food Concession Facilities and Parking Facilities

SEE ATTACHED

EXHIBIT C



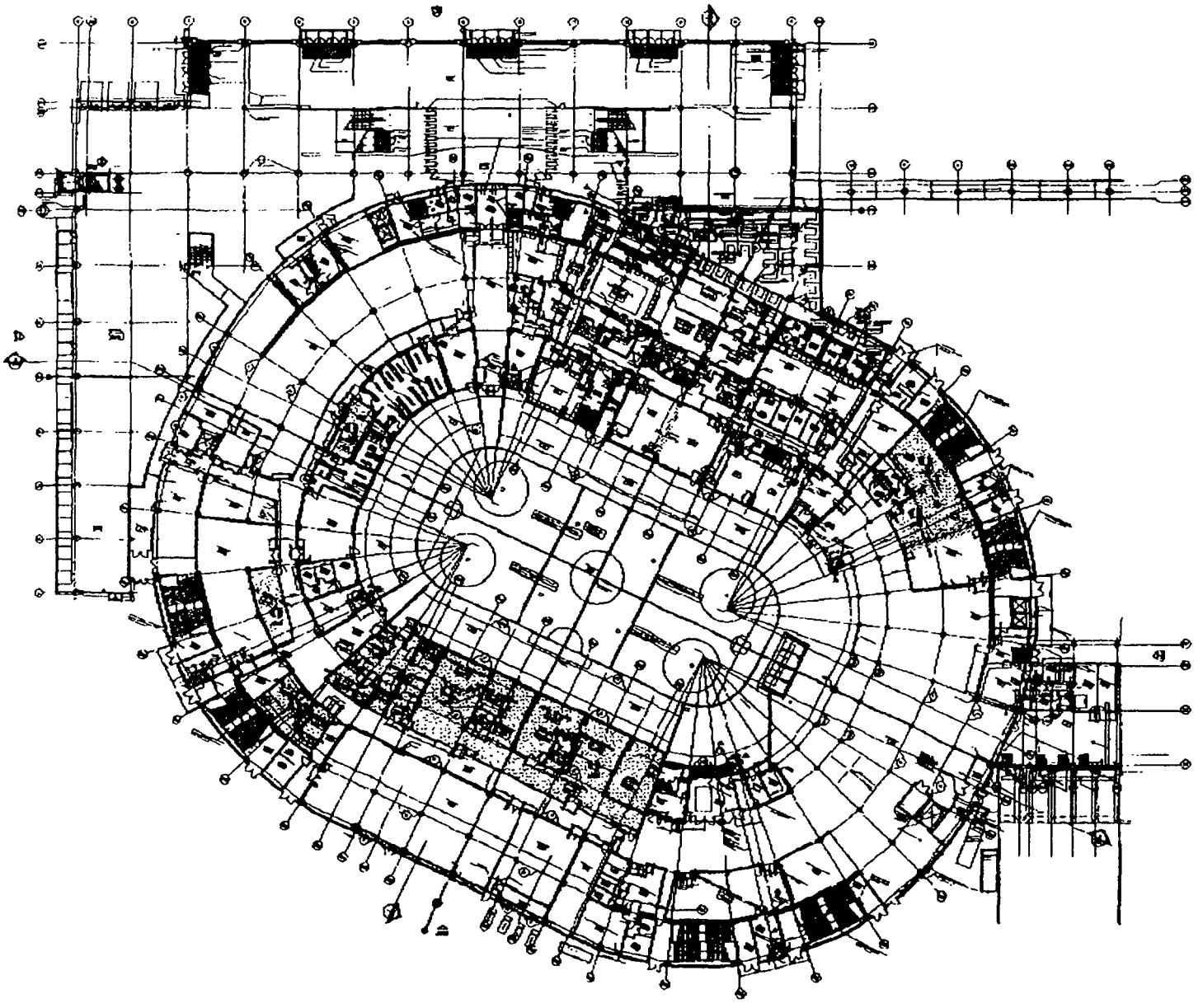
SITE MAP

LEASED PREMISES

EXHIBIT C

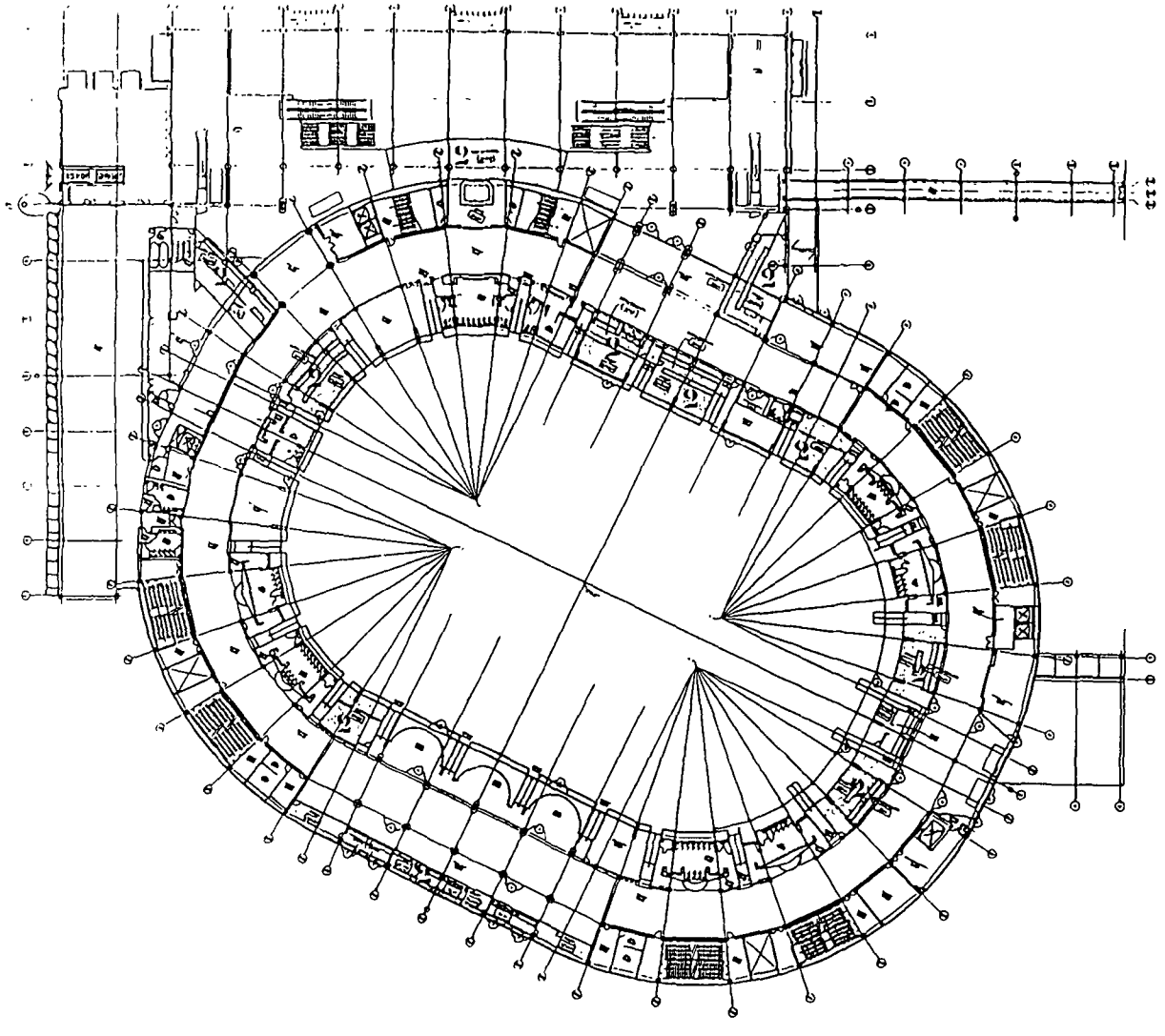
LEGEND

2. CONCESSION FACILITIES
A13 UNIFORM
B01A NECK LOUNGE
D01Y BUFFET
C01B COMMISSARY
C01A BEER
C01D REFRIGERATION
C01C TOILET
C01D RECEIVING
C01E PREP KITCHEN
C01F ICE
C01G SECURED STORAGE
C01H LOBBY
C01J GENERAL OFFICES
C01K ASSISTANT
C01L STORAGE
C01M ASSISTANT
C01N ASSISTANT
C01P TOILET
C01Q GENERAL MANAGER
C01R KITCHENETTE
C01S CONFERENCE
C01T FREEZER
C01U SECURED STORAGE
ID01 CASH CONTROL
ID01A CASH BALANCE
ID01B CASH BALANCE
ID01 EMPLOYEE BREAK ROOM



EVENT FLOOR

LEASED PREMISES



MAIN CONCOURSE

EXHIBIT C
LEGEND

2 CONCESSION FACILITIES
2A11 CONCESSION
2A11A PREP
2A09 BAR
2A10 CONCESSION
2A10A PREP
2A12 CONCESSION
2A12A PREP
2A20 CONCESSION
2A20A PREP
2001 CONCESSION
2001A PREP
2008 CONCESSION
2008A PREP
2014 VENDOR COMMISSARY
2C11 CONCESSION
2C11A PREP
2C18 CONCESSION
2C18A PREP
2C19 CONCESSION
2C19A PREP
2C19B PREP
2008 VENDOR COMMISSARY
2012 CONCESSION
2012A PREP
2F02 COLONNADE

LEASED PREMISES

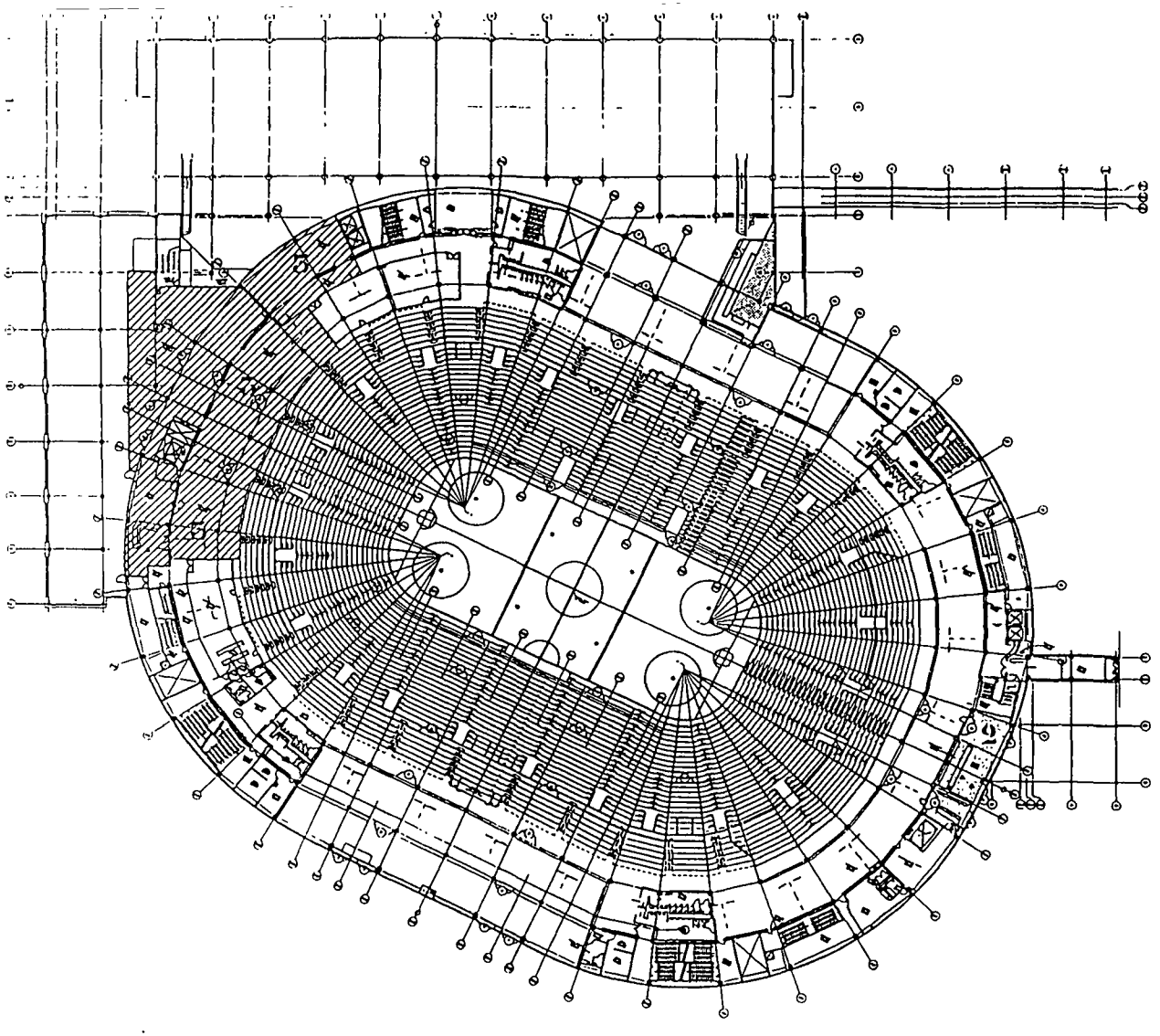


EXHIBIT C
LEGEND

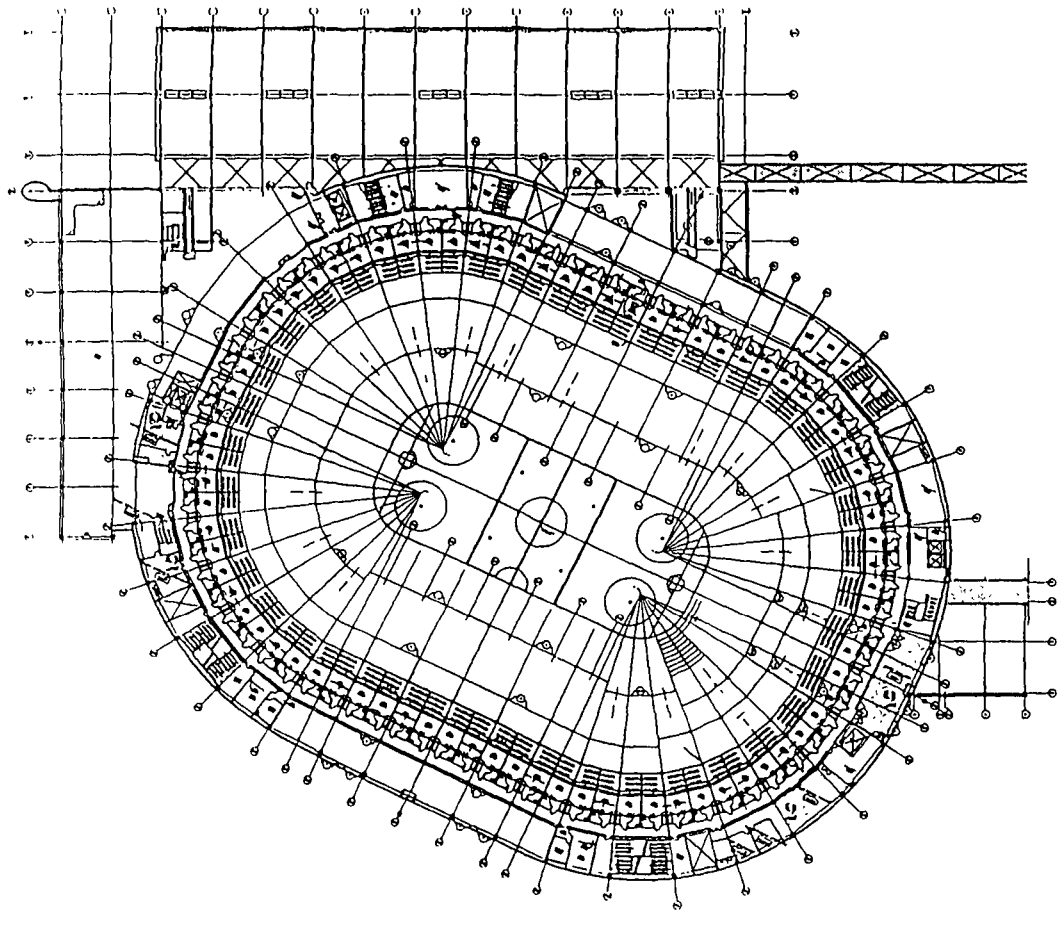
12. [illegible]

13 [illegible]

3A01 ELEVATOR LOBBY
3A07 CONCOURSE
3A10 SHELL SPACE
3D01 PANTRY
3D08 SHELL SPACE
3E01 AUD MEZZANINE

CLUB LEVEL 170

LEASED PREMISES



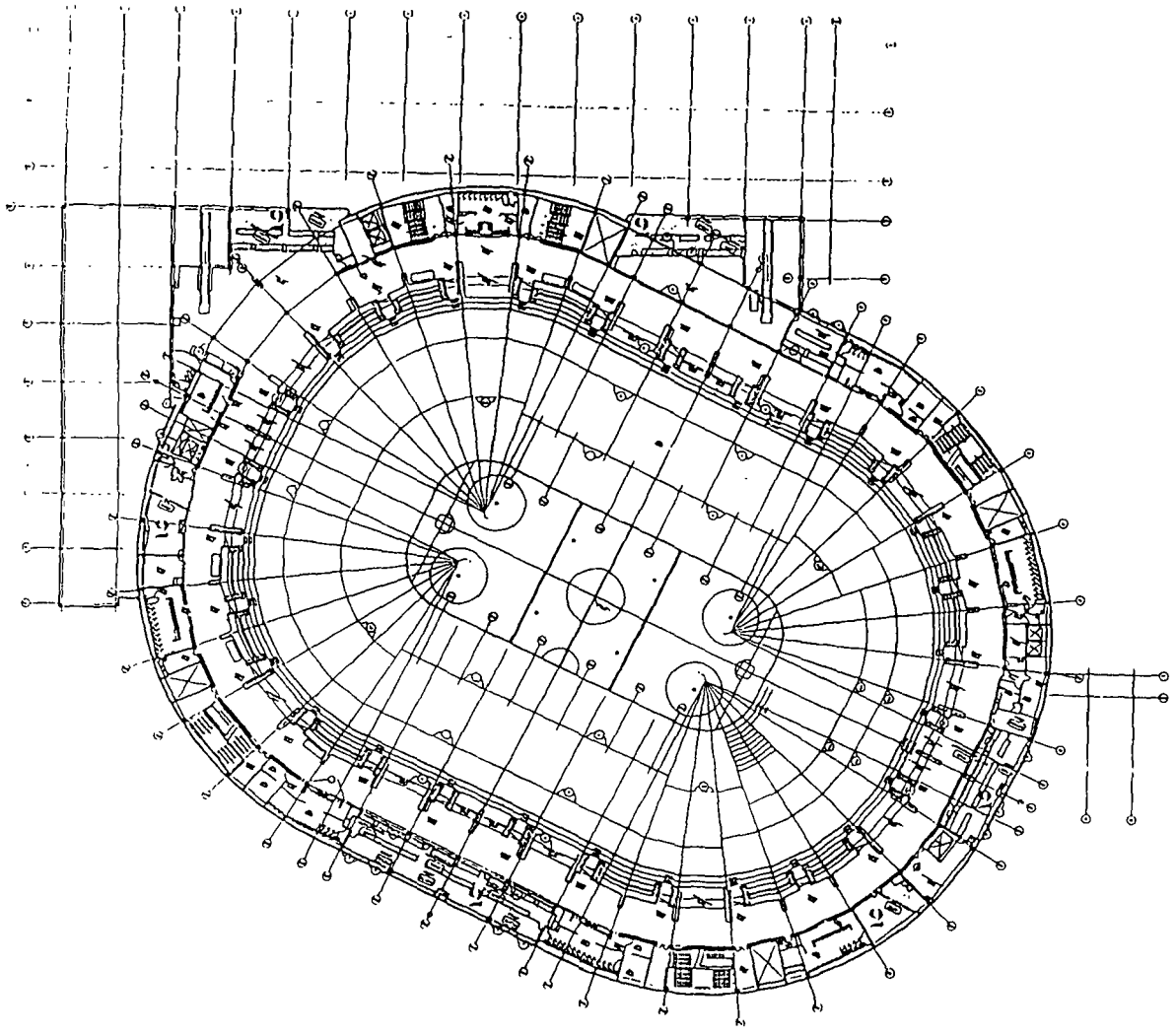
SUITE LEVEL

EXHIBIT C
LEGEND

2 CONCESSION FACILITIES
4004 SUITE KITCHEN
4003 COLD FOOD PANTRY
4003A LIQUOR/BEVERAGE STORAGE
4003D DRY STORAGE
4003 ELEVATOR LOBBY
4003A FOOD SERVICE STORAGE
4003 FOOD SERVICE STORAGE
4003A FOOD SERVICE STORAGE

LEASED PREMISES

EXHIBIT C
LEGEND



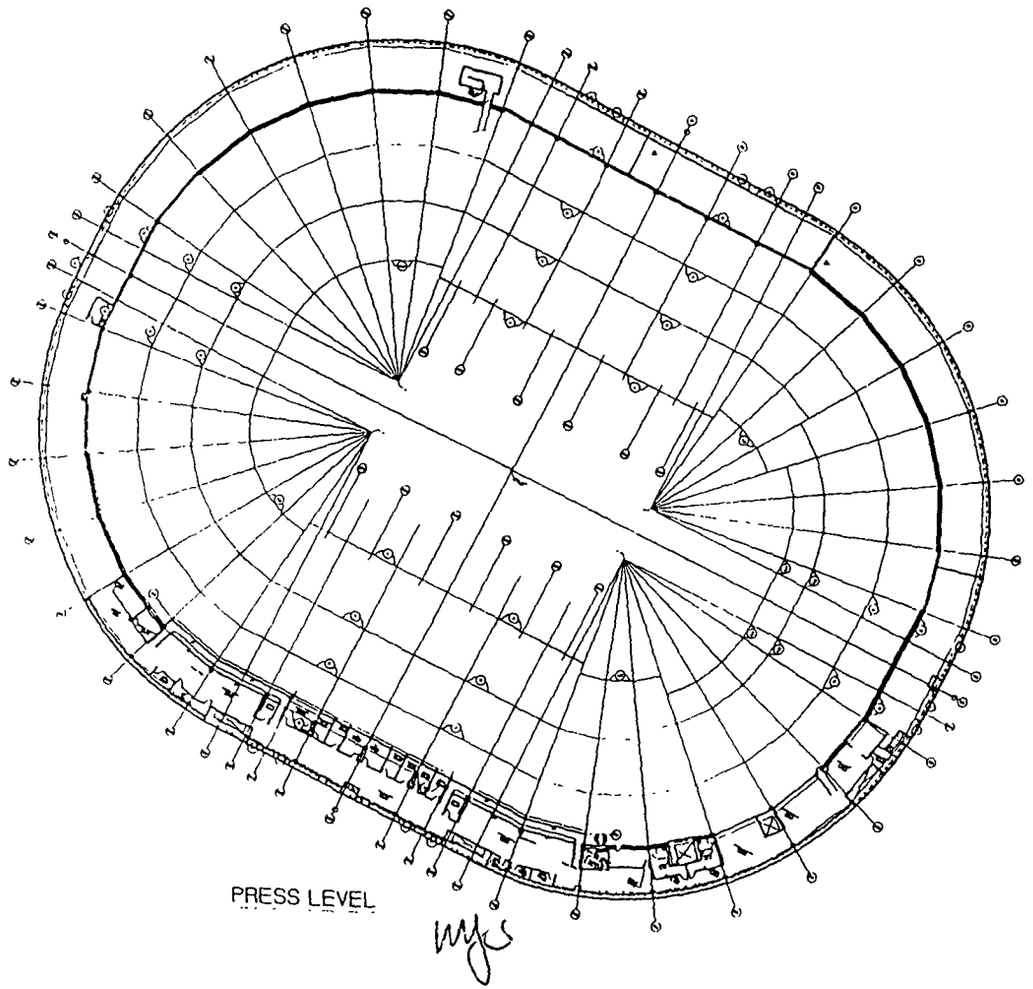
UPPER CONCOURSE

LEASED PREMISES

EXHIBIT C

LEGEND

12. CONCESSION FACILITIES
7C10 COFFEE SHOP



LEASED PREMISES

EXHIBIT D

Leased Premises

SEE EXHIBIT C

EXHIBIT E

Excluded Areas

SEE ATTACHED

EXHIBIT E

LEGEND

2. [illegible]

5 [illegible]

6. [illegible]

IA07 VISITING LOCKER
IA07A VESTIBULE
IA07B COACH
IA07C TRAINER
IA07D TOILET
IA07F SHOWER
IA08 LOCKER ROOM
IA08A VESTIBULE
IA08B EQUIPMENT MANAGER
IA08C LAUNDRY
IA08D EQUIPMENT
IA08E LOUNGE
IA08F CORRIDOR
IA08G CHANGING
IA08H GROOMING
IA08I TOILET
IA08J SAUNA
IA08K SHOWER
IA08L ASSISTANT COACH/VIDEO
IA08M COACH
IA08N SHOWER
IA08O LOCKER ROOM
IA08P WEIGHT TRAINING
IA08Q EXAM
IA08R TOILET
IA08S DOCTOR/EXAM
IA08T DENTIST
IA08U HYDROTHERAPY
IA08V SPA EQUIPMENT
IA08W TRAINER
IA08X TRAINING
IA11 VISITING LOCKER
IA11A VESTIBULE
IA11B TOILET
IA11C DRY
IA11D SHOWER
IA11E COACH
IA11F TRAINING
IB02 VISITING NHL LOCKER
IB02B VESTIBULE
IB02C TOILET
IB02D DRY
IB02E SHOWER
IB02F TRAINING
IB02G COACH
IB03 VISITING NHL LOCKER
IB03A VESTIBULE
IB03B TOILET
IB03C DRY
IB03D SHOWER
IB03E TRAINING
IB03F COACH

8. [illegible]

10. SABRES OFFICES
IF02 RECEPTION
IF02A WAITING
IF02B ATM
IF02C TICKET WINDOW
IF02D SETTLEMENT
IF02E COMPUTER
IF02F OFFICE
IF02G [illegible]
IF02H [illegible]
IF02J [illegible]
IF02K [illegible]
IF02L TOILET
IF02M SUPPLY CLOSET
IF02N CORRIDOR
IF02P [illegible]

113. PLAYER PARKING

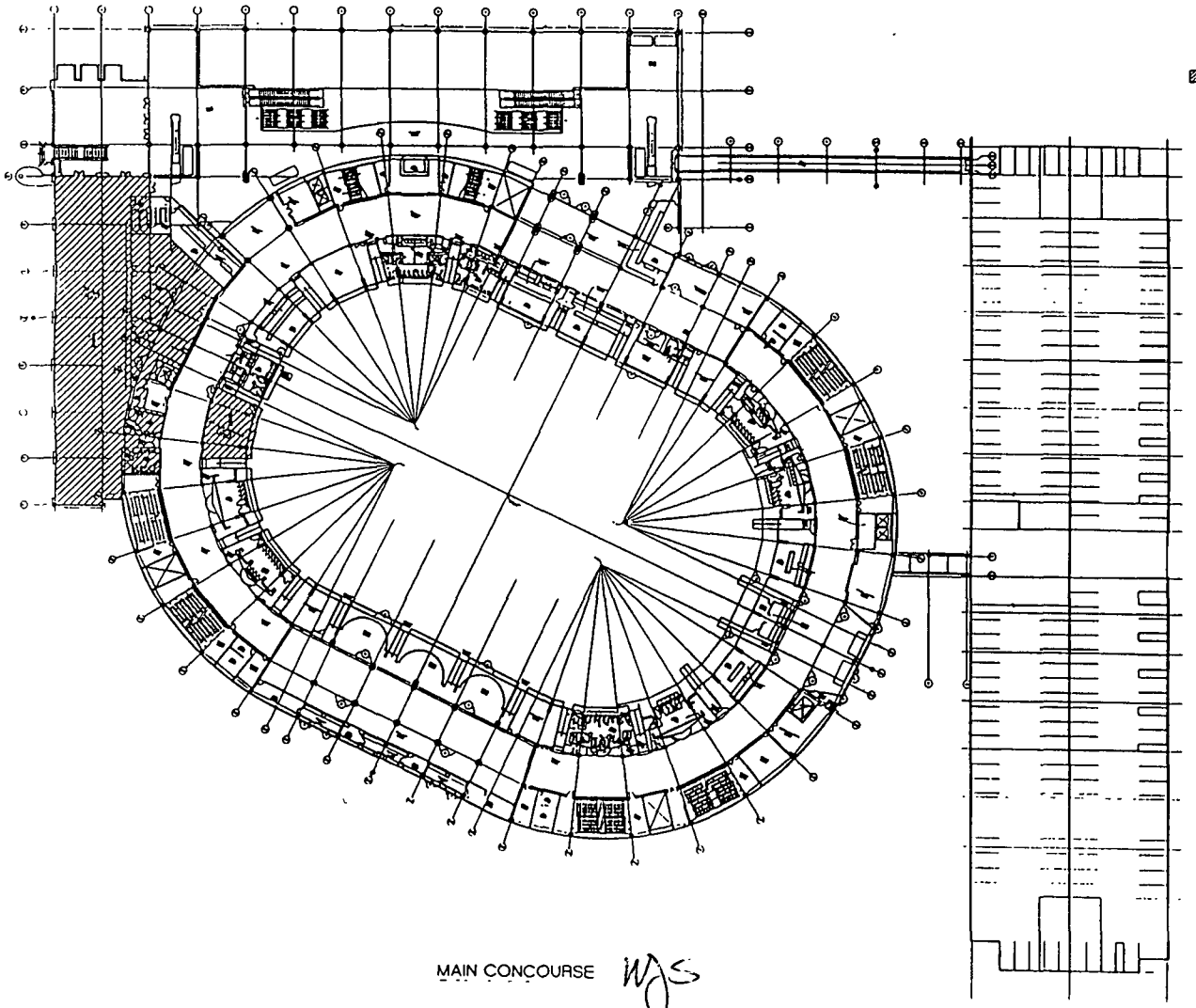
EVENT FLOOR

EXCLUDED AREAS

EXHIBIT E

LEGEND

1. AUD CLUB (WITH KITCHEN)
2003 AUD CLUB STORAGE
2014 VESTIBULE
2015 WOMEN'S TOILET
2015A VESTIBULE
2016 MEN'S TOILET
2016A VESTIBULE
2E07 AUD CLUB
2E07A COATS
2E07B AUD CLUB KITCHEN
2E07C OFFICE
2E07D STORAGE

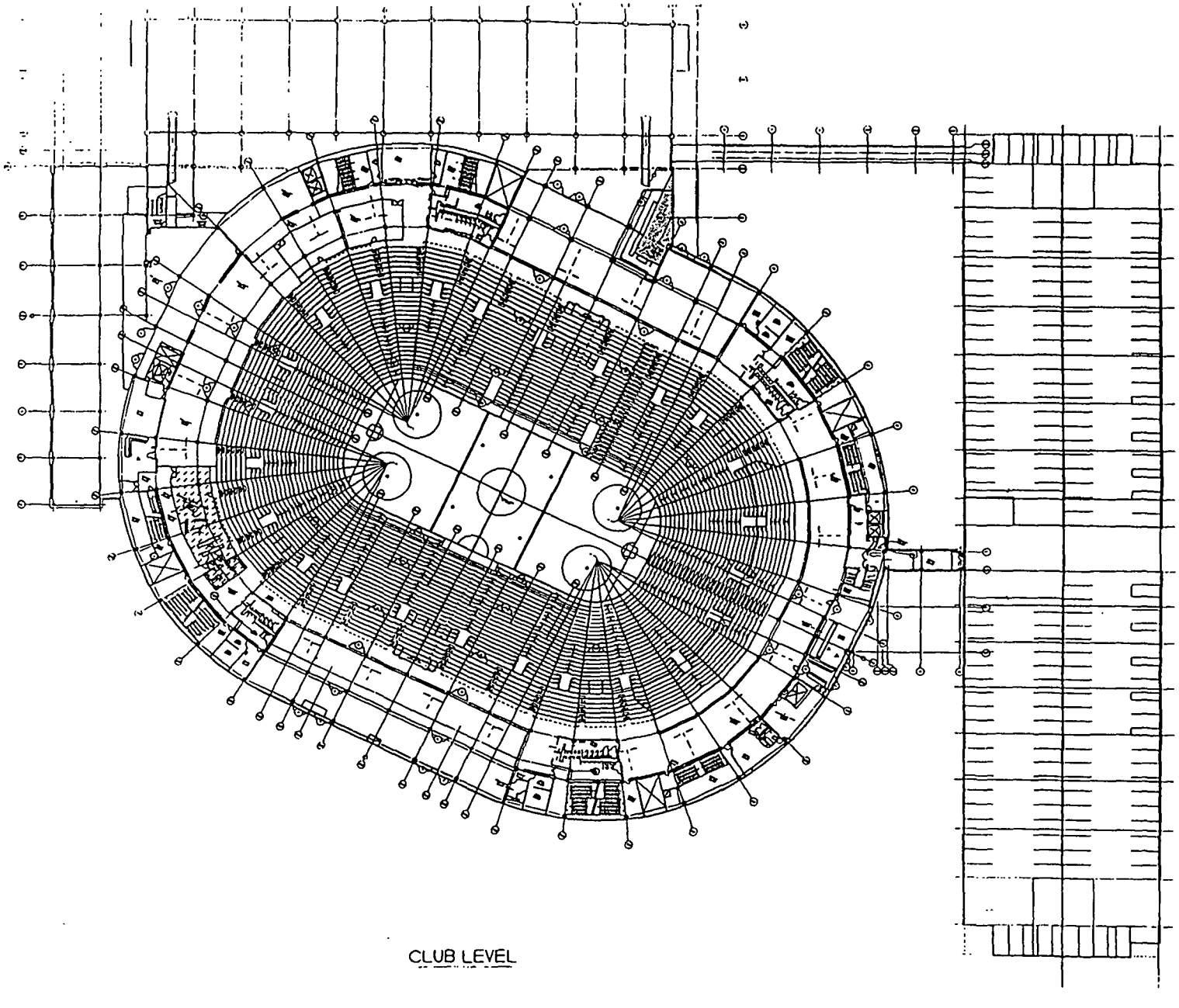


MAIN CONCOURSE WJS

EXCLUDED AREAS

EXHIBIT E

LEGEND

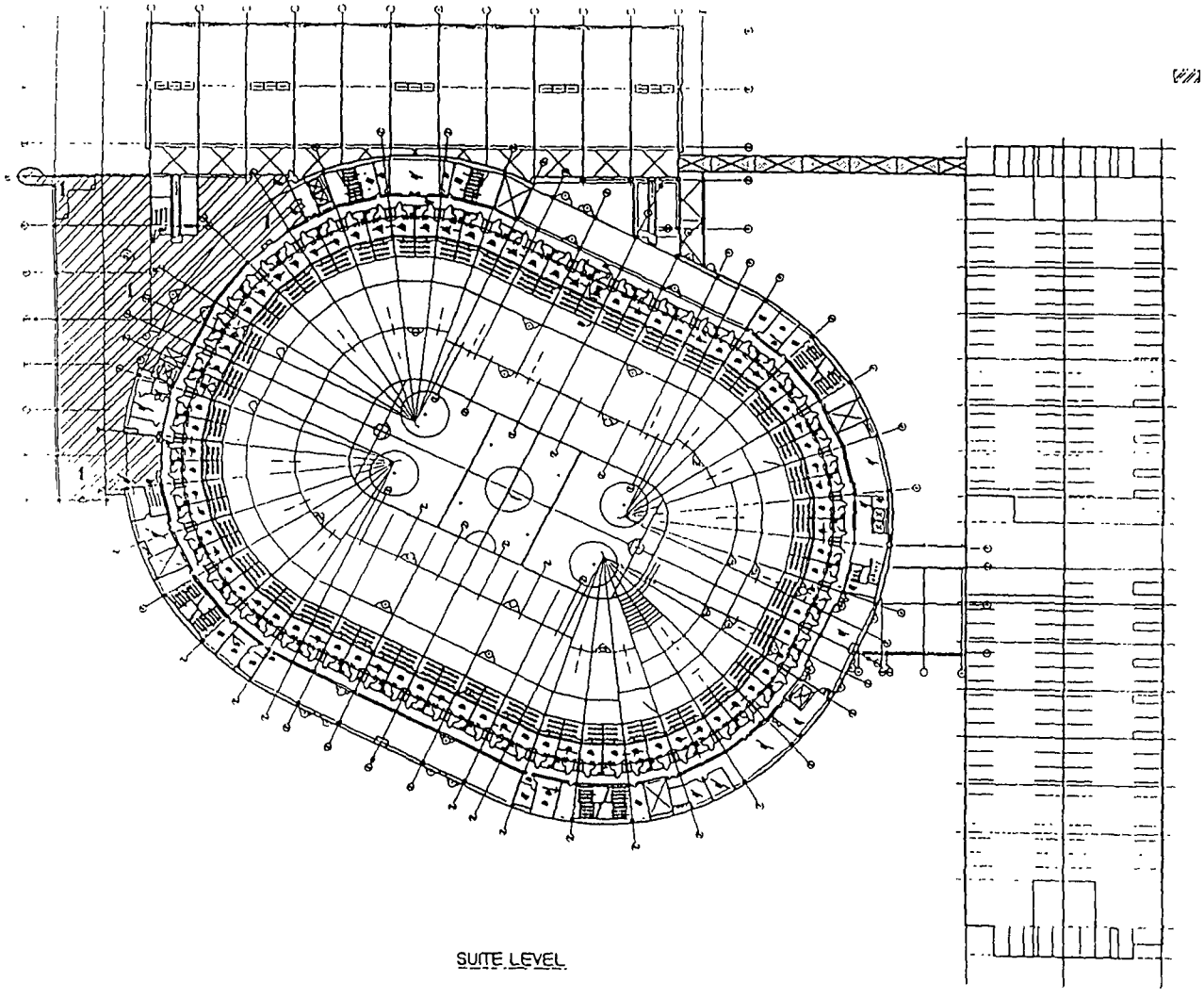


CLUB LEVEL

EXCLUDED AREAS

EXHIBIT E

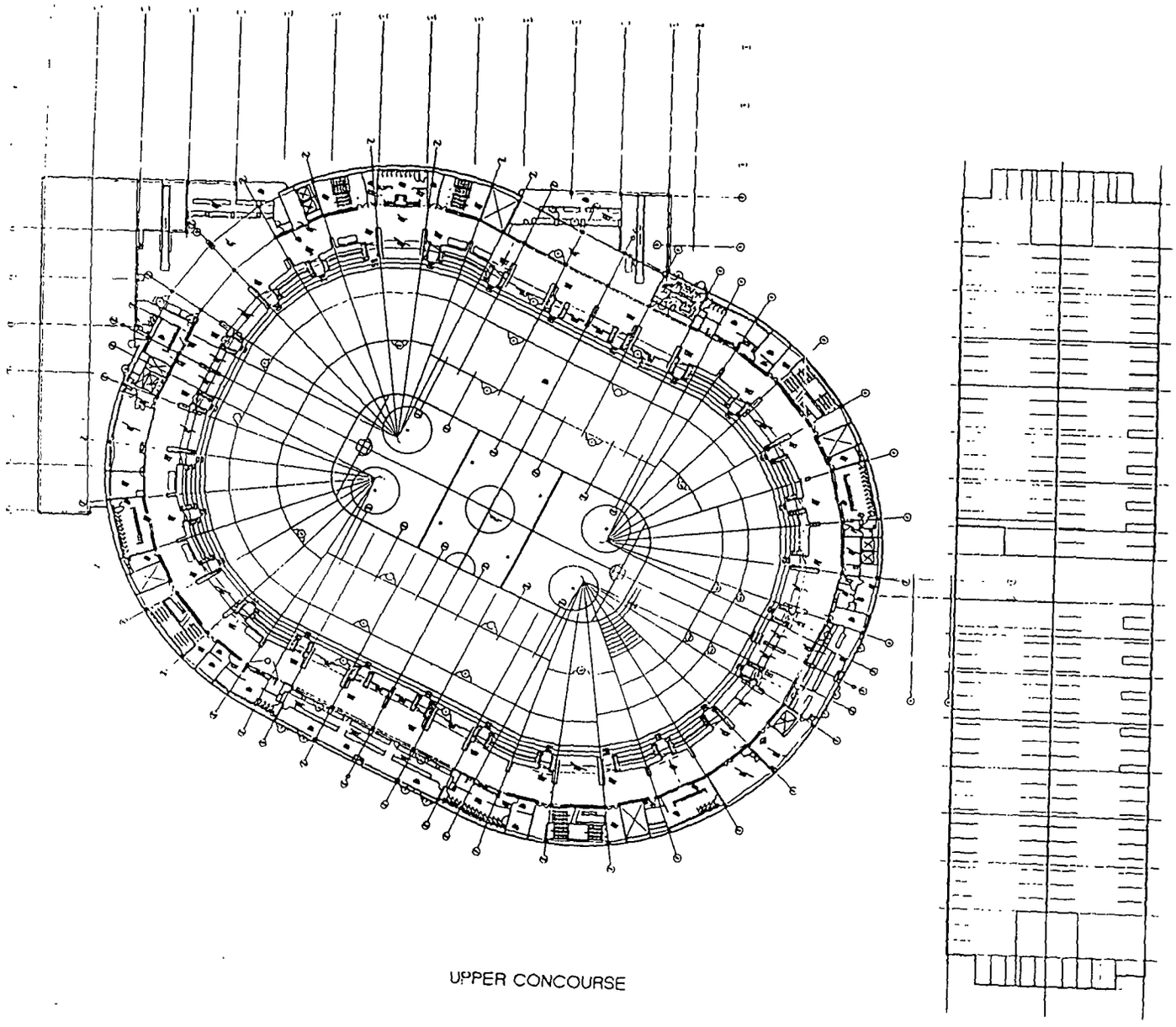
LEGEND



SUITE LEVEL

EXCLUDED AREAS

EXHIBIT E
LEGEND



UPPER CONCOURSE

EXCLUDED AREAS

EXHIBIT F

Affirmative Action Plan

SEE ATTACHED

EXHIBIT F

AGREEMENT

This Agreement is made this 18th day of October , 1994 by and between the Crossroads Arena Corporation ("CAC"), Niagara Frontier Hockey, L.P. (the "Sabres"), the City of Buffalo, New York ("City"), and the Buffalo Urban Renewal Agency ("BURA").

Whereas, CAC and the Sabres entered into negotiations with the New York State Urban Development Corporation ("UDC"), the County of Erie, New York ("County"), the Erie County Industrial Development Agency ("ECIDA"), the City and BURA (collectively, the "Public Participants") with respect to the financing and construction of a state-of-the-art community entertainment facility referred to as the "Crossroads Arena"; and

Whereas, CAC, the Sabres and the Public Participants entered into a Memorandum of Understanding ("MOU") regarding the financing and construction of such arena, which requires CAC and the Sabres to adopt and implement an Affirmative Action/Equal Opportunity Hiring Plan ("Plan"); and

Whereas, CAC and the Sabres have negotiated the terms of the Plan with the City, as the representative of the Public Participants; and

Whereas, the Plan, attached hereto as Exhibit A, was filed with the City Clerk's office on October 14, 1994;

Now Therefore, it is hereby agreed that CAC and the Sabres shall adopt and implement the Plan, attached hereto as Exhibit A, in accordance with its terms.

CAC

By: _____

SABRES

By: _____

CITY

By: _____
MAYOR

BURA

By: _____
CHAIRMAN

EXHIBIT F

CROSSROADS ARENA CORPORATION

AFFIRMATIVE ACTION/EQUAL OPPORTUNITY HIRING PLAN

INDEX

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IV. Operation of the Crossroads Arena 13

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I. Policy

It is the policy of the Crossroads Arena Corporation ("CAC"), consistent with applicable law, that equal opportunity be provided to minority group members, women, minority-owned business enterprises ("MBEs") and women-owned business enterprises ("WBEs") to participate in the business opportunities generated by the Crossroads Arena Project ("Project").

This Affirmative Action/Equal Opportunity Hiring Plan ("Plan") has been adopted to ensure equal employment opportunities for minority group members and women and the opportunity for meaningful participation of MBEs and WBEs in connection with the Construction of the Crossroads Arena and the Operation of the Crossroads Arena so that the recipients of the benefits of the business opportunities generated by the Project will reflect the diversity of the City of Buffalo.

In order to achieve these objectives, CAC has adopted a plan of equal employment opportunities and good faith efforts to achieve participation by minority group members and women. MBE and WBE participation goals are expressed as a percentage of the total dollar value of all expenditures, barters, trades-in-kind and offsets made in connection with the Project including, without limitation, all Contracts awarded in connection with the Construction of the Crossroads Arena and all Contracts for the furnishing of labor, services, materials, supplies, equipment, fixtures, and furnishings, and in connection with the Operation of the Crossroads Arena. The participation goals are 20% participation by MBEs, 5% participation by WBEs and 25% combined minority and women work force participation. These participation percentages are numerical objectives to be pursued by good faith efforts. The achievement of the above stated numerical objectives shall not be assumed to be compliance with the Plan nor shall the failure to achieve the above stated numerical objectives be assumed to be noncompliance with the Plan.

II. Definitions

For purposes of this Plan, the following terms shall have the meaning set forth below:

1. "Minority group member" shall mean a United States citizen or permanent resident alien who is and can demonstrate membership in one of the following groups:

(a) Black persons having origins in any of the Black African racial groups;

(b) Hispanic persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American descent of either Indian or Hispanic origin, regardless of race;

(c) Native American or Alaskan native persons having origins in any of the original peoples of North America; and

(d) Asian and Pacific Islander persons having origins in any of the Far East countries, South East Asia, the Indian subcontinent or the Pacific Islands.

2. "Minority-owned business enterprise" shall mean a business enterprise, including a sole proprietorship, partnership or corporation that is:

(a) At least fifty-one percent owned by one or more minority group members;

(b) An enterprise in which such minority ownership is real, substantial and continuing;

(c) An enterprise in which such minority ownership has and exercises the authority to control and operate, independently, the day-to-day business decisions of the enterprise; and

(d) An enterprise authorized to do business in the State of New York and is independently owned and operated.

(e) An enterprise certified as a MBE by the New York State Department of Economic Development, the County or the City.

3. "Women-owned business enterprise" shall mean a business enterprise, including a sole proprietorship, partnership or corporation that is:

(a) At least fifty-one percent owned by one or more citizens or permanent resident aliens who are women;

(b) An enterprise in which the ownership interest of such women is real, substantial and continuing;

(c) An enterprise in which such women ownership has and exercises the authority to control and operate, independently, the day-to-day business decisions of the enterprise; and

(d) An enterprise authorized to do business in the State of New York and which is independently owned and operated.

(e) An enterprise certified as a WBE by the New York State Department of Economic Development, the County or the City.

4. "Contractor" shall mean any individual or business enterprise, including, without limitation, a sole proprietorship, partnership, corporation or not-for-profit corporation which has a Contract with CAC in connection with the Construction of the Crossroads Arena or Operation of the Crossroads Arena, but not a Customer.

5. "Contract" shall mean an agreement providing for a total value in excess of twenty-five thousand dollars with respect to the Construction of the Crossroads Arena or Operation of the Crossroads Arena.

6. "Subcontract" shall mean (a) in the case of a Contract in excess of fifty thousand dollars, an agreement providing for a total expenditure of twenty-five thousand dollars in which a portion of a Contractor's obligation with respect to a Contract is undertaken or assumed by a third party or (b) in the case of a Contract of fifty thousand dollars or less, an agreement providing for a total expenditure of ten thousand dollars in which a portion of a Contractor's obligation with respect to a Contract is undertaken or assumed by a third party.

7. "UDC" shall mean the New York State Urban Development Corporation or its designee.

8. "City" shall mean the City of Buffalo, New York or its designee.

9. "County" shall mean the County of Erie, New York or its designee.

10. "CAC" shall mean a wholly owned subsidiary of the Sabres (or a limited partnership to be formed of which CAC will be the sole managing partner and in which the Sabres will hold substantially all of the limited partnership interests).

11. "Sabres" shall mean Niagara Frontier Hockey, L.P., a Delaware limited partnership whose sole managing general partner is Niagara Frontier Hockey Management Corporation, a New York corporation.

12. "Construction of the Crossroads Arena" shall mean the construction, demolition, replacement, repair, renovation, planning or design of real property or improvements thereon for a state-of-the-art community entertainment center, referred to herein as "the Crossroads Arena".

13. "Operation of the Crossroads Arena" shall mean the functioning of a state-of-the-art community entertainment center, referred to herein as "the Crossroads Arena", but which do not include those activities set forth in the definition of "Construction of the Crossroads Arena".

14. "Customer" shall mean a Person (including but not limited an individual, firm, corporation or partnership) which leases or purchases commodities or services from CAC or the Sabres, regardless of whether such lease, acquisition or purchase satisfies the definition of a Contract. For example and by way of illustration but not limitation, Customers of CAC or the Sabres include advertisers, ticketholders, suite holders, premium seat club holders, performers, sports teams or franchises other than those owned by the Sabres, and entertainers. A Person is not a Customer when such Person is a supplier of commodities or services.

III. Construction of the Crossroads Arena

The provisions of this Section III shall apply during the Construction of the Crossroads Arena. Copies of Section I, II, and III of this Plan shall be provided to each Contractor or subcontractor in connection with the Construction of the Crossroads Arena.

A. Equal Employment Opportunity for Minority Group Members and Women.

CAC shall and shall require each Contractor to specifically agree that:

1. It will not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status, and will undertake or continue existing programs to ensure that minority group members and women are afforded equal employment opportunities without discrimination.

2. It shall request each employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding, to furnish a written statement that such employment agency, labor union or authorized representative will not discriminate on the basis of race, creed, color, national origin, sex, age, disability or marital status and that such employment agency, labor union or authorized representative will affirmatively cooperate in the implementation of the Contractor's obligations herein.

3. It shall state in all solicitations or advertisements for employees that, in the performance of the Contract, all qualified applicants will be afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status.

4. It shall include the provisions of this Section III in every Subcontract in such a manner that the provisions will be binding upon each subcontractor with respect to all of its work in connection with the Construction of the Crossroads Arena.

5. It shall, and shall cause its subcontractors to, make every effort to achieve meaningful participation of minorities and women in its workforce, and shall, and shall require each of its subcontractors, to demonstrate good faith efforts in connection with the Construction of the Crossroads Arena at least as extensive as the following to achieve same:

(a) Ensure and maintain a working environment free of harassment, intimidation and coercion at the Project site(s) and in all facilities at which employees are assigned to work in connection with the Construction of the Crossroads Arena. Foremen, superintendents and/or other supervisory personnel shall be made aware of the obligation to maintain such a working environment.

(b) Establish and maintain a current list of recruitment, training and employment sources for minorities and women, provide written notification to these sources when employment opportunities become available, and provide a reasonable opportunity for such source's response. Such list shall include all employment, recruitment and training sources recommended by CAC and/or UDC.

(c) Maintain a current file of each off-the-street application from minorities or women which includes the name, address and telephone number thereof and the name, address and telephone number of each referral from a union or a recruitment, training or employment source for minorities or women and of the action taken with respect to each individual.

(d) Disseminate the affirmative action/nondiscrimination obligations under this Plan to employment agencies, labor unions or authorized representatives and requesting their cooperation in assisting the Contractor in meeting its obligations, by including a statement that the Contractor is an equal opportunity employer in publications referring to the Contractor and any advertising related to the Contract, including but not limited to any notices of available jobs, and by informing subcontractors of the obligations under this Plan.

(e) Review, before the commencement of construction work at the Project site(s) and at least quarterly thereafter, the affirmative action/nondiscrimination obligations under this Plan with all employees having any responsibility for hiring, assignment, layoff, termination or other employment decisions,

including on-site supervisory personnel such as superintendents and general foremen. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and actions taken.

(f) Direct its recruitment efforts, both oral and written, to community organizations representing the interests of minorities and/or women, to schools with minority students, and to employment, recruitment and training organizations serving minorities and/or women in the Contractor's recruitment area. Such notification shall describe the openings, screening procedures and tests to be used in the selection of workers, apprentices or trainees for work in connection with the Construction of the Crossroads Arena.

(g) Encourage minority and women employees to recruit other minority and women workers and, where reasonable, provide after-school, summer and vacation employment to minority and women students.

(h) Ensure that seniority practices, job classifications, work assignments, collective bargaining agreements and other personnel practices do not have a discriminatory effect by monitoring all personnel and employment related activities to ensure that the affirmative action/nondiscrimination obligations under this Plan are being carried out.

(i) Conduct a review, at least quarterly, of adherence to and performance pursuant to this Plan.

(j) Maintain written documentation of all activities pursuant to this Section III.A. in such form as will enable CAC or UDC to verify compliance therewith. Such documentation shall be retained for a period of one year after completion of the Contract and shall be available to CAC or UDC or their representatives during regular business hours.

B. MBE/WBE Participation.

CAC shall, and shall require each Contractor and subcontractor to, take the following good faith efforts to achieve MBE and WBE participation herein:

1. Actively and affirmatively solicit bids for Subcontracts from qualified MBEs or WBEs, including circulation of solicitations to minority and women contractor associations.

2. Ensure that plans, specifications, requests for proposals and other documents used to secure proposals for the performance of work or supply of materials will be made available in sufficient time for review by prospective MBEs or WBEs.

3. Where economically and technically feasible, divide the work into smaller portions to enhance participation by MBEs and WBEs.

4. Encourage, where economically and technically feasible, the formation of joint ventures, partnerships or other similar arrangements among contractors to enhance participation by MBEs and WBEs.

5. Consult with and use the services of governmental agencies, their consultants, and contractor associations in connection with efforts to fulfill participation goals.

6. Place timely advertisements in appropriate general circulation, trade and minority and women-oriented publications.

7. Make written solicitations in a timely fashion of MBEs and WBEs.

8. Document and maintain a record of all bid solicitations, including solicitations to MBEs and WBEs, and the results thereof.

9. Take such other reasonable measures as CAC or UDC shall direct.

C. Training.

Each Contractor (and CAC, if it engages in construction related activity) shall provide and maintain an on-site training program for the purpose of educating unskilled individuals, occupying entry level positions in specific construction trade procedures and skills required in connection with the Contract. Such training programs shall be initiated upon commencement of the

Contractor's work and continue through the completion of the Contract.

If the Contractor (or CAC, if it engages in construction related activity), in its sole discretion, implements on-site supervisory or management training programs, such Contractor (or CAC as the case may be) shall use its best efforts to include minorities and women in such training programs.

Prior to initiation of any training program, each Contractor shall submit to CAC a detailed written description of the specific components of the training program for CAC's approval and shall receive same prior to commencing the program. CAC shall forward to UDC a copy of all programs it approves within ten (10) days of such approval.

D. Compliance.

1. CAC, if applicable, shall submit to UDC or its designated agent, and Contractor shall submit to CAC or its designated agent, with copies to the UDC, compliance reports as approved by UDC. Each compliance report shall include but not be limited to the following information:

(a) The name, address and telephone number of each MBE and WBE being used or intended to be used to comply with the participation goals;

(b) A brief description of the Contract scope of work to be performed by each MBE and WBE and the scheduled dates for performance;

(c) A statement of whether there is a written agreement with each MBE and WBE being used or intended to be used and, if requested, copies of such agreements;

(d) The actual total cost of each Contract, the work performed and the materials provided, and the scope of work to be performed by each MBE and WBE for each Contract;

(e) The actual amounts of any payments made to each MBE and WBE as of the date the compliance report was submitted; and

(f) The percentage of total MBE and WBE contractors, subcontractors, vendors and suppliers utilized for the Construction of the Crossroads Arena and total contract value such percentages constitute.

2. During the initial construction of the Crossroads Arena, CAC or UDC may conduct a semi-annual audit and compliance review at such time and in such manner as it deems necessary in order to review compliance with this Plan. Thereafter, CAC or UDC may annually conduct an audit and compliance review in order to review compliance with this Plan.

3. Contractor will incorporate or cause to be incorporated the requirements of this Plan in all of its Subcontracts entered into in connection with the Construction of the Crossroads Arena in such manner as will require each subcontractor to comply with this Plan.

4. For purposes of determining the contract value of work performed by MBEs and WBEs, all contracts, whether awarded directly by CAC, by a Contractor, or awarded by the subcontractor of a Contractor, shall be considered. The following standards shall apply in determining the dollar value of any contract involving an MBE or WBE:

(a) Where the MBE or WBE is the Contractor or where the Contractor is a joint venture consisting entirely of MBEs or WBEs, the value shall be 100% of the contract price.

(b) Where the Contractor is a joint venture including one or more MBEs or WBEs as joint venturer(s), the value shall be the contract price multiplied by the percentage which represents the interest of the MBEs or WBEs in the venture.

(c) Where the MBE or WBE is a Contractor which subcontracts work to a party not an MBE or WBE, the value shall be the excess, if any, of the contract price of the work contracted by the MBE or WBE over the contract price of the work subcontracted by such MBE or WBE.

(d) Where the MBE or WBE is a bona fide supplier, the value shall be the price of the materials purchased, provided that if the MBE or WBE acts as a supplier or distributor of goods

manufactured or produced by a party which is not an MBE or WBE, the price paid by the MBE or WBE to the manufacturer or supplier shall be deducted from the price of the materials purchased.

5. In the event CAC or a Contractor is unable to achieve the above-noted MBE and/or WBE participation numerical objectives:

(a) CAC and each Contractor will maintain detailed records of the good faith actions that it and its contractors and subcontractors have taken to achieve the participation goals in such form as will enable CAC or the UDC to determine that Contractor has indeed made such good faith efforts in accordance with this Plan. Records shall include, but not be limited to, those set forth in Sections III.A. and III.B. above.

(b) The Contractor may apply to CAC or its designee (or, if applicable, CAC may apply to UDC or its designee) for a waiver or modification of the Plan's requirements by the submission of a written request for a waiver or modification documenting good faith efforts by the Contractor (or CAC, if applicable) to meet the participation goals of the Plan, which waiver or modification may be granted after careful consideration of the following factors:

(i) The names of general circulation, trade association and minority and women-oriented publications in which bids were solicited;

(ii) The dates bid solicitations for MBE and WBE participation were published in any of the publications identified pursuant to paragraph (i) and the text of the bid solicitation;

(iii) A list of MBEs and WBEs which were solicited in writing to provide bids;

(iv) Proof of dates on which such solicitations were made in writing and copies of solicitations made, or a sample copy of the solicitation if an identical solicitation was made of all MBEs and WBEs;

(v) Copies of responses made by MBEs and WBEs to solicitations made by (CAC or) the Contractor;

(vi) A description of any contract documents, plans, or specifications made available to MBEs and WBEs for purposes of soliciting their bids, and the dates and manner in which these documents were made available;

(vii) Documentation of any negotiations between CAC or the Contractor and MBEs and WBEs;

(viii) With respect to the recruitment efforts undertaken to identify and hire supervisory employees, evidence of good faith efforts may include, but not be limited to, CAC's, the Contractor's and each subcontractor's participation at women and minority job fairs, each party's utilization of employment and job placement agencies, each party's encouragement of its women and minority supervisory personnel to solicit other employees, and, the number of interviews granted to qualified applicants;

(ix) Any other information determined relevant by CAC or the Contractor; and

(x) A statement setting forth CAC's or the Contractor's bases for requesting a waiver or modification.

6. Each Subcontract entered into for the Construction of the Crossroads Arena shall include a provision that CAC and UDC shall be deemed third-party beneficiaries of the provisions included in such Subcontract pursuant to this Plan and shall have the full right of enforcement thereof. Nothing contained in this Plan shall be construed to create any third party beneficiary right in any party other than as expressly provided herein.

E. Sanctions.

In the event Contractor fails to comply with the provisions of this Plan, CAC may withhold payment of any amounts due, suspend, cancel or terminate any Contract without incurring any penalty or damage on account of such action and without any further liability.

IV. Operation of the Crossroads Arena

The provisions of this Section IV shall apply during the Operation of the Crossroads Arena. Copies of Section I, II and IV of this Plan shall be provided to each Contractor or subcontractor in connection with the Operation of the Crossroads Arena.

A. Equal Employment Opportunity for Minority Group Members and Women.

1. CAC shall and shall require the Sabres and each Contractor to specifically agree that:

(a) It will not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status, and will undertake or continue existing programs to ensure that minority group members and women are afforded equal employment opportunities without discrimination.

(b) It shall request each employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding, to furnish a written statement that such employment agency, labor union or authorized representative will not discriminate on the basis of race, creed, color, national origin, sex, age, disability or marital status and that such employment agency, labor union or authorized representative will affirmatively cooperate in the implementation of the obligations herein.

(c) It shall state in all solicitations or advertisements for employees that all qualified applicants will be afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status.

2. Each Contractor will include the provisions of this Section IV in every Subcontract in such a manner that the provisions will be binding upon each subcontractor with respect to all of its work in connection with a Contract.

3. CAC, the Sabres (except as to hockey players, scouts and coaches, the hockey general manager, assistant general manager and

trainers of the Sabres), and each Contractor and subcontractor shall make every effort to achieve meaningful participation of minorities and women in its work force, and will demonstrate good faith efforts at least as extensive as the following to achieve same:

(a) Ensure and maintain a working environment free of harassment, intimidation and coercion in all facilities at which employees are assigned to work and ensure that all supervisory personnel are aware of and carry out the obligation to maintain such a working environment with specific attention to minorities and women working at such site(s) or in such facilities.

(b) Establish and maintain a current list of recruitment, training and employment sources for minorities and women, provide written notification to these sources when employment opportunities become available, and provide a reasonable opportunity for such source's response. Such list shall include all employment, recruitment and training sources recommended by CAC and/or UDC.

(c) Maintain a current file of each off-the-street application from minorities or women which includes the name, address and telephone number thereof and the name, address and telephone number of each referral from a union or a recruitment, training or employment source for minorities or women and of the action taken with respect to each individual.

(d) Disseminate the affirmative action/nondiscrimination obligations under this Plan to employment agencies, labor unions or authorized representatives and requesting their cooperation and assistance in meeting the obligations under this Plan, by including a statement that it is an equal opportunity employer in advertising and notices of available jobs with CAC, the Sabres or the Contractor, and by informing subcontractors of the obligations under this Plan.

(e) Review, at least annually, the affirmative action/nondiscrimination obligations under this Plan with all employees having any responsibility for hiring, assignment, layoff, termination or other employment decisions, including on-site supervisory personnel such as superintendents and general foremen. A written record shall be made and maintained identifying the time

and place of these meetings, persons attending, subject matter discussed, and actions taken.

(f) Direct recruitment efforts, both oral and written, to community organizations representing the interests of minorities and/or women, to schools with minority students, and to employment, recruitment and training organizations serving minorities and/or women in the Western New York area. Written notification may include a description of the openings, screening procedures and tests to be used in the selection of workers, apprentices or trainees.

(g) Encourage minority and women employees to recruit other minority and women workers and, where reasonable, provide afterschool, summer and vacation employment to minority and women students.

(h) Ensure that seniority practices, job classifications, work assignments, collective bargaining agreements and other personnel practices do not have a discriminatory effect by monitoring all personnel and employment related activities to ensure that the affirmative action/nondiscrimination obligations under this Plan are being carried out.

(i) Conduct periodic reviews, of adherence to and performance pursuant to this Plan.

(j) Maintain written documentation of all activities pursuant to this Section IV.A. in such form as will enable verification of compliance therewith. Such documentation shall be retained for a period of one year and shall be available to CAC, UDC or their designees during regular business hours.

B. MBE/WBE Participation.

1. With respect to the Operation of the Crossroads Arena, CAC will, and will require its Contractors and subcontractors (other than the Sabres) to, take the following good faith efforts to achieve MBE and WBE participation herein:

(a) Actively and affirmatively solicit bids for Contracts and Subcontracts from qualified MBEs or WBEs, including circulation of solicitations to minority and women contractor associations.

(b) Ensure that plans, specifications, requests for proposals and other documents used to secure proposals for the performance of work or supply of materials will be made available in sufficient time for review by prospective MBEs or WBEs.

(c) Where economically and technically feasible, divide the work into smaller portions to enhance participation by MBEs and WBEs.

(d) Encourage, where economically and technically feasible, the formation of joint ventures, partnerships or other similar arrangements to enhance participation by MBEs and WBEs.

(e) Consult with governmental agencies, their consultants and contractor associations in connection with efforts to fulfill participation goals.

(f) Place timely advertisements in appropriate general circulation, trade and minority and women-oriented publications.

(g) Make written solicitations in a timely fashion of MBEs and WBEs.

(h) Document and maintain a record of all Contract solicitations, including solicitations to MBEs and WBEs, and the results thereof.

2. The Sabres shall develop and periodically update a list of qualified MBEs and WBEs to which it shall refer, prior to purchasing supplies or materials, in order to create business opportunities for such firms, and to provide such list to CAC. The Sabres may seek the assistance of the City, County and New York State in the development of such list of qualified MBEs and WBEs.

C. Training.

With respect to the Operation of the Crossroads Arena, CAC, if appropriate and applicable, and each Contractor shall provide and maintain an on-site program for the purpose of educating unskilled individuals occupying entry level positions in specific skills required in connection with the Contract. Each Contractor shall submit to CAC and, if applicable, CAC shall submit to UDC a detailed written description of the specific components of the

training plan for CAC's and/or UDC's approval and shall receive same prior to commencing the program. CAC shall forward to UDC, or its designee, a copy of all programs it approves within ten (10) days of such approval.

If the labor market is not providing qualified minority or women candidates for supervisory positions, training programs which are funded by the federal, state, county or city government or other public or private agencies may be implemented.

If a Contractor (or CAC, if appropriate and applicable), in its sole discretion, implements on-site supervisory or management training programs, such Contractor (or CAC) shall use its best efforts to include minorities and women in such training programs.

D. Compliance.

1. CAC or UDC may annually conduct an audit and compliance review of CAC or the Sabres at such time and in such manner as it deems necessary in order to review compliance with this Plan.

2. CAC and each Contractor shall incorporate or cause to be incorporated the requirements of this Plan in all of its Contracts or Subcontracts entered into in connection with a Contract in such manner as will require each subcontractor to comply with this Plan.

3. Contractors and the Sabres will submit to CAC, and CAC, if applicable, to UDC, compliance reports which shall describe all steps which have been taken to comply with this Plan, including, where applicable:

(a) The name, address and telephone number of each MBE and WBE which CAC or Contractor is using or intends to use to comply with the participation goals;

(b) A brief description of the Contract scope of work to be performed for CAC or Contractor by each MBE and WBE and the scheduled dates for performance;

(c) A statement of whether CAC, the Sabres or Contractor have a written agreement with any MBE and WBE which CAC, the Sabres or Contractor is using or intends to use and, if requested, copies of such agreements;

(d) The actual total cost of any Contract or Subcontract, the work performed and the materials provided, and the scope of work to be performed by each MBE and WBE for each Contract or Subcontract;

(e) The actual amounts of any payments made to each MBE and WBE as of the date the compliance report was submitted; and

(f) A report detailing compliance with the Equal Employment Opportunity provisions of this Section IV.

4. For purposes of determining the contract value of work performed by MBEs and WBEs, all contracts, whether awarded directly by CAC or by Contractors or subcontractors, shall be considered. The following standards shall apply in determining the dollar value of any contract involving an MBE or WBE:

(a) Where the MBE or WBE is the Contractor or where the Contractor is a joint venture consisting entirely of MBEs or WBEs, the value shall be 100% of the contract price.

(b) Where the Contractor is a joint venture including one or more MBEs or WBEs as joint venturer(s), the value shall be the contract price multiplied by the percentage which represents the interest of the MBEs or WBEs in the venture.

(c) Where the MBE or WBE is a Contractor which subcontracts work to a party not an MBE or WBE, the value shall be the excess, if any, of the contract price of the work contracted by the MBE or WBE over the contract price of the work subcontracted by such MBE or WBE.

(d) Where the MBE or WBE is a bona fide supplier, the value shall be the price of the materials purchased, provided that if the MBE or WBE acts as a supplier or distributor of goods manufactured or produced by a party which is not an MBE or WBE, the price paid by the MBE or WBE to the manufacturer or supplier shall be deducted from the price of the materials purchased.

5. In the event CAC, the Sabres or a Contractor is unable to achieve the above-noted equal employment opportunity or MBE/WBE participation numerical objectives:

(a) Detailed records of the good faith actions that it has undertaken to achieve the goals shall be maintained in such form as will enable CAC or the UDC to determine that such good faith efforts have been undertaken. Records shall include, but not be limited to, those set forth in Sections IV.A. and IV.B. above.

(b) The Contractor or the Sabres may apply to CAC, or in the case of CAC, it may apply to UDC, for a waiver or modification of the Plan's requirements by the submission of a written request for a waiver or modification stating the bases for such request and documenting good faith efforts to meet the goals of the Plan, which waiver or modification may be granted after careful consideration of the relevant following factors:

(i) The names of general circulation, trade association and minority and women-oriented publications in which employment opportunities were advertised or bids solicited.

(ii) The dates, employment opportunities or bid solicitations for MBE and WBE participation were published in any of the publications identified pursuant to paragraph (i) and its text.

(iii) A list of MBEs and WBEs which were solicited in writing to provide bids.

(iv) Proof of dates on which such solicitations were made in writing and copies of solicitations made, or a sample copy of the solicitation if an identical solicitation was made of all MBEs and WBEs.

(v) Copies of responses made by MBEs and WBEs to solicitations.

(vi) A description of any contract documents, plans, or specifications made available to MBEs and WBEs for purposes of soliciting their bids, and the dates and manner in which these documents were made available.

(vii) Documentation of any negotiations between CAC, the Sabres or Contractor with MBEs and WBEs.

(viii) The nature of all recruitment efforts undertaken to identify and hire management and other employees. Such efforts shall include, but not be limited to, CAC's, or the Sabres or the Contractor's the participation at women and minority job fairs, utilization of employment and job placement agencies, encouragement of their women and minority management personnel to solicit other management and non-management employees.

(ix) The number of job applications received by CAC, the Sabres and Contractor for all positions, both management and non-management. The number of interviews granted to such applicants.

(x) Any other relevant information.

6. Each Contract or Subcontract shall include a provision that CAC, UDC and the City shall be deemed third-party beneficiaries of the provisions included in such Contract or Subcontract pursuant to this Plan and shall have the full right of enforcement thereof. Nothing contained in this Plan shall be construed to create any third party beneficiary right in any party other than as expressly provided herein.

E. Failure to Comply.

In the event CAC or the Sabres is notified of its failure to meet the provisions of this Plan, CAC or the Sabres will take appropriate steps to correct such deficiencies and will notify the City (as the designee of UDC), in writing, of the steps taken to remedy such deficiencies. The City (as the designee of UDC) reserves the right to suggest reasonable steps to correct such deficiencies.

V. City, UDC and County Cooperation and Dissemination of the Objectives of this Plan

The City, County and UDC shall support CAC, Contractors, and the Sabres in working with applicable unions to obtain greater affirmative action and equal employment opportunities in accordance with this Plan. Similarly, CAC and the Sabres shall provide copies of Section I of this Plan or a similar policy statement to Customers.

VI. Modifications

This Plan shall not be altered without the written consent of the City (as the designee of UDC).

EXHIBIT G

MEMORANDUM OF LEASE

The undersigned, NIAGARA FRONTIER HOCKEY, L.P., (the "Club"), a New York limited partnership with an office at 140 Main Street, Buffalo, New York 14202, BUFFALO SABRES CONCESSION LLC (the "Tenant"), a New York limited liability company, with an office at 140 Main Street, Buffalo, New York 14202, entered into the Crossroads Arena Concession Lease dated as of May 10, 1995 (the "Lease") for the lease of certain portions of the Project Real Property, as described in **Exhibit A** attached hereto, and the Adjacent Parking Parcel, as described in **Exhibit B** attached hereto. The Crossroads Arena (the "Crossroads Arena") is to be constructed on the Project Real Property. All capitalized terms not specifically defined herein shall have such meaning as is set forth in the Lease.

Such Lease covers those areas of the Project Real Property and Adjacent Parking Parcel shown as Areas 2 and 3 and the parking lots on **Exhibit C** attached hereto, including the Food Concession Facilities, Parking Lots and Parking Facilities (the "Leased Premises"), and certain Common Areas as set forth in the Lease.

Such Lease provides for the rental of the Leased Premises and Common Areas from the Landlord and for the payment by the Tenant of rent payable pursuant to such Lease over a lease term continuing until the last day of the twentieth (20th) Lease Year, unless such term is earlier terminated or extended as provided therein.

IN WITNESS WHEREOF, the undersigned have caused this Memorandum of Lease to be executed in their respective names as of May 10, 1995.

NIAGARA FRONTIER HOCKEY, L.P.
By: Niagara Frontier Hockey Management Corporation, its general partner

By:_____

BUFFALO SABRES CONCESSION LLC

By: Niagara Frontier Hockey Management Corporation, its Member

By:_____

MEMORANDUM OF LEASE

The undersigned, NIAGARA FRONTIER HOCKEY, L.P., (the "Club"), a New York limited partnership with an office at 140 Main Street, Buffalo, New York 14202, BUFFALO SABRES CONCESSION LLC (the "Tenant"), a New York limited liability company, with an office at 140 Main Street, Buffalo, New York 14202, entered into the Crossroads Arena Concession Lease dated as of May 10, 1995 (the "Lease") for the lease of certain portions of the Project Real Property, as described in **Exhibit A** attached hereto, and the Adjacent Parking Parcel, as described in **Exhibit B** attached hereto. The Crossroads Arena (the "Crossroads Arena") is to be constructed on the Project Real Property. All capitalized terms not specifically defined herein shall have such meaning as is set forth in the Lease.

Such Lease covers those areas of the Project Real Property and Adjacent Parking Parcel shown as Areas 2 and 3 and the parking lots on **Exhibit C** attached hereto, including the Food Concession Facilities, Parking Lots and Parking Facilities (the "Leased Premises"), and certain Common Areas as set forth in the Lease.

Such Lease provides for the rental of the Leased Premises and Common Areas from the Landlord and for the payment by the Tenant of rent payable pursuant to such Lease over a lease term continuing until the last day of the twentieth (20th) Lease Year, unless such term is earlier terminated or extended as provided therein.

IN WITNESS WHEREOF, the undersigned have caused this Memorandum of Lease to be executed in their respective names as of May 10, 1995.

NIAGARA FRONTIER HOCKEY, L.P.
By: Niagara Frontier Hockey Management Corporation, its general partner

By: _____

BUFFALO SABRES CONCESSION LLC

By: Niagara Frontier Hockey Management Corporation, its Member

By: _____

STATE OF NEW YORK)
COUNTY OF ERIE) SS.:

On this 24th day of May, 1995, before me personally came Daniel J. DiPofi, to me known, who, being by me duly sworn, did depose and say that he resides at 428 Chicora Road, Lewiston, New York; that he is the Vice President of Finance of NIAGARA FRONTIER HOCKEY MANAGEMENT CORPORATION, the general partner of NIAGARA FRONTIER HOCKEY, L.P., described in, and which executed, the foregoing instrument; and that he signed his name thereto by order of the board of directors of the General Partner of the limited partnership.

Notary Public

JANET M NOVAKOWSKI GABEL
Notary Public, State of New York
Qualified in Genesee County
My Commission Expires October 31 1995

STATE OF NEW YORK)
COUNTY OF ERIE) SS.:

On this 24th day of May, 1995, before me personally came Daniel J. DiPofi, to me known, who, being by me duly sworn, did depose and say that he resides at 428 Chicora Road, Lewiston, New York; that he is the Vice President of Finance of NIAGARA FRONTIER HOCKEY MANAGEMENT CORPORATION, a member of BUFFALO SABRES CONCESSION LLC, the New York limited liability company described in, and which executed, the foregoing instrument; and that he signed his name thereto by order of the board of directors of the Member of the Limited Liability Company.

Notary Public

JANET M NOVAKOWSKI GABEL
Notary Public, State of New York
Qualified in Genesee County
My Commission Expires October 31 1995

EXHIBIT A

PARCEL I

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Outer Lots Nos. 76, 77 and 78, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) as it formerly existed and the easterly line of Main Street (99 feet Wide); thence southerly along the easterly line of Main Street 328.76 feet to the north line of South Park Avenue (66 feet wide) as presently laid out; thence southeasterly along the said northerly line of South Park Avenue 285.87 feet to an angle point; thence continuing southeasterly at an interior angle of 161° 35' 40" along the said northerly line of South Park Avenue 503.54 feet to the intersection of the said northerly line of South park Avenue and westerly line of Illinois Street (50 feet wide); thence northerly along the westerly line of Illinois Street 660.35 feet to the intersection of the westerly line of Illinois Street and the southerly line of Perry Street (66 feet wide) as presently laid out; thence westerly along the said southerly line of Perry Street and continuing along the southerly line of Perry Street as it formerly existed 704.93 feet to the point or place of beginning.

TOGETHER with all right, title and interest in Illinois Street to the Centerline thereof.

PARCEL II

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Lot No. 75, Bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) and the easterly line of Mississippi Street (60 feet wide); running thence easterly along the southerly line of Perry Street 195.0 feet to the westerly line of Baltimore Street (40 feet wide); thence southerly along the westerly line of Baltimore Street 672.10 feet to the northerly line of South Park Avenue (66 feet wide); thence westerly along the northerly line of South Park Avenue 195.0 feet to the easterly line of Mississippi Street; thence northerly along the easterly line of Mississippi Street 672.47 feet to the point or place of beginning.

TOGETHER with all right, title and interest in Mississippi Street and Baltimore Street to the centerlines thereof.

PARCEL III

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Lots Nos. 74 and 75, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) and the easterly line of Baltimore Street (40 feet wide); thence easterly along the southerly line of Perry Street 113.68 feet to the westerly line of Columbia Street (50 feet wide); thence southerly along the westerly line of Columbia Street 531.8 feet more or less to the north line of lands of Consolidated Rail Corporation by the deed recorded in the Erie County Clerk's Office in Liber 1056 of Deeds at page 293; thence westerly long the said north line of Consolidated Rail Corporation 113.68 feet to the easterly line of Baltimore Street; thence northerly along the easterly line of Baltimore Street 532.02 feet more or less to the southerly line of Perry Street and the point or place of beginning.

TOGETHER with all right, title and interest in Baltimore Street and Columbia Street to the centerlines thereof.

PARCEL IV

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Outer Lots Nos. 74 and 75, bounded and described as follows:

BEGINNING at a point in the westerly line of Columbia Street distant 140 feet northerly along said westerly line of Columbia Street from its intersection with the northerly line of South Park Avenue, which point is also the southeast corner of lands conveyed
to Higgins Erectors & Haulers, Inc. by deed recorded in the Erie County Clerk's Office in Liber 8470 of Deeds at page 537; thence southerly along the westerly line of Columbia Street 140 feet to the north line of South Park Avenue; thence westerly along the northerly line of South Park Avenue 113.68 feet more or less to the easterly line of Baltimore Street; thence northerly along the easterly line of Baltimore Street 140 feet to the southwest corner of said lands conveyed to Higgins Erectors & Haulers, Inc. by deed aforesaid; thence easterly along the southerly line of said lands conveyed to Higgins Erectors & Haulers, Inc. 113.68 feet more or less to the point of beginning.

TOGETHER with all right, title and interest in Baltimore Street and Columbia Street to the centerlines thereof.

EXHIBIT B

ADJACENT PARKING

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Outer Lot 74, described as follows:

BEGINNING at the intersection of the east line of Columbia Street (50 feet wide) and the south line of Perry Street (66 feet wide); running thence southerly along the east line of Columbia Street 516.88 feet to a point which is 155 feet north of the north line of South Park Avenue; running thence easterly parallel with South Park Avenue, 80 feet; running thence northerly parallel with Columbia Street, 1.60 feet; running thence easterly parallel with South Park Avenue 161.00 feet to the west line of Michigan Street (66 feet wide); running thence northerly along the west line of Michigan Street 193.97 feet; running thence westerly at an exterior angle of 90° 02′ 18" a distance of 120 feet; running thence northerly parallel with Columbia Street 130.41 feet to the north line of Baker by deed recorded in Liber 999 of Deeds at page 479; running thence westerly along the north line of said Baker on an extension thereof 1.0 foot; thence running northerly parallel with Columbia Street 190.80 feet to the south line of Perry Street; running thence westerly along the south line of Perry Street 120.00 feet to the point of beginning.

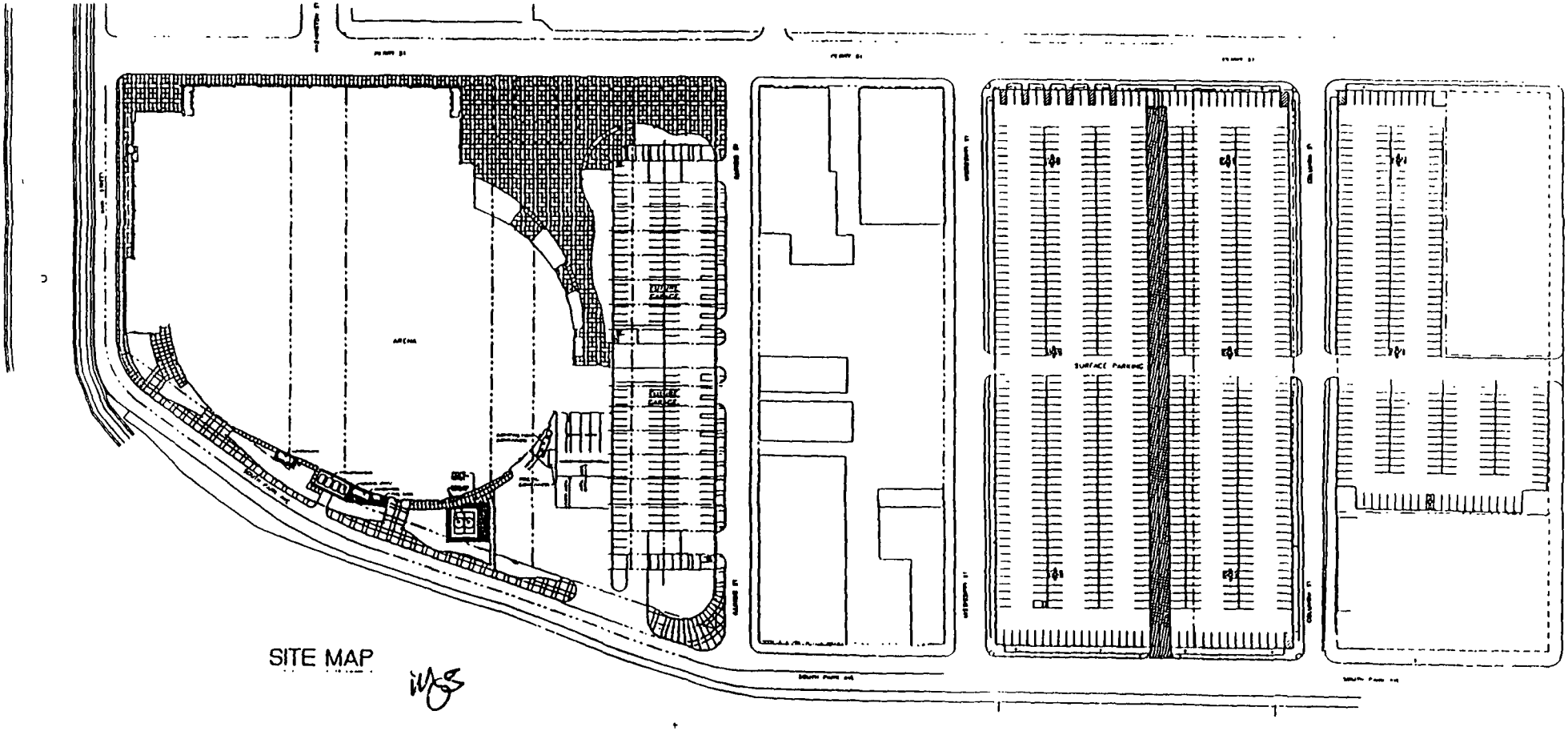
lses.r

EXHIBIT C

Layout of Food Concession Facilities and Parking Facilities

SEE ATTACHED

EXHIBIT C

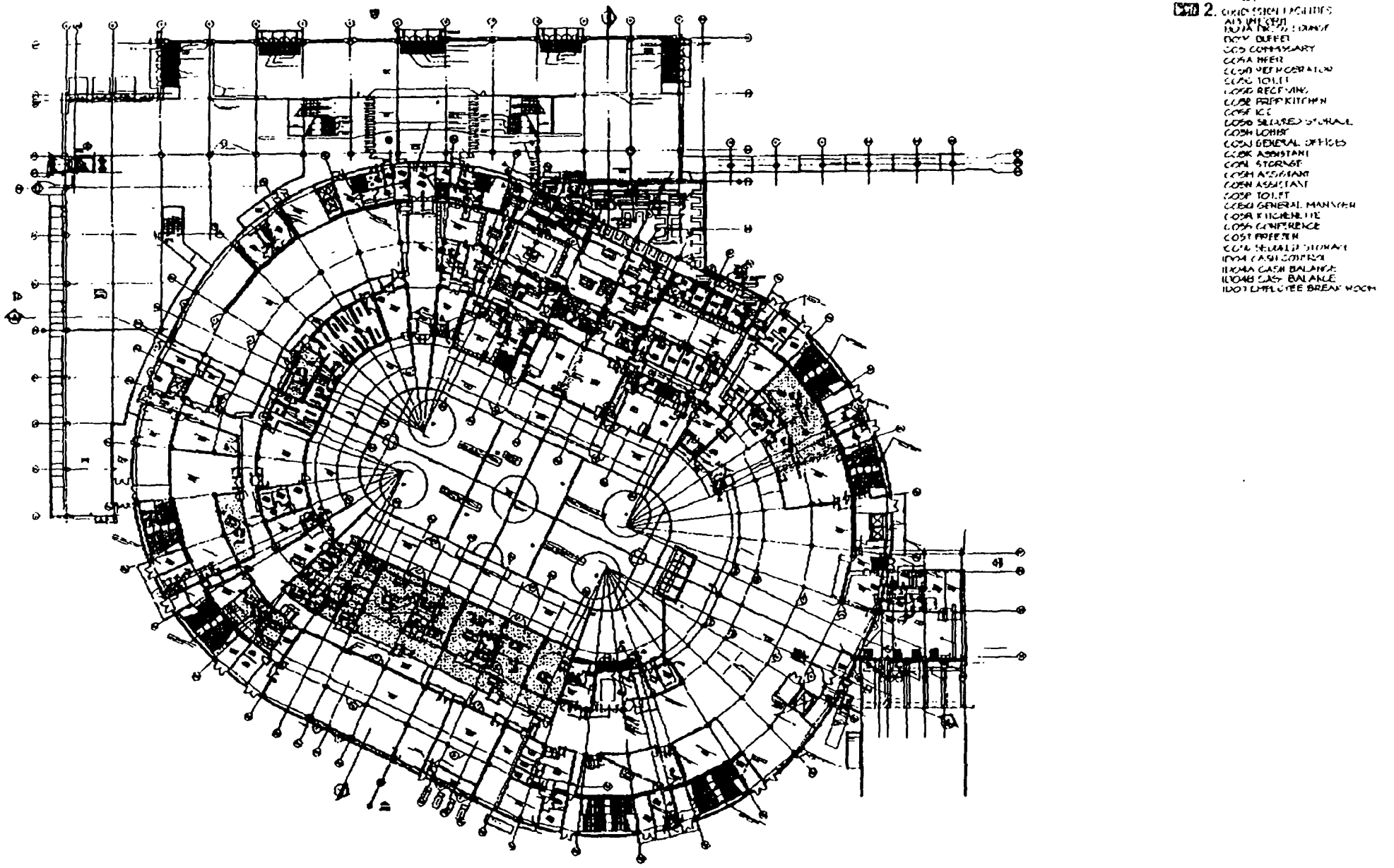


SITE MAP

LEASED PREMISES

EXHIBIT C

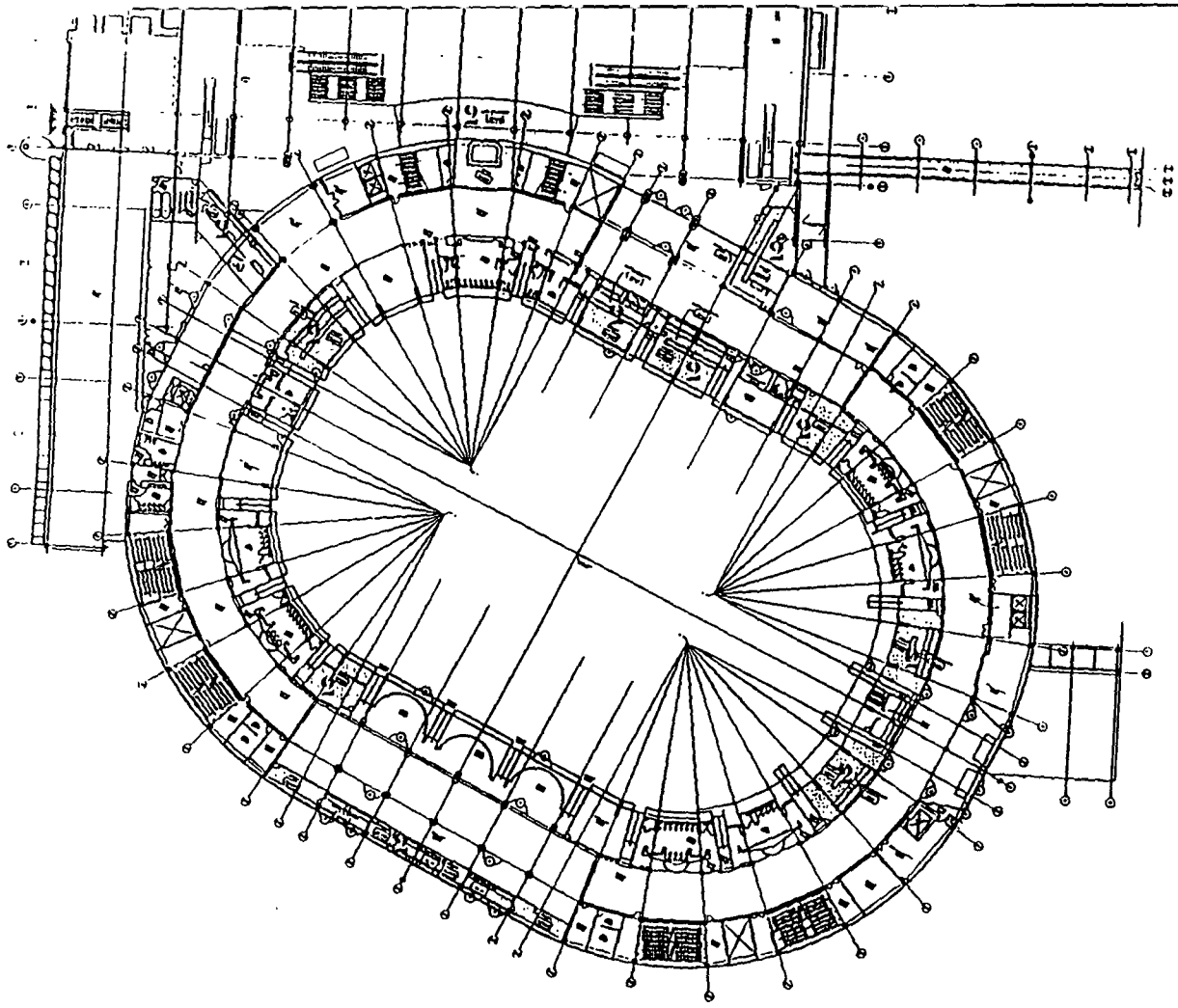
LEGEND



LEASED PREMISES

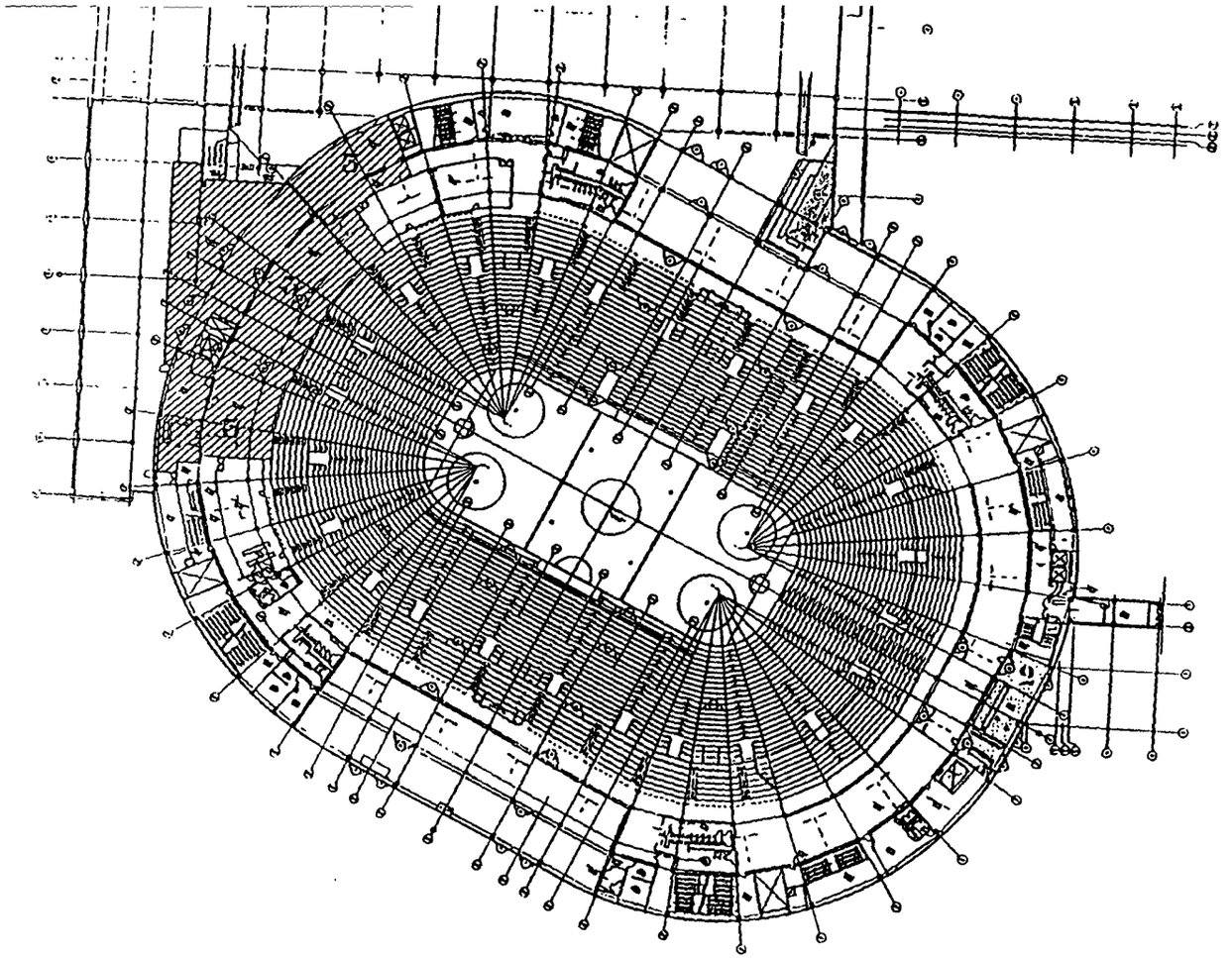
EVENT FLOOR

EXHIBIT C
LEGEND



MAIN CONCOURSE

LEASED PREMISES



LEGEND

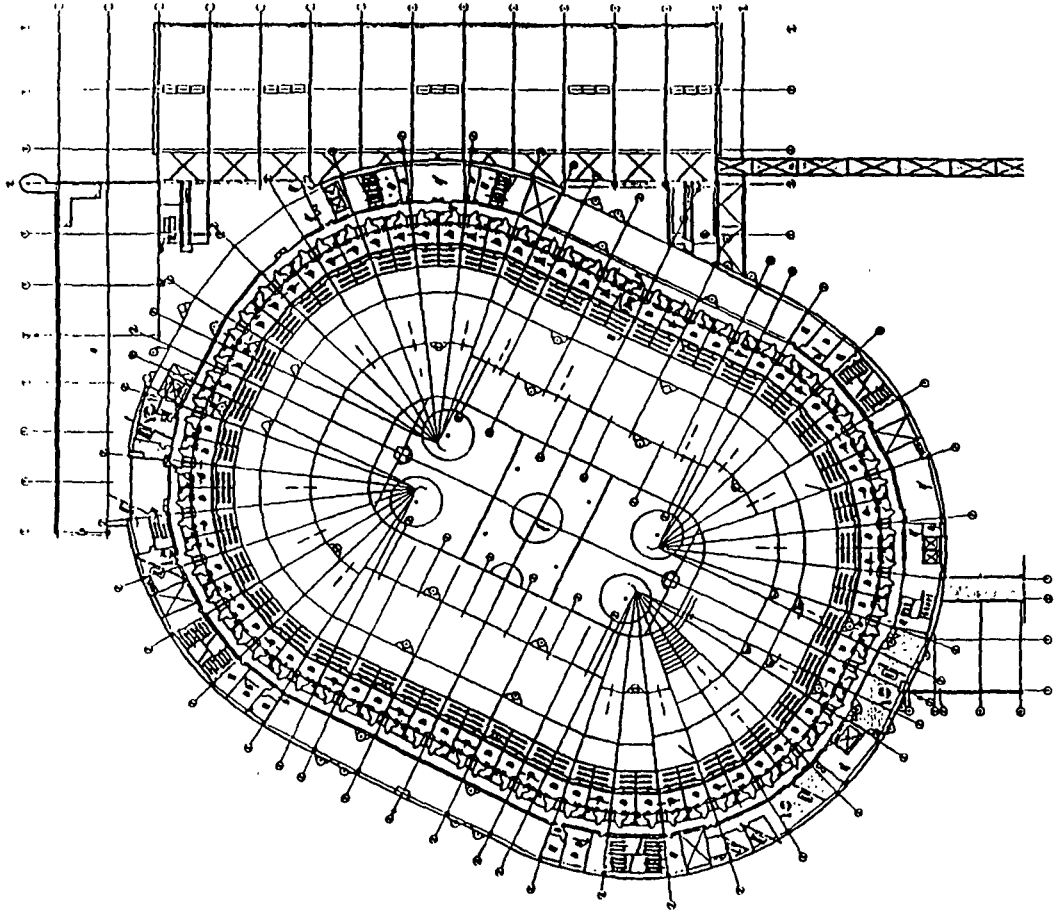
1 12 [illegible]

13 [illegible]

3A01 ELEVATOR LOBBY
3A03 CONCOURSE
3A10 SHELL SPACE
3D01 PANTRY
3D08 SHELL SPACE
3E01 MID MEZZANINE

CLUB LEVEL

LEASED PREMISES



SUITE LEVEL

EXHIBIT C
LEGEND

NEW 2 CONCESSION FACILITIES
- 4B04 SUITE KITCHEN
- 4L03 GOLD FOOD PANTRY
- 4L03A LIQUOR/BEVERAGE STORAGE
- 4L03D DRY STORAGE
- 4D03 ELEVATOR LOBBY
- 4D03A FOOD SERVICE STORAGE
- 4L03 FOOD SERVICE STORAGE
- 4L03A FOOD SERVICE STORAGE

LEASED PREMISES

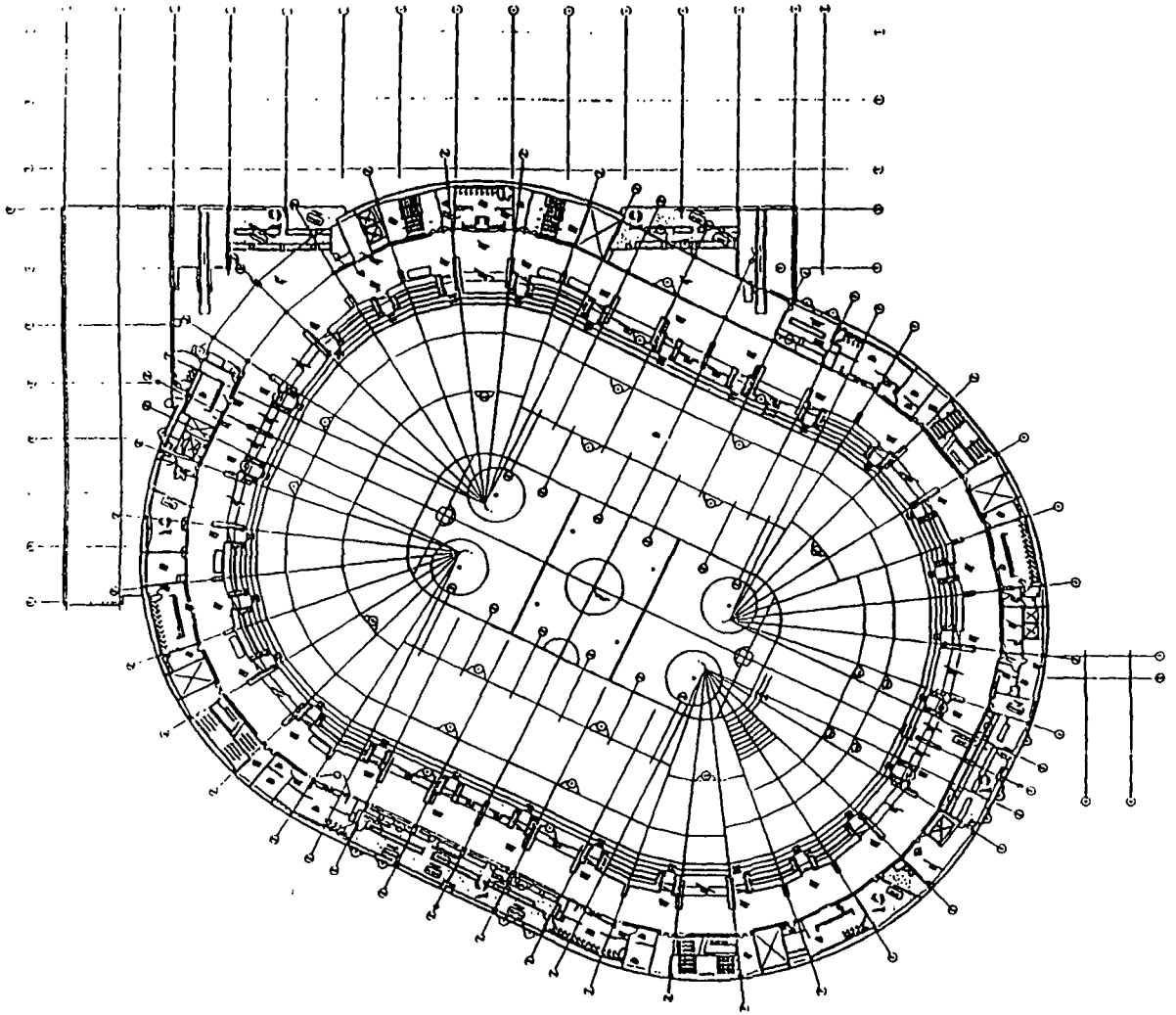


EXHIBIT C
LEGEND

L .12

SDIOA PREP
SDIOB PREP
SCI9 VENDOR COMMISSARY
SCIT CONCESSION
SCITA PREP
SCIB CONCESSION
SCIBA PREP
SDOI CONCESSION
SDOIA PREP
SDOX VENDOR COMMISSARY

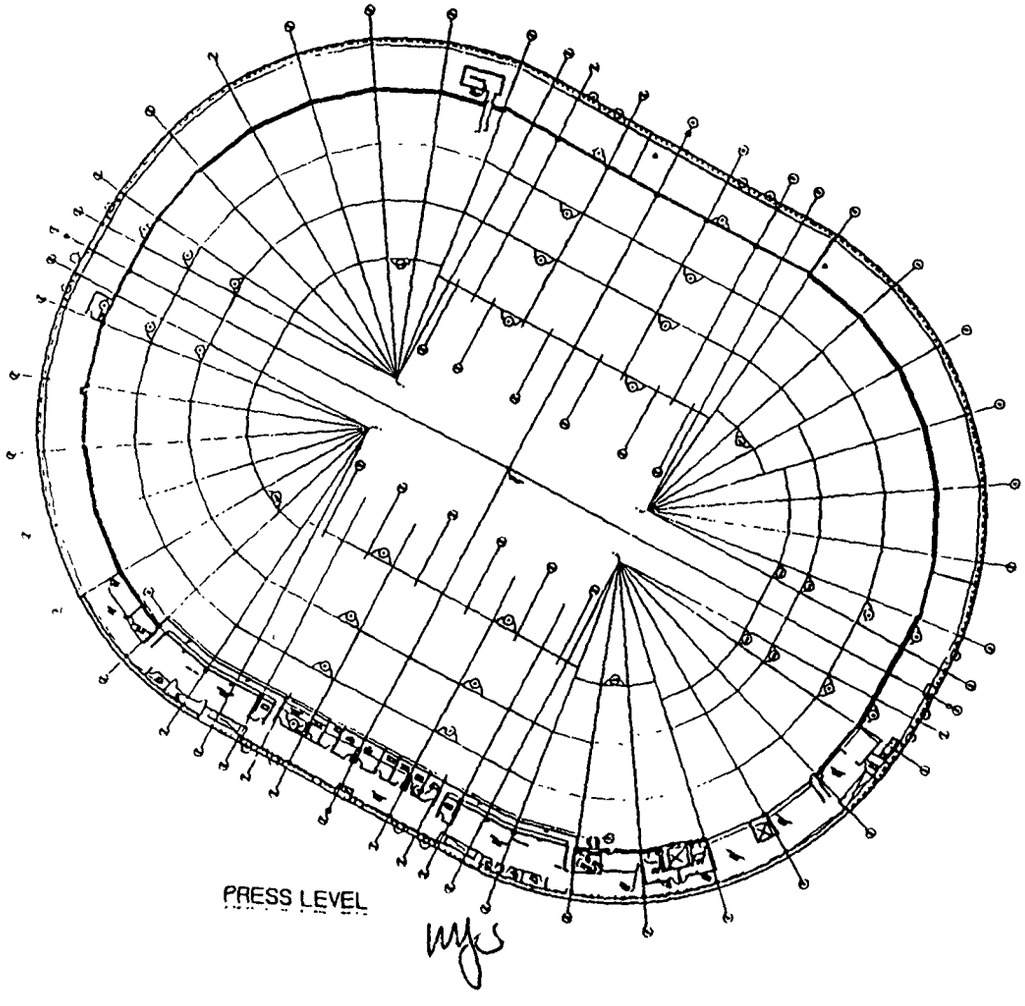
UPPER CONCOURSE

LEASED PREMISES

EXHIBIT C

LEGEND

2. CONCESSION FACILITIES
7C10 COFFEE SHOP



LEASED PREMISES

CROSSROADS ARENA

CONCESSION LEASE

THIS LEASE made as of the 10th day of May, 1995, by and between **NIAGARA FRONTIER HOCKEY, L.P.** (the "Club"), a Delaware limited partnership, **BUFFALO SABRES CONCESSION LLC** ("Landlord"), a New York limited liability company, both with offices at 140 Main Street, Buffalo, New York 14202, and **NEW YORK SPORTSERVICE, INC.** (the "Tenant") and **SPORTSERVICE CORPORATION** ("Guarantor"), both New York corporations with offices at 438 Main Street, Buffalo, New York 14202.

W I T N E S S E T H:

WHEREAS, the Club is the owner of a National Hockey League ("NHL") franchise and Crossroads Arena LLC ("Developer") is an Affiliate of the Club and in the process of designing and developing an arena (the "Arena") and abutting parking structures and adjoining surface parking lot(s) to be constructed on a site in downtown Buffalo, New York, which is bounded on the North by Perry Street on the East by Columbia Street, on the South by South Park Avenue, and on the West by Main Street, as set forth on **Exhibit A** (the "Project Real Property") which Arena is intended to be the home arena of such franchise;

WHEREAS, the Project Real Property is owned by the Buffalo Urban Renewal Agency ("BURA") leased to Erie County Industrial Development Agency (the "Agency") through various subleasing arrangements with the Public Participants;

WHEREAS, the Agency has subleased the Project Real Property, the Arena and its contents and all other improvements to Developer;

WHEREAS, the Developer has entered into a lease with the Club leasing the Project Real Property for, among other things, the following uses: holding hockey Events on certain designated dates, maintaining offices, operating a concession business and operating parking lots (the "Hockey Lease");

WHEREAS, the Club has acquired an additional parcel of land, adjacent to the Project Real Property located between Columbia Street and Michigan Avenue as more particularly described in

Exhibit B hereto (the "Adjacent Parking Parcel") which will be improved to provide additional surface parking which will become part of the Parking Lots;

WHEREAS, the Club has entered into a certain "Concession Lease" with Landlord, under which the Club will lease portions of the Project Real Property and the Adjacent Parking Parcel to Landlord to operate a concession and parking business (the "Master Concession Lease");

WHEREAS, it is the understanding of the parties that all of the foregoing are occurring upon execution of certain construction and concession loan agreements with the Construction Lenders and the Concession Lenders, and certain development Agreements with the Public Participants enabling the Developer to construct the Arena (the "Closing");

WHEREAS, the Club and Landlord (hereinafter collectively the "Sabre Entities") desire to lease to Tenant the Leased Premises, and certain parking and concession rights in the Arena, to cause Tenant to be leased certain facilities in and about the Arena, the Project Real Property and the Adjacent Parking Parcel, and the Parking Lots for Tenant's exclusive use and occupancy, and to cause Tenant to be granted a nonexclusive leasehold interest in certain portions of the Arena, the Project Real Property and the Adjacent Parking Parcel, and the Parking Lots necessary to conduct Tenant's concessions and parking operations, all as more particularly described hereinafter; and

WHEREAS, Tenant has agreed to loan the Club and has loaned the Club certain sums, which sums, in turn have been advanced by the Club to Developer to enable it to pay for architectural, engineering and other costs associated with the design and development of the Arena (the "Interim Loans") as evidenced by a certain promissory note for up to $3 million dated August 10, 1994, as amended (the "Note") all as described in Amendment No. 2 to the Auditorium Concession Agreement dated August 10, 1994 and Tenant has assisted the Sabre Entities in obtaining a $32,500,000 concession loan (part of which is to be used to satisfy the Note), all as described in a certain Interim and Term Concession Loan Agreement, dated as of May 10, 1995 among the Landlord and the Concession Lenders (the "Concession Loan Agreement"); and

NOW, THEREFORE, in consideration of the premises hereto and the mutual covenants hereinafter set forth, the parties agree as follows:

ARTICLE I

Definitions

1.1 Adjacent Parking Parcel: as defined in the preamble to this Lease.

1.2 Affiliate: Any legal or natural person or entity directly or indirectly controlling or controlled by or under direct or indirect common control with a person. For purposes of this definition, "control" when used with respect to any specified entity means the power to direct the management and policies of such entity, directly or indirectly, whether through the ownership of voting securities or rights, by contract, trust, or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

1.3 Agency: The Erie County Industrial Development Agency.

1.4 Architectural Drawings: Certain architectural drawings for the Food Concession Facilities, Leasehold Improvements and Food Service Equipment prepared by Galagher, Craig and Boesing dated October 12, 1994, as revised, and issued by Ellerbe Becket and certain drawings for the parking structures prepared by Zaepfel-Krog dated January 24, 1995.

1.5 Arena: The "Crossroads Arena" to be constructed on the Premises described in **Exhibit A** and all improvements therein, all with a street address of One Main Street, Buffalo, NY.

1.6 Auditorium Concession Agreement: Agreement between the parties dated July 10, 1970 as amended by Amendment No. 1 dated October 1, 1970 and Amendment No. 2 dated August 10, 1994, under which Tenant has provided and will provide certain food and beverage services for the Club at Memorial Auditorium until the Arena is constructed.

1.7 BURA: Buffalo Urban Renewal Agency.

1.8 Catering Services: Any and all Food and Beverage Services to Suites and to premium or "club" seating areas, including, but not limited to services provided in any restaurant, bar or other fixed facility adjacent to or within the premium or "club" seating Areas.

1.9 Closing Date: The date of execution and delivery of the Master Concession Lease (and sublease(s) to the extent applicable), all construction loan documents and Concession Loan documents. The "Closing" shall mean execution and delivery of all of the foregoing documents.

1.10 Common Areas: All loading docks and facilities, elevators, common passage areas, restrooms, and other common areas of the Arena and Premises, and appurtenant easement and access areas thereto to the extent necessary for Tenant's use of the Leased Premises for the purposes set forth herein.

1.11 Compensation of On-Site Parking Personnel: The total wages and bonuses paid an employee working for Tenant in the Parking Lots together with the cost of providing "fringe benefits", employer's share of social security, disability and worker compensation, employer taxes and charges against income. For purposes of this provision fringe benefits include the cost of providing any and all health, disability, welfare and life insurance benefits, maintaining pension plans, profit sharing plans, or other group or individual benefits.

1.12 Concession Lenders: Shawmut Bank, N.A., Fleet Bank and all other participants, co-lenders or successors from time to time in the Concession Loan.

1.13 Concession Loan: Loan of $32.5 million to be provided by the Concession Lenders to the Landlord and the proceeds thereof to be advanced by the Landlord to the Club and/or the Developer for the development and construction of the Arena, subject to the terms of and as more particularly described in a certain Commitment Letter and Term Sheet issued by Shawmut Bank, N.A. to the Club and Landlord dated July 11, 1994, as the same may be modified by the Concession Loan documents and any refinancing thereof.

1.14 Concession Services: Any and all Food and Beverage Services from fixed Food Concession Facilities and Mobile Stands in the Arena and sales made by roving vendors throughout the Arena, but excluding any and all Food and Beverage Services provided through Catering Services.

1.15 Construction Lenders: Marine Midland Bank, Key Bank of New York, and all other participants, co-lenders or successors from time to time in the construction loan to the Developer.

1.16 Developer: Crossroads Arena LLC, a New York limited liability company and an Affiliate of the Club.

1.17 Event: Any exhibition, contest, game, sports activity, concert, entertainment presentation, meeting, convention or other use of the Arena for which Concession Services and/or Catering Services are to be provided.

1.18 Event Days: Days on which Events are held at the Arena.

1.19 Excluded Areas: Those areas of the Arena described in the Architectural Drawings and shown on **Exhibit E** attached hereto as the sites of the Aud Club (Area 1, Main Concourse), Executive

Offices (Area 1, Suite Level), Video Communications Center (Area 2, Event Floor), Waterfront Market Restaurant (Area 5, Event Floor), Locker Rooms (Area 6, Event Floor), Novelties (Area 7, Upper Concourse), Team Store (Area 8, Event Floor), Sabres Offices (Area 10, Event Floor), Player Parking (Area 13, Event Floor), and the Directors' Room (Area 17, Club Level).

1.20 Field Administrative Services: Field Administrative Services performed by Tenant or Tenant's parent or an affiliated company of the nature performed for other Tenant affiliates, including without limitation computer time and services; financial analysis; personnel, labor relations and payroll and benefits management; order entry and general ledger maintenance and record retention; preparation of sales/use and excise tax returns, preparation of financial and rental reports, statements and budgets for operations at the Arena; in-house legal services and contract negotiations related to operations at the Arena; centralized purchasing, facilities planning and supervision of construction; risk and claims management (but not premiums or deductibles); and general management and business planning supervision.

1.21 Food and Beverage Services: The sale of any and all Refreshments provided by Tenant hereunder.

1.22 Food Concession Facilities: All those areas of the Arena to be occupied and used exclusively by the Tenant hereunder, including, but not limited to, all commissary and food and beverage service storage areas, food and beverage wash areas, pantry areas, kitchens, food preparation and food and beverage cleaning areas, change rooms for food and beverage personnel, concession stands, booths, bars and kiosks, public and service bars and grills, restaurant areas (except those excluded as described below), beer gardens, food and beverage training facilities, offices, money counting and record-keeping rooms dedicated for the food service operations located within the Arena, all as substantially shown on the Architectural Drawings, together with all Leasehold Improvements related thereto. Layout overviews are attached as **Exhibit C**. Those areas of the Arena to be occupied by Mobile Stands shall also be considered Food Concession Facilities, although the location of same will be determined by the Landlord and Tenant from time to time hereafter. Food Concession Facilities specifically do not include the Excluded Areas.

1.23 Food Service Equipment: All equipment used by Tenant from time to time for the operation of the Food and Beverage Services at the Arena under this Lease, including all equipment used for storing food and/or beverages, preparing, cooking, serving, holding, selling, and vending same, warewashing equipment, all inventory control and point of sale equipment (including but not limited to hand held sales units for preferred seating areas), security and surveillance equipment, computer hardware, software and peripherals, registers, telephones and telecommunications

equipment, all Mobile Stands, all lifts, transports and motor vehicles used in Food and Beverage Services and all bar and beverage equipment, all refrigeration equipment, coolers and walk-ins, all furniture, furnishings and decorations, office furniture and equipment and all other fixed assets located in the Food Concession Facilities, from time to time, such as signage, graphics and menu boards for concession stands, bars and other public food/beverage service outlets.

1.24 Force Majeure: An Act of God, riot, invasion, insurrection, public commotion, fire, flood, earthquake, accident, government interference, regulation, appropriation or rationing or inability to secure goods and materials or shipments or any other event or condition similar to those enumerated above, beyond the control of the party obligated to perform hereunder.

1.25 GAAP: Generally accepted accounting principles, consistently applied.

1.26 Gross Food Service Sales: The aggregate sales revenues of Tenant in providing Food and Beverage Services hereunder, including without limitation all gratuities not actually paid to employees and service charges received or charged by the Tenant for all Food and Beverage Services Sales made under this Lease, including manufacturer's rebates and display payments (but not "pouring rights" payments paid to Landlord by non-alcoholic beverage purveyors for the right to be displayed or sold at the Arena) and all revenues received by Tenant from third-party sublet vendors permitted under Section 5.12 hereof but excluding (a) applicable Sales Taxes, (b) all reduced price sales made to employees of the Sabre Entities and third parties at the written direction of the Landlord, (c) food and beverages consumed by employees of the Tenant working at the Arena and in Parking Lots and to whom Tenant has granted a free meal, (d) all sales of third-party sublet vendors permitted under Section 5.12 hereof, and (e) a limited list of nonpaying guests of the Sabre Entities or Tenant, such list to be subject to the mutual approval of the Landlord and Tenant. Gross Food Service Sales shall include pouring rights fees received by Tenant with respect to the Arena and a pro-rata share of manufacturer's rebates issued to Tenant or its affiliates by virtue of brand identification used in the Arena and Tenant shall enjoy all revenue related thereto, subject to paying Rent on all such revenues generated.

1.27 Gross Parking Revenues: All parking revenues generated by the Parking Concession Operations (including, without limitation, all proceeds of parking space pre-sales under Section 5.11(b)(iv)). Sales Taxes are not included in Gross Parking Revenues.

1.28 Interim Loans: Shall have the meaning set forth in the recitals to this Lease and all other sums loaned by Tenant or Guarantor to the Sabre Entities from time to time.

1.29 Landlord: Buffalo Sabres Concession LLC, a New York limited liability company and Affiliate of the Club.

1.30 Law: Shall mean all applicable federal, state and local laws, statutes, rules, regulations, ordinances and codes.

1.31 Lease: Shall mean this agreement and the leasehold rights granted hereunder.

1.32 Leased Premises: Those areas of the Premises shown as Areas 2 and 3 and the Parking garage and Parking Lots on **Exhibit D** attached hereto including without limitation the Food Concession Facilities, Parking Lots and Parking Facilities.

1.33 Leasehold Improvements: This shall mean all leasehold improvements now or hereafter constructed for the Food Concession Facilities including, as applicable, all demising walls, doors and doorways, flooring, floor coverings, walls and wall coverings, dropped ceiling grids and tiles, soffits, roll down security grills, general lighting, all exterior and interior finishes, adequate and necessary Utility Systems related thereto.

1.34 Lease Year: Shall mean each successive period of September 1 through August 31 of the following year occurring during the Term of this Lease, except that the initial Lease Year shall not commence until the first day an Event is held at the Arena and shall terminate on the next succeeding 31st day of August.

1.35 Letter of Credit Obligations: Obligations of Tenant and/or its Affiliate to make payment in connection with an aggregate of $15.5 million of letters of credit to be issued by Shawmut Bank, N.A. in favor of the Concession Lenders and/or certain of the Public Participants and for the account of Tenant or Guarantor or an Affiliate thereof pursuant to the terms of the Concession Loan.

1.36 Mobile Stands: This shall mean all portable concession stands and bars, carts and kiosks.

1.37 Parking Concession Operations: Operation of a public parking business by Tenant in the Parking Lots on Event Days and all other days, subject to Tenant's right to shut down or restrict access to any or all lots due to lack of business upon reasonable advance written notice to Landlord.

1.38 Parking Equipment: All gates, security, surveillance, telephone and telecommunication equipment, wiring, and conduit ticket dispensing/automobile control equipment, site signage, site lighting, trucks and plowing equipment, and computer hardware, software and peripherals and registers required to operate the Parking Concession Operations hereunder.

1.39 Parking Expenses: All actual operating expenses and costs incurred by or on behalf of the Tenant in the operation and maintenance and/or repair of the Parking Facilities and Parking Equipment and for the operation of the Parking Concession Operations, including, but not limited to, the following:

(a) Compensation of On-Site Parking Personnel for all employees of the Tenant working in the Parking Concession Operations hereunder.

(b) All supplies, materials, hand tools and equipment used exclusively in the operation and maintenance of the Parking Concession Operations including but not limited to janitorial and cleaning supplies.

(c) The costs of providing all services to the Parking Concession Operations including but not limited to, the following: security, pest control, repair and/or maintenance of Parking Facilities and Parking Equipment, general repair and maintenance of the Parking Lots, rubbish and sewer removal, snow removal, cleaning, landscaping and signage and all costs of leasing equipment, machinery and vehicles for use in or about or for the benefit of the Parking Concession Operations.

(d) Premiums paid on insurance for public and automobile liability and garage keepers legal liability, umbrella liability, workers compensation, fire and extended coverage, business interruption and rental interruption coverage and any other insurance maintained for the benefit of the Parking Concession Operations. A deductible of $250,000 shall be permitted and losses funded as a Parking Expense to the extent of such deductible.

(e) Applicable Sales Taxes (to the extent included in Gross Parking Revenues under GAAP).

(f) The cost of supplies and expenses, gasoline and oil, consumables of all kinds, telephone service and accounting, personnel, and legal costs and fees.

(g) All other costs of operation, marketing, sales and public relations, including, but not limited to: commissions and finders' fees, purveyor and supplier charges, advertising, printing, photography, travel, transportation, shipping, mailing, permit fees and/or bonds, and reasonable entertainment.

(h) All Utility Costs, including all water, sewer services and/or usage charges, and all costs of providing power, gas, heat, lighting, ventilating and air-conditioning for the Parking Concession Operations (but only to the extent such utility costs are paid by Tenant).

(i) A cost reimbursement charge payable to Tenant, or an Affiliate thereof, with respect to each Lease Year, for providing the Field Administrative Services defined in Section 1.17 above. Such charge shall be equal to 3% of Gross Parking Revenues for any Lease Year received by Tenant from the Sabre Entities pursuant to Section 5.11(b)(iv) hereof on or before October 1 of such Lease Year and 5% of all other Gross Parking Revenues received by Tenant for such Lease Year.

1.40 Parking Facilities: All booths, service buildings, roadways, asphalted parking surfaces (duly finished and striped) and perimeter security fences to be constructed on or in the Parking Lots to enable Tenant to operate the Parking Concession Operations hereunder.

1.41 Parking Lots: (a) Open air parking lot(s) and covered parking structures, to contain 737 striped and sealed spaces and 1,125 striped and covered spaces, respectively, to be constructed on the Project Real Property, and (b) an open air parking lot to contain 261 striped and sealed spaces to be constructed on the Adjacent Parking Parcel, all as shown on Architectural Drawings as the Parking Lots.

1.42 Parking Profits: The difference between Gross Parking Revenues received during any fiscal period and the Parking Expenses incurred during the corresponding fiscal period, computed in accordance with GAAP on an accrual basis, provided Gross Parking Revenues exceed Parking Expenses for such period.

1.43 Player Parking Areas: The area(s) of the parking structures not to exceed 30 spaces that are designated in the Architectural Drawings as parking reserved for the Club's NHL team players, coaches and staff.

1.44 Premises: Those parcels of land comprising the Project Real Property and the Adjacent Parking Parcel on which the Arena and Parking Lots are to be constructed.

1.45 Project Real Property: Shall have the meaning described in the preamble to this Lease.

1.46 Public Participants: BURA, the Agency, New York State and New York State Urban Development Corporation, the City of Buffalo and the County of Erie.

1.47 Quality Arena Standards: Means the average standard of quality or performance generally accepted for first class arenas serving as (or capable of serving as) permanent home ice for NHL teams and of similar age, design and ambiance as The Crossroads for example, America West Arena, Phoenix, Arizona; The Fleet Center, Boston Massachusetts; and Kiel Center, St. Louis, Missouri.

1.48 Refinancing Agreement: Means the Refinancing Agreement dated as of the date hereof between the Concession Lenders, the Sabre Entities, the Tenant and Guarantor, as amended or supplemented from time to time.

1.49 Refreshments: Shall have the meaning set forth in Section 2.2(a).

1.50 Rent: The rent due from Tenant to the Landlord for the lease of the Leased Premises, including the Food Concession Facilities, Food Service Equipment, Parking Lots, Parking Facilities and Parking Equipment, the lease on a non-exclusive basis of the Common Areas, and the grant of Food Service and Parking concession rights described in this Lease, as such rent is provided in Sections 4.1, 4.2, 4.3 and/or 4.4 of this Lease.

1.51 Sabre Obligations: Shall have the meaning set forth in Section 7.4(d) of this Lease.

1.52 Sales Taxes: Any tax on sales, excise taxes or value-added taxes, assessed against Gross Food Service Sales and/or Gross Parking Revenues of Tenant hereunder.

1.53 Substantial Completion Date: The date that construction on the Arena, all Food Concession Facilities and Parking Facilities are substantially complete and all necessary occupancy permits are issued for the Parking Facilities and Parking Lots and the Arena (including the Food Concession Facilities) and substantially all Food Service Equipment and Parking Equipment has been installed.

1.54 Suite(s): Luxury suites, executive suites and skyboxes located in the Arena.

1.55 Term: Shall have the meaning set forth in Section 2.3 of this Lease.

1.56 Utility Systems: All heating, ventilation and air conditioning, electrical (including any fiber optics required for telecommunications or security), water, sewage, gas, plumbing and general lighting, telephone and telecommunication, facilities, ductwork, conduit, wiring, outlets and connections (as applicable). "Utility Services" shall mean the full and unimpeded use of the foregoing Utility Systems for their intended purpose.

ARTICLE II

Leasehold Interests, Exclusive Rights & Term

2.1 LEASE OF FACILITIES & EQUIPMENT

(a) Landlord hereby leases to Tenant and Tenant hereby leases from Landlord, for Tenant's exclusive use from and after the Substantial Completion Date during the Term of this Lease, the Leased Premises including without limitation, the Food Concession Facilities, Food Service Equipment, Parking Lots, Parking Facilities and Parking Equipment within the Premises. In the event Landlord and Tenant agree that additional space or structures are reasonably needed for the preparation, storage, handling and/or sale of Refreshments in the Arena, or for the proper management of the Parking Concession Operations, the Sabre Entities will lease to Tenant such additional space and/or facilities, at the Sabre Entities sole cost and expense, and the Leased Premises shall include such additional space or facility. The Sabre Entities warrant and covenant that for so long as Tenant performs its obligations hereunder, Tenant shall and may peacefully and quietly have, hold, operate and enjoy the Leased Premises, including without limitation the Food Concession Facilities, the Food Service Equipment, the Parking Lots, the Parking Facilities and the Parking Equipment thereon, to the exclusion of all others, for the purposes provided hereunder during the Term of this Lease.

(b) The Landlord also hereby leases to Tenant, for its use in common with others on a nonexclusive basis, the Common Areas. The Landlord warrants and covenants that for so long as Tenant performs its obligations hereunder, Tenant shall have the use of the Common Areas, on a nonexclusive basis, for the purposes provided hereunder during the Term of this Lease.

(c) The Food Concession Facilities shall be used solely for the storage, preparation and sale of Refreshments, offices, and employee facilities. The Parking Lots and Parking Concession Facilities shall be used solely for the operation of a public parking facility and offices and other uses incidental thereto.

(d) Notwithstanding the foregoing, the Sabre Entities and its designated agents reserve the right of access to all areas leased to Tenant hereunder for purposes of maintaining and repairing the Arena, the Parking Lots and all improvements therein or thereon and all Utility Systems related thereto provided the same does not unreasonably interfere with the Tenant's use of the Leased Premises. Use of any space or property leased or licensed to Tenant hereunder for purposes other than those purposes set forth herein, without prior written approval of the Landlord, in its sole discretion, shall not be permitted.

(e) Location of all Mobile Stands and auxiliary storage space required by the Tenant, from time to time, shall be approved by the Landlord. The Tenant shall acquire no rights to such locations once assigned, and the Landlord reserves the right to require the Tenant to move Mobile Stands and to relocate items from any auxiliary storage space outside the Leased Premises when needs of other events require the use of same.

(f) The parties agree to execute a Memorandum of Lease for recording in the Erie County Clerk's Office upon execution of this Lease in the form of **Exhibit G** and to record same on the Closing Date.

(g) The parties agree to prepare an initial inventory of Food Service Equipment and Parking Equipment within 90 days following the Substantial Completion Date.

(h) The parties acknowledge and agree that the interests granted to Tenant hereunder are leasehold interests in real estate comprising the Leased Premises, and a nonexclusive leasehold interest in the Common Areas.

2.2 EXCLUSIVE RIGHTS:

a) Subject to the terms of this Lease, Landlord hereby grants Tenant the sole and exclusive right to prepare, present, sell, vend and dispense within and about the Arena (except the Excluded Areas) all refreshments, confectioneries, beverages (including alcoholic beverages to the extent permitted by applicable laws, now or hereafter in effect) snacks, tobacco products and any and all other food products of every kind and nature ("Refreshments").

b) Such sales may be conducted by Tenant: (i) from stands, booths, bars, grills, beer gardens, rooms, Mobile Stands and all other public food and beverage outlets within the Leased Premises or Common Areas in the Arena, except within the Excluded Areas; (ii) by vending throughout the Arena except within the Excluded Areas; and (iii) through Catering Services within the Arena and/or provided to any party in private party rooms (except within the Excluded Areas) and/or on the Premises surrounding the Arena.

c) Except within the Excluded Areas and as described below, the Landlord shall not sell nor permit any other party to sell any Refreshments within or about the Arena, subject to the provisions of Section 3.8.

(i) The Tenant agrees that nothing in this Lease shall be construed to prohibit third party event promoters at the Arena from exhibiting any merchandise or articles in connection with their

events (including promotional novelties and publications sold or distributed in connection with civic events), or from dispensing free samples of Refreshments (except alcoholic beverages). Such sampling is subject to approval of the Landlord and Tenant but normally will be restricted to the following:

Food	-	1 oz. portion
Beverage	-	2 oz. cup

(ii) In addition, Tenant acknowledges that from time to time certain third party promoters will require that they retain the right to sell certain limited specialty products (such as cotton candy) and nothing herein shall be construed to prevent Landlord or the Club from permitting such activities provided that such activities are in keeping with then current industry standards.

(iii) Tenant agrees that the Food Concession Facilities shall not be used by Tenant for off-site food functions except with the Landlord's written prior approval. Should Tenant be permitted to utilize the Food Concession Facilities for such off-site food functions, all receipts shall be included in Gross Food Service Sales.

(iv) Landlord and Tenant agree that chewing gum may not be sold in the Arena whether from vending machines or otherwise.

d) Notwithstanding the foregoing, the Sabre Entities will not install concession stands within the Excluded Areas and will not use facilities within the Excluded Areas to vend Refreshments or provide Catering Services outside the Excluded Areas.

e) In addition, subject to the terms of this Lease, Landlord agrees that except for the Player Parking Areas, Tenant shall have the exclusive right to operate Parking Facilities on the Project Real Property and the Adjacent Parking Parcel and the Landlord agrees not to operate or grant any right to operate parking facilities on the Project Real Property or the Adjacent Parking Parcel.

2.3 TERM

(a) The "Term" of this Lease shall commence on the date hereof and terminate on the last day of the twentieth (20th) Lease Year, provided that during each such Lease Year, the

Club has played at least 38 regular season NHL hockey games at the Arena. In the event that during the initial Lease Year, the Club does not play at least 38 regular season NHL hockey games at the Arena, the Term of this Lease shall be extended by one full Lease Year, and the Term of this Lease shall also be extended by one full Lease Year for any other Lease Year during which the Club does not play at least 38 regular season NHL hockey games at the Arena.

(b) In the event of any Interest Loan, under Section 4.4(c)(ii) the Term of this Lease shall be extended for such further period as is necessary for the Tenant and the Guarantor to offset in accordance with Section 4.5 hereof from Rents due to the Landlord hereunder all amounts necessary to repay all principal and interest due with respect to the Interest Loan. However, such extension shall not be less than any extension granted under Section 2.3(a).

(c) The Tenant's possession of the Leased Premises shall commence on the Substantial Completion Date.

ARTICLE III

Responsibilities of the Sabre Entities

3.1 DEVELOPMENT OF ARENA AND CONCESSION FACILITIES:

(a) From and after the Closing Date the Sabre Entities, at their sole cost and expense, shall cause the Developer to design and construct the Arena, Food Concession Facilities (and Leasehold Improvements related thereto) and Parking Facilities and purchase, receive, install, set up and connect to appropriate utility connections all Food Service Equipment and Parking Equipment required by Tenant in order for Tenant to properly and efficiently exercise its rights described in Article II above. Tenant will provide to the Sabre Entities, at no additional cost, facility and layout advice with respect to the Food Concession Facilities and the private restaurant kitchen. Such advice shall include without limitation, the following services: (a) assistance with respect to selection of Food Service Equipment; and (b) freehand layouts showing equipment placement with cut sheets showing dimensions of Food Service Equipment and necessary utility connections within the Food Concession Facilities, along with typical mill work selections and location and size of exhaust hoods. The Sabre Entities agree to duly consider Tenant's recommendations in planning its construction program and equipment purchasing.

(b) At the request of Landlord, Tenant agrees to act as Landlord's agent with respect to the purchase and installation of the Food Service Equipment and/or to retain a third party, at Landlord's cost, to perform such function. The foregoing shall not be construed to relieve the Sabre Entities from their

responsibility to provide all necessary funding for the purchase and installation of Food Service Equipment as defined in the Architectural Drawings.

(c) Tenant shall not be entitled to a fee for rendering the services described in this Section 3.1, and such services shall be part of the Field Administrative Services provided hereunder. However, Tenant will be reimbursed for all reasonable out-of-pocket expenses, including reproduction costs, outside engineering, architectural design and graphic fees and expenses, and actual travel expenses.

3.2 MAINTENANCE

The Sabre Entities shall be responsible for maintenance and repair of the Arena, the Parking Lots and all Utility Systems related thereto. The Sabre Entities shall also be responsible for maintenance and repair of the structural components of the Food Concession Facilities and Parking Facilities. Tenant shall be responsible for the maintenance and repair of the interior of the Food Concession Facilities and the Parking Facilities and the exterior design and facades thereof, all Food Service Equipment, and all Parking Equipment, in accordance with Quality Arena Standards.

3.3 DECORATING AND SERVICEWARE:

The Sabre Entities, at their cost, shall also be responsible for:

(a) The initial finishing and decorating of the Food Concession Facilities (and Leasehold Improvements related thereto) and Parking Facilities in accordance with the Architectural Drawings, including: (i) painting, decorating, signage and menu boards; and (ii) providing necessary and appropriate wall, window and/or floor treatments as required.

(b) Paving, striping, and signing of the Parking Lots.

(c) Providing initial cutlery, utensils, cookware, china and glassware ("Serviceware"). The parties agree that Tenant will use any Serviceware it is presently using at Memorial Auditorium to the extent any such items are useable and presentable.

(d) The foregoing items shall be subject to the reasonable approval of both parties.

3.4 FIRST CLASS OPERATION:

The Club covenants to use all reasonable efforts to operate its professional hockey events in the Arena in a manner consistent with Quality Arena Standards. The Sabre Entities will

use their best efforts to keep any and all necessary governmental licenses and permits applicable to their respective operations in full force and effect.

3.5 ATTENDANCE INFORMATION:

The Club or the Landlord (for non-hockey Events) shall furnish or cause to be furnished to Tenant for each Event Day a statement of attendance showing the total number of paid and free admissions and passes for such day, along with the daily turnstile count.

3.6 ACCESS:

Tenant shall have access to and egress from the Leased Premises at all times. Tenant's executive staff working at the Arena on Event Days shall be entitled to free parking (on Event Days and regular business days) at a specific location on the Parking Lots approved by the Landlord. In no event shall such free spaces exceed ten.

3.7 SECURITY:

The Sabre Entities shall be fully responsible, at their sole cost and expense, for providing all necessary security forces for crowd control on the Premises and to fulfill requirements of any governmental agency or NHL standards with respect to security at the Arena.

3.8 THIRD PARTY VENDORS:

Vendors, peddlers, or persons other than Tenant's employees, shall not be permitted to vend, otherwise sell, or distribute any Refreshments in, on, or about the Arena (except within the Excluded Areas), and the Sabre Entities shall, at all times, see to their dispersal, to the extent they (or any one of them) can legally do so. The Sabre Entities further agree that in keeping with exclusivity of Tenant's rights hereunder, neither the Sabre Entities nor their employees will sell or lease any Refreshments or any products which will conflict or compete with Refreshments except within the Excluded Areas. Patrons will not be permitted to transport Refreshments from the Excluded Areas or from the street to the Arena.

3.9 UTILITY SERVICES:

The Sabre Entities shall furnish Tenant with all necessary and appropriate Utility Systems and Utility Services as required for the conduct of the Food and Beverage Services and Parking Concession Operations hereunder. All water shall be fit for human consumption in compliance with all applicable laws, rules, regulations and orders. Tenant shall be furnished hot water

at not less than 140°F for general use and at not less than 180°F for dishwashing, and at such higher temperatures as may from time to time be required under any applicable governmental, rule, regulation or order.

The Sabre Entities, under no circumstances, shall be liable to Tenant in damages or otherwise for any interruption of Utility Services. However, they shall use all reasonable efforts to restore immediately to full service any Utility Service which is interrupted.

3.10 ENHANCEMENTS & REPLACEMENTS

Tenant shall make recommendations for replacements and enhancements to Leasehold Improvements, Food Service Equipment and Parking Equipment and Facilities on an annual basis as part of its Business Plan for the following calendar year. Subject to its rights to approve or disapprove of the foregoing, Landlord shall be responsible for all replacements and enhancements to the foregoing assets. The Landlord and Tenant acknowledge that, on average, one percent of annual Gross Food Service Sales and annual Gross Parking Revenues is the anticipated cost of fulfilling this obligation.

Notwithstanding the foregoing, upon reasonable advance notice to Landlord, Tenant shall have the right to purchase replacement items for Food Service Equipment and Parking Equipment that is non repairable and deduct the cost of same from Rent otherwise payable hereunder, if Landlord fails or refuses to purchase same. Any dispute hereunder shall be subject to arbitration as hereinafter provided.

ARTICLE IV

Rent

4.1 Grant

At Closing and conditional thereon Tenant shall pay to the Landlord a one-time rental fee equal to $265,000 which amount the Landlord shall use to immediately fully repay a certain prior loan in amount of $265,000 from the Tenant to the Club. The foregoing does not include ordinary accounts receivable for Club charges from the 1993-94 hockey season.

4.2 FOOD AND BEVERAGE SERVICES

Tenant agrees to pay to Landlord or its designee, from time to time the following Rent with respect to the Food and Beverage Services provided hereunder:

(a) 42% of Gross Food Service Sales except those derived from Catering Services.

(b) 25% of Gross Food Service Sales derived from Catering Services.

The Rent payable pursuant to this provision shall be paid for each calendar month during each Lease Year with such monthly payment due on the 20th day of the following month together with the accounting described in Section 4.7 below.

4.3 PARKING RENT

In addition, Tenant agrees to pay to Landlord as Rent with respect to the Parking Concession Operations a sum equal to 85% of Parking Profits.

The Rent payable pursuant to this provision shall be paid for each calendar month during each Lease Year with such monthly payment due on the 20th day of the following month together with the accounting described in Section 4.7 below.

4.4 GUARANTEE.

Provided that the Leasehold Improvements are constructed substantially in accordance with the Architectural Drawings and all of the Food Service Equipment described therein is duly installed and connected in the Food Concession Facilities and provided further that the Leased Premises include covered parking structures containing 1,125 covered sealed and striped standard size parking spaces and at least 1,000 striped and sealed paved standard size parking spaces and that the Parking Facilities (as defined in Section 1.40 and the Parking Equipment (as defined in Section 1.38) are substantially in accordance with industry standards for similar commercial parking operations:

(a) In each Lease Year in which the Club plays at least 38 regular season NHL hockey games in the Arena, except as described in Section 4.4(b)(ii) below, Tenant guarantees to the Landlord that the aggregate amount of Rent payable under Sections 4.2 and 4.3 above during each such Lease Year shall be at least $4.5 million (the "Guaranteed Rent").

(b)(i) In the event (A) during the initial Lease Year, the Club does not play at least 38 regular season NHL hockey games at the Arena, or (B) during any other Lease Year, the Club does not play at least 38 regular season NHL hockey games at the Arena due to a player strike or any other reason not within the control of Tenant the Guaranteed Rent for such initial Lease Year or other Lease Year, as the case may be, shall be prorated to an amount which will be determined by multiplying the annual Guaranteed Rent by a fraction, the numerator of which shall be the actual number of

games played at the Arena during such initial Lease Year or other Lease Year, as the case may be, and the denominator of which shall be 38.

(ii) The Guaranteed Rent required to be paid under this Lease shall abate in the event of a Condemnation, Casualty Event or Force Majeure (including but not limited to structural damage or deterioration occurrences which prevent use of any portion of the Food Concession Facilities or Parking Facilities). The abatement shall be determined by multiplying the Guaranteed Rent times a fraction, the numerator of which shall be Lost Revenues (as defined below) and the denominator of which shall be the annual Gross Parking Revenues or annual Gross Food Service Sales, as the case may be, for the prior Lease Year's operations. For purposes of this provision, "Lost Revenues" shall be equal to the Gross Parking Revenues or the Gross Food Service Sales (as applicable) derived during the prior Lease Year from the portion of the Food Concession Facilities or Parking Facilities which cannot be used by virtue of any of the events described in this provision. During the initial Lease Year, the amount of Guaranteed Rent to be abated shall be equal to the percentage of concession stands or parking spaces, as applicable, which are not available.

(c)(i) Notwithstanding Section 4.4(b), the Guaranteed Rent payable with respect to any Lease Year shall not be less than the amount necessary to pay all Interest (as defined below) payable by Landlord during such Lease Year on the outstanding balance of the Concession Loan. For purposes of this provision, "Interest" shall be in an amount equal to interest actually payable by Landlord for such Lease Year on the outstanding balance of the Concession Loan in accordance with the terms thereof, subject to the benefits of any interest rate protection agreements maintained by the Sabre Entities, or any one of them, with respect to the Concession Loan.

(ii) The excess of (A) the amount of Interest payable as Guaranteed Rent after application of Section 4.4(c)(i), over (B) the amount of as Rent payable under Sections 4.2 and 4.3, shall be deemed a loan by the Tenant or Guarantor to the Sabre Entities (the "Interest Loan"). The Interest Loan shall be repaid by the Sabre Entities in full at Maturity Date of the Term Loan Facility (as defined in the Concession Loan Agreement) and shall bear interest, payable by the Sabre Entities on the first day of each month after issuance of such loan on the unpaid balance from time to time at a rate equal to the Prime or Base Rate, as announced at the principal office of Fleet Bank, from time to time. The Interest Loan may be prepaid in whole or in part at any time without penalty.

(d) Notwithstanding the foregoing or anything in this Lease to the contrary under this Section 4.4, in the event of an Approved Sabres Relocation, as defined in the Concession Loan Agreement, or in the event this Lease is or has been otherwise

terminated, other than as a result of Tenant's breach, Tenant shall have no obligation to pay any Guaranteed Rent, at the Arena.

4.5 OFFSET

If at any time during the Term of this Lease, either of the Sabres Entities defaults in the payment (a "Defaulted Payment") when due (subject to any applicable grace period) of any indebtedness to Tenant arising under (a) the Interim Loan, (b) the Concession Loan (as a result of Tenant having succeeded to the rights of the Concession Lenders with respect thereto) (c) Section 6.2(b) of this Lease, or any Interest Loan under Section 2.3(b) Tenant shall have the right to offset against any and all Rents or other sums payable by Tenant to the Landlord under this Lease an amount equal to the Defaulted Payment. The Tenant shall also have the right to offset against any and all Rents or other sums payable by Tenant to the Landlord under this Lease, an amount equal to any indebtedness then due and owing by the Sabre Entities, or any one of them, to Tenant under the terms of this Lease (other than indebtedness described in the preceding sentence) provided, however, such right of offset shall not be exercised by Tenant unless any of the Sabres Entities has defaulted in the performance of its obligations with respect to the Interim Loan, the Concession Loan or under Section 6.2(b) of this Lease.

Notwithstanding the foregoing, Tenant acknowledges that no offsets may be taken by Tenant against the Rents (including, but not limited to the Guaranteed Rent) or any other sums payable by Tenant to Landlord, without the prior permission of the Concession Lenders.

4.6 DIRECTION TO PAY

(a) Subject to the provisions of Section 4.4, but notwithstanding any other provision of this Lease, Landlord hereby irrevocably directs Tenant to pay over to the Concession Lenders that portion of Rents payable under Sections 4.2 and 4.3 above as is equal to the scheduled amount then due and payable to the Concession Lenders by the Landlord under the Concession Loan, all as specified by the Concession Lenders to Landlord and Tenant by written notice issued from time to time hereafter. The parties further acknowledge that upon written notice to Tenant and Landlord of an Event of Default under the Concession Loan, all Rents under Section 4.2 and 4.3 shall be paid to the Concession Lenders until such Event of Default has been cured or waived, or the Concession Loan has been repaid in full.

(b) Until the Concession Loan is paid in full, in any Lease Year that the Rent payable under Sections 4.2 and 4.3 exceeds $4,500,000.00 (such excess being the "Excess Rental"), Tenant, from its own funds and not from any Rent payable under Sections 4.2 and 4.3, shall pay to the Concession Lenders an amount equal to twenty

five percent (25%) of the Excess Rental after the end of each Lease Year when Excess Rental occurs and all such payments received by the Concession Lenders shall be applied as a principal prepayment of the Concession Loan. All such payments shall be deemed to be loans by the Tenant to the Landlord and Club to be repaid by the Sabre Entities in full at Maturity of the Term Loan Facility (as defined in the Concession Loan Agreement) and shall bear interest, payable by the Sabre Entities on the first day of each month after such loan on the unpaid balance from time to time at a rate equal to the Prime or Base Rate, as announced at the principal office of Fleet Bank from time to time. Such loans may be prepaid in whole or in part at any time without penalty.

4.7 RECORDS, ACCOUNTING AND AUDIT

(a) Tenant will keep at its headquarters in Buffalo, New York or at the Arena adequate and accurate accounting books and records prepared in accordance with GAAP of all business and transactions conducted under this Lease, for all periods included within the Term of this Lease, said records to include without limitation the daily receipts, the daily bank deposits, the daily sales and business done by the Tenant and Tenant shall preserve and make available for audit and examination by the Landlord all of such records relating to Gross Food Service Sales made and Parking Concession Operations conducted hereunder (including all Gross Parking Revenues and Parking Expenses). Such records will be maintained in the Arena or at Tenant's headquarters in Buffalo, New York for any year of operations hereunder for two years following completion of operations for such year.

(b) The Tenant shall maintain such accounting records on a Lease Year basis.

(c) Throughout the Term of this Lease, Tenant shall submit to Landlord, within ninety (90) days after the end of each Lease Year: (i) an annual operating profit and loss statement covering the Parking Concession Operations; and (ii) a Report of all Gross Food Service Sales for the prior year certified by an independent Certified Public Accountant. In the event that Landlord is not satisfied with the statements presented therein, Landlord shall have the right to conduct a special audit of the Tenant's books and records related to the Parking Concession Operations and its Gross Food Services Sales, by auditors selected by Landlord, provided it does so within 12 months following receipt of the above described financial statement. Should such audit(s) uncover a deficiency or deficiencies in payments to Landlord for any period covered, Tenant shall pay to Landlord the amount of such payment deficiency within 20 days following of receipt of the audit report. If such payment deficiency is in excess of five percent of the aggregate amount reported, the cost of the audit shall be immediately due and payable by the Tenant and shall not be expensed as a Parking Expense.

Failure to comply with the aforementioned clause shall result in the Tenant paying to Landlord as a penalty, the amount of Two Hundred Fifty Dollars ($250) or 1% of the outstanding balance computed on a 30 day basis whichever is greater, for each and every week exceeding the 90 day deadline. Such penalty shall apply after Landlord has given notice in writing to the Tenant of non-receipt of report.

(d) The Tenant must submit the following information to Landlord:

(i) Daily sales reports of Gross Food Service Sales and the Parking Concession Operations for each event held at the Arena, within 48 hours following completion of the Event.

(ii) Monthly by the twentieth (20th) of the following month, a profit and loss statement detailing Gross Parking Revenues and Parking Expenses for the prior month's Parking Concession Operations.

(iii) Monthly by the twentieth (20th) of the month a report showing Gross Food Service Sales in the two rental categories described in Sections 4.2(a) and (b) above.

(e) The Tenant will not permit any of its employees (with the exception of roving vendors, Mobile Stands and parking attendants) to make change from pockets of clothing, boxes or containers in the Food Concession Facilities.

(f) The Tenant, except upon prior written approval of Landlord, shall use in the operation of all Food Concession Facilities and Parking Facilities point of sale equipment and cash control systems of the type included in the Food Service Equipment and Parking Equipment.

ARTICLE V

Additional Duties of Tenant

5.1 MANAGEMENT OF OPERATIONS.

(a) Tenant agrees to manage and operate in a professional manner all of the Parking Concession Operations and the Food and Beverage Services in accordance with Quality Arena Standards to ensure that it will maintain consistent, prompt, and courteous service to the public.

(b) The Tenant will pay promptly all authorized bills, payroll and other expenses incurred in the operation of the Food and Beverage Services and Parking Concession Operations.

(c) The Tenant shall pay when due all license fees, taxes and all retail sales taxes on the products or services which the Tenant provides hereunder, including but not limited to all federal, state and local taxes, workers' compensation payments, unemployment insurance, payroll and other taxes with respect to services provided under this Lease and all other taxes arising from the Tenant's operations hereunder.

(d) Tenant will provide all perishable and non-durable inventory associated with start up and operation of Concession Services and Catering Services including, but not limited to food, beverages, and all paper products.

5.2 REPAIR OF EQUIPMENT.

Tenant shall be responsible for the repair and maintenance of the Food Service Equipment and Parking Equipment and for the replacement of Serviceware as needed in accordance with Quality Arena Standards. Costs related to repair and maintenance of Parking Equipment shall be included in Parking Expenses hereunder.

5.3 PERSONNEL.

Tenant will hire, train and supervise, discipline and, if need be, dismiss any and all persons necessary to operate its operations hereunder and will use reasonable efforts to assure that its employees continually practice high standards of cleanliness, safety, courtesy and service customarily followed in the conduct of a first-class concession operation. Such individuals shall be employees of Tenant and shall wear neat and clean uniforms provided by Tenant. Such uniforms shall identify Tenant, display the name of the Arena or sponsor and shall be of a design satisfactory to the Landlord.

Tenant covenants that in the conduct of employment and discipline practices and the Food and Beverage and Parking Concession Operations hereunder, it will not discriminate or permit discrimination based on race, color, religion, creed, age, sex, disability, national origin, ancestry, or political opinions.

Tenant agrees to implement the Affirmative Action/Equal Opportunity Plan for the Arena (to the extent applicable to the on-site operations hereunder) substantially as described in the Plan attached hereto as **Exhibit F** (the "Plan"). The foregoing shall not be construed as obligating Tenant to subcontract with any third party with respect to the operation of any Concession Services or Parking Concession Operations hereunder. However, to the extent

Tenant chooses to sublet or subcontract out any Concession Services or Parking Concession Operations (but only to the extent permitted under Section 5.12 hereof), it will implement the Plan.

5.4 LICENSES AND PERMITS.

Tenant shall obtain, and maintain in force during the Term of this Lease, all food, liquor, parking and other licenses and permits and renewals thereof necessary to operate the Food Concession Facilities and Parking Facilities and to carry out the Parking Concession Operations and Food and Beverage Services hereunder. Tenant shall pay all fees and taxes which may be due and owing, from time to time, to federal, state or municipal authorities incidental to its operations hereunder. All such fees and taxes related to the Parking Concession Operations shall be deductible Parking Expenses hereunder. Tenant shall furnish Landlord with copies of such licenses and permits and renewals thereof as are physically maintained at the Arena and Parking Lots, as applicable. The Sabre Entities agree to cooperate with Tenant in connection with applications submitted by Tenant for any and all licenses and permits and renewals thereof.

5.5 COMPLIANCE WITH LAWS, POLICIES AND PROGRAMS.

(a) In connection with the Parking Concession Operations and the Food and Beverage Services hereunder, Tenant shall in good faith comply and faithfully observe all Laws (including without limitation fire, building, health, sanitation and environmental codes and regulations and liquor control laws and regulations).

(b) The Sabre Entities specifically grant to Tenant:

(i) The right to enforce all New York State laws, rules, regulations or orders relating to premises licensed pursuant to and to enforce all rules, regulations or orders of the New York State Liquor Authority or other regulatory agencies relating to the Licenses.

(ii) Full right, power and authority to take any and all actions necessary to enable and to ensure compliance with all laws, rules, regulations and orders concerning the sale and consumption of alcoholic beverages in the Arena.

5.6 PROCEEDINGS INVOLVING LICENSES AND PERMITS.

Tenant shall advise Landlord in writing of any pending or threatened actions against Tenant, whether by governmental authorities or otherwise, which seek, or could result in, the

suspension or revocation of any license or permit necessary for its performance of this Lease. In the event of any suspension in excess of 30 Event Days or revocation of Tenant's license to serve alcoholic beverages, and if such suspension or revocation shall not be stayed or appealed in such manner that will permit Tenant to continue to serve alcoholic beverages at the Arena, then Tenant shall be obligated, subject to the approval of Landlord, to secure an interim licensed bar manager at the Arena to enable or permit the serving of alcoholic beverages. If Tenant has not secured an interim licensed bar manager or made other arrangements reasonably satisfactory to Landlord, then upon the effectiveness of the suspension or revocation of Tenant's liquor license, Landlord, without waiving any rights which it may otherwise have hereunder, shall have the right, but not the obligation, to secure an interim licensed bar manager.

In such event, Tenant will make available to the interim licensed bar manager, to the extent permitted by applicable Law, if any, all supplies of applicable beverages then in its possession which were intended for sale or use at the Arena, will afford to such interim licensed bar manager the benefit of supply arrangements for beverages, and will make applicable personnel, and Concession Facilities and Food Service Equipment available to such interim licensed bar manager.

Tenant shall be entitled to reimbursement from the interim licensed bar manager for its costs and expenses actually and necessarily incurred in rendering the assistance and cooperation contemplated by the foregoing. The foregoing shall not be construed to imply that any such events shall result in additional costs that Landlord shall be required to bear or to relieve Tenant from its obligations under Section 4.4 hereof. Tenant shall resume its duties and the sale of alcoholic beverages at the Arena upon restoration of the license(s) or permits to do so.

5.7 HOURS OF OPERATION.

Subject to approval by Club (for NHL hockey Events) and Landlord for all other Events, Tenant will open the Food Concession Facilities sufficiently prior to each Event to allow time for patrons to purchase Refreshments and will continue to provide services until each such Event ends or such further time as may be reasonably necessary to adequately meet public demand. The Parking Lots shall be opened to the public no later than 1 hour before the scheduled starting time of each Event on Event Days and at all other times, during normal business hours for competitive parking facilities in downtown Buffalo.

5.8 REFUSE.

Tenant shall use reasonable efforts to keep the Food Concession Facilities neat and clean. Tenant shall pick up concession refuse in and about the Food Concession Facilities and shall maintain adequate trash receptacles adjacent thereto. Tenant will not permit its employees to dispose of or discharge waste, garbage or refuse in any area in or outside the Arena other than in areas specifically designated therefor. All refuse shall be removed to the central refuse collection point for the Arena on a regular basis. In addition, Tenant shall be responsible for cleaning the Food Concession Facilities and the floor immediately in front of its stands, bars and Mobile Stands and for any and all necessary pest control and sanitation activities, on a regular and continuing basis.

Each party agrees not to use hazardous substances at the Arena or Parking Lots, except in accordance with applicable law and agrees to indemnify, defend, and hold the other party harmless for all losses, costs, damages, liabilities and expenses arising out of its use, generation or storage of hazardous substances at the Arena and Parking Lots.

5.9 DELIVERIES.

All deliveries of Refreshments and other items used or sold by Tenant at the Arena or in the Parking Lots shall be made only during normal operating hours (8:00 a.m. to 5:00 p.m.) and shall be made through a gate or gates designated by Landlord (or Developer). Tenant shall use reasonable efforts to prevent the entry of any unauthorized persons into the Arena through such gate or gates when open for purpose of such deliveries.

5.10 MECHANICS LIEN.

Tenant shall at all time protect and keep the Food Concession Facilities and Food Service Equipment, Parking Facilities and Parking Equipment and any property of the Public Participants and the Sabre Entities free and clear of all mechanics and other liens, attachments, encumbrances, or claims arising out of Tenant's operations hereunder, its performance under this Lease, and/or its use of the Food Concession Facilities and Food Service Equipment and the Parking Facilities and Parking Equipment. In the event any such lien is placed, or such encumbrances created, Tenant shall cause any such liens to be promptly removed, and if necessary, shall provide the liened party with a performance bond or other reasonable security. All additional costs related to the procedure of discharging such liens or encumbrances shall be Tenant's responsibility and shall not be included in Parking Expenses.

5.11 PRODUCTS AND PRICES.

(a) Tenant agrees that it will have available at all times sufficient quantities and varieties of wholesome Refreshments. Prices, portions, product selection, and specific brands (except with respect to alcoholic beverages) shall be generally comparable to those appearing in other public sporting arenas where a NHL team play home games and shall be determined in consultation with the Landlord. In consultation with the Landlord, Tenant shall also be entitled to use and promote any "private brand products" Tenant may own or control. Tenant will post menus, with prices, in conspicuous places within or adjacent to the Food Concession Facilities.

(b) With respect to pricing for the public parking, the Sabre Entities hereby authorize Tenant to effect the following pricing schedule:

(i) For Event parking:

- ramp parking - $8.00
- surface parking - $4.00

(ii) For general daytime parking:

- ramp parking - $5.00
- surface parking - $2.50

(iii) Hourly, or partial rates shall be set by Tenant in its discretion, depending on patron demand and competitive rates in the Buffalo market. Adjustments to rates may be made by Tenant using its best business judgment, after prior consultation with Landlord.

(iv) The Sabre Entities shall have the right to license parking spaces in the Parking Lots in connection with the sale/lease of Suites, club seats and/or season tickets. All such parking space revenues received by the Sabre Entities shall be remitted monthly by the end of each calendar month to Tenant. The price for each parking space pre-sold by the Sabre Entities shall be equal to the Event parking rates in effect during the applicable Lease Year as determined under this Section 5.11(b).

(v) The Sabre Entities shall have the right to use, without charge, (x) up to 10 parking spaces in the Parking Lots for general daytime parking, and (y) up to 10 parking spaces in the Parking Lots for Events. Up to 100 additional parking spaces shall be available at nominal rates. The actual location and rates shall

be established, from time to time, by mutual agreement of Landlord and Tenant.

5.12 SPECIALTY PRODUCTS.

The Club shall have the right to request Tenant to sell specialty products and to otherwise take innovative action to increase sales and/or improve customer satisfaction, provided that Tenant's rental rate (as delineated in Article IV above) with respect to such items is equitably reduced to take into account any differential between the cost of product for such item and the average price of similar items Tenant is then selling. Subject to Landlord's prior written approval, in its sole discretion, Tenant shall have the right to sublet or license Food Concession Facilities and the Food Service Equipment related thereto to third party vendors (including both private and charitable and/or not-for-profit organizations).

5.13 APPROVAL PROCEDURE.

No later than 45 days prior to the commencement of each Lease Year, Tenant will provide Landlord with its Business Plan for the ensuing Lease Year. Such plan shall include: (a) the menu, portion size, branding and pricing schedule for the Arena by type of location; and (b) appropriate, comparative information with respect to other major arenas in other areas of the country. Landlord shall notify Tenant within 20 days following receipt of changes it desires and the reasons therefor. Tenant shall consider Landlord's comments on such Business Plan but Tenant shall have ultimate authority to make all decisions with respect thereto.

5.14 ALTERING FACILITIES.

The Tenant shall not materially alter, add to or in any material way vary the Leased Premises or make any alterations or installations to the Common Areas without having first obtained the consent in writing of Landlord.

5.15 FAIR WAGES AND HOURS.

The Tenant shall comply with all wage practices and laws of the government of the United States and shall also comply with all Law governing employment and conditions of employment and shall indemnify, defend and hold the Sabre Entities harmless with respect thereto. The Tenant will comply with the terms of the Workers' Compensation Act of the State of New York and any amendments thereto insofar as they are applicable to its operations hereunder.

5.16 ADVERTISING RESTRICTIONS.

The Tenant shall not advertise in any manner other than as reasonably approved by the Landlord and the Tenant shall have no

right to use the trademarks, symbols or trade name or name of the Arena, directly or indirectly, in connection with any production, promotion, service or publication without the approval of the Landlord. The foregoing shall not be construed to limit Tenant's right to use Tenant's logos in the ordinary course of its business at the Arena, or in the Parking Lots, on its uniforms, menus, cups and products.

5.17 UNIFORMS.

The Tenant will use specially designed uniforms for the Arena, featuring the Arena's logo together with Tenant's. The uniform design shall be subject to the mutual agreement of Landlord and Tenant and shall be selected based on both aesthetic and practical consideration. Nothing herein shall be construed as requiring Tenant to design fully "customized" uniforms.

ARTICLE VI

Indemnification and Insurance

6.1 WAIVER OF SUBROGATION RIGHTS.

Notwithstanding any other provision of this Lease, it is expressly agreed that neither the Sabre Entities nor Tenant shall be liable to the other, and each such party hereto hereby releases and waives all claims, rights of recovery, and causes of action that either such party or any party claiming by, through or under such party, by subrogation or otherwise, may now or hereafter have against the other party or any of the other party's directors, officers, employees, or agents for any loss or damage that may occur to the Arena, the Premises or to the Parking Lots (and/or any and all improvements to either of the foregoing), the Food Concession Facilities, the Food Service Equipment, the Parking Facilities, and the Parking Equipment any of the contents of the Premises, the Arena or the Parking Lots, or for any interruption in the business of either of them, if sustained by reason of fire, (even if such fire is the result of the negligence or gross negligence of either of the parties hereto or any one or more of their directors, officers, employees or agents), or if sustained by reason of storm damage or the elements, or by other casualty to the extent that such loss or damage is of a type that is, by its nature, recoverable by insurance (including any deductible), regardless of whether any policy is actually in effect. Both the Sabre Entities and Tenant shall cause their respective insurance carriers to include provisions in all applicable policies authorizing the waiver of any rights by way of subrogation each might have against the other.

6.2 INDEMNIFICATION.

(a) The Tenant and the Sabre Entities (the "First Party") each agree to indemnify, defend and save and hold harmless the other (the "Second Party") from and against all suits and claims that may be based on any injury or alleged injury to any person (including death) or to the property of any person not a party hereto, that may arise, or that may be alleged to have arisen out of the negligence or intentional action of the First Party or that of its employees, servants or agents. In any such event, the First Party, at its own cost and expense, shall pay all reasonable charges of attorneys and all costs and other expenses arising therefrom or incurred by the Second Party in connection therewith. The foregoing indemnity shall not apply with respect to any injuries which may be alleged to have arisen out of the negligence or intentional action of the First Party if and to the extent the same shall be ultimately determined to have arisen out of the negligence or intentional action of the Second Party.

(b) As part of the consideration for the rights granted by the Sabre Entities pursuant to this Lease, the Tenant or an Affiliate has incurred and will maintain through the date specified in the Concession Loan Agreement an aggregate of $15,500,000 of letters of credit and in form and content approved by the Concession Lender, the Tenant and the Landlord. The Sabre Entities covenant and agree to reimburse Tenant for the full amount of any payments (the "Reimbursement Obligation") required to be made to the Concession Lenders in satisfaction of the Letter of Credit Obligations other than by reason of Tenant's failure to maintain the Letter of Credit Obligations as required by the terms of the Concession Loan. Such Reimbursement Obligation shall arise (i) in the event that the Club relocates its NHL franchise to premises other than the Arena (or the Memorial Auditorium) prior to completion of the Arena, and the Club is unable to fulfill or does not fulfill in full its obligations under Section 7.4 and under the Concession Loan Agreement with respect thereto or (ii) in the event that the Club does not relocate its NHL franchise and the Letter of Credit Obligations have become due to the Concession Lenders. In either such event, Tenant shall have direct and immediate recourse to the Sabre Entities for the full amount of the Reimbursement Obligation.

6.3 TENANT'S INSURANCE.

(a) The Tenant shall carry: (i) Worker's Compensation insurance in such amount as is required by the laws of the State of New York; (ii) public liability insurance (commercial, consumer's product liability, and automobile and garage keeper's legal liability coverages) with limits of not less than $5,000,000 covering each person and $10,000,000 covering each occurrence and property damage liability insurance, with limits of not less than $5,000,000 covering each occurrence and $10,000,000 in the

aggregate (with no exclusion for liability assumed by contract); (iii) dram shop coverage of at least $1,000,000 covering each person and $3,000,000 covering each occurrence; and (iv) blanket crime insurance covering its employees (i.e. employee dishonesty coverage) in a minimum amount of $500,000. The Tenant shall deliver to Landlord at least 30 days prior to taking occupancy and commencing operations hereunder and then at least 30 days prior to, the expiration date of any then existing policies in the future during the Term hereof, a certificate or certificates evidencing that such insurance coverages are in effect for a period of not less than one year from the date of such certificate. All policies shall contain a clause providing in substance that such policies shall not be cancelled or any material provisions thereof amended adversely to the Sabre Entities or the Public Participants unless they shall have been first given at least thirty (30) days advance notice of such termination or of any such proposed amendment. If any policy expires or is cancelled, the Tenant shall immediately furnish a new certificate evidencing renewal or replacement. Tenant shall cause the Sabre Entities and the Public Participants, the Concession Lenders, and any mortgagee holding an interest in the Premises, the Arena and/or the Parking Lots to be named as an additional insured on its liability insurance policies for (i.e. Sections 6.3(a)(ii) and (iii) above) liability arising out of Tenant's responsibilities under this Lease, including, but not limited to, Section 6.2 above.

(b) All such policies may be provided under blanket and/or umbrella policies carried by the Tenant.

(c) The insurance required by Section 6.3(a) shall be primary insurance and the insurer shall be liable for the full amount of any loss up to the total limit of liability required without the right of contribution of any other insurance coverage held by the Sabre Entities or Public Participants.

(d) This Section 6.3 is subject to all limitations identified in Sections 6.1 and 6.2, respecting subrogation and indemnification respectively. Nothing in this Section 6.3 shall be construed as requiring liability coverage and/or indemnification of the Sabre Entities or Public Participants, as applicable for the Sabre Entities' or the Public Participants' respective negligence or willful action or omission.

(e) All insurance carriers providing the above coverage for the Tenant must be licensed to do so in New York State. All such carriers must also be rated no lower than "B+" by the most recent Best's Key Rating Guide or Best's Agent's Guide or must be otherwise acceptable to the Landlord.

(f) It is expressly understood and agreed by the Tenant that the insurance requirements specified above contemplate the use of occurrence liability forms. If claims-made coverage is evidenced

to satisfy any of these requirements, the Tenant shall be subject to additional requirements as may be reasonably imposed by the Landlord to avoid any potential lapse in protection which is inherent in the use of claims-made coverage.

ARTICLE VII

Assignment, Location Change and Attornment

7.1 TENANT'S ASSIGNMENT.

Except as otherwise provided in this Lease, the Tenant shall not, without prior written consent of the Landlord, in its sole discretion, assign or sublet this Lease or any of its rights or duties as Tenant, provided that such written consent shall not be required where such assignment is to an Affiliate or to any bank or financial institution providing financing to the Tenant. No such assignments shall relieve Tenant or Guarantor of its obligations hereunder without the express prior written consent of Landlord, in its sole discretion.

7.2 SABRE ENTITIES ASSIGNMENT.

The Sabre Entities, jointly and severally, covenant to cause this Lease to be assigned to any transferee of their respective operations if such transferee shall continue to own/operate a professional NHL hockey franchise at the Arena and cause such transferee to assume the obligations of the Sabre Entities hereunder. Upon acceptance of such assignment, such transferee shall be bound by all of the provisions of this Lease which are applicable to each of the Sabre Entities and shall be entitled to all of their rights and benefits accruing hereunder. Except as provided above, and except for a collateral assignment of rights hereunder to the Concession Lenders as security for the Concession Loan, this Lease may not be assigned by the Sabre Entities, without the prior written consent of the Tenant. No such assignment shall relieve the Sabre Entities of their obligations hereunder without the express prior written consent of Tenant.

7.3 EXCLUSIVE RIGHTS.

(a) The Sabre Entities hereby grant to the Tenant the exclusive rights to any and all food, beverage (alcoholic and non-alcoholic) and parking concessions that may be owned or controlled, directly or indirectly, whether by grant or contract, by them or any of their Affiliates in any venue used by the Club's NHL franchise for a period of twenty-one years from September 1, 1995, and such rights, (i) if the Club operates its NHL franchise at Buffalo Memorial Auditorium, to be governed by the Auditorium Concession Agreement, (ii) if the Club operates its hockey operations at the Arena to be governed by this Lease and (iii) if

the Club operates its NHL franchise at any other venue to be governed by the terms and conditions of Sections 7.3(b) and 7.4(a)(i) hereof.

(b) The Sabre Entities acknowledge that the foregoing grant of rights was a material inducement to Tenant providing the Interim Loan and covenanting to pay the Guaranteed Rent which supports the making of the Concession Loan for the Arena, and covenant that they shall ensure that the foregoing rights with respect to Buffalo Memorial Auditorium and the Arena are granted and that the full intention of Section 7.3(a) is fulfilled. In the event the Club or its Affiliate operates a NHL franchise at any other venue during the time the foregoing rights exist, the Sabre Entities shall use their good faith, best efforts to ensure that the Tenant receives the full benefit of the rights granted under Section 7.3(a) at such other venue, which efforts shall include, but not be limited to:

(i) in the event that there exists no third party concessionaire at such other venue, the Sabre Entities shall ensure that Tenant receives concession rights therein with such rights to be on the same terms and conditions as provided by this Lease provided that the facility is substantially of the same size and type and has substantially the same number of seats, concession stands and parking spaces as the Arena, and otherwise, the Guaranteed Rent under such agreement shall be adjusted pro rata for any reduction in size, number of seats, concession stands or parking spaces; and

(ii) in the event there is a third party concessionaire at such other venue, the Tenant must receive the opportunity to negotiate to remove such existing concessionaire (with any costs thereof to be for the account of the Tenant), and if Tenant successfully removes such existing concessionaire, the Sabre Entities shall then ensure that Tenant receives the concession rights described in subsection (i) above, as if no third party concessionaire had such rights at such facility.

(c) In the event of any failure of the Sabre Entities to fulfill the conditions of this Section 7.3, the Sabre Entities acknowledge that the Tenant will suffer irreparable harm and shall be entitled to seek specific performance of its rights hereunder, and to enjoin any grant or attempted grant of concession rights by the Sabre Entities to any third party or which otherwise is not consistent with the terms hereof.

7.4 Covenant Not to Relocate. Without limiting the Tenant's exclusive rights and the obligations of the Sabre Entities under Section 7.3 hereof:

(a) Prior to the completion of the Arena the Club shall not transfer operation of its NHL franchise professional hockey

operations to premises other than Memorial Auditorium or the Arena, unless the Club and Landlord satisfy, or make arrangements acceptable to Tenant to satisfy, all liabilities or obligations to all third parties arising out of such relocation and:

(i) the Club and the Tenant shall enter into a new concession lease at the facility in which the Club then plays its regular home NHL hockey games, which lease shall be on terms and conditions substantially the same as this Lease and which shall at a minimum provide concession revenues to the Tenant which would support a guaranteed rent amount (based upon the Tenant receiving projected profits at the replacement facility at levels within 10% of those projected for the Arena) equal to (a) 110% of the amount of the Concession Loan outstanding at the time such operations commence at such facility plus any fees and costs, divided by seven years; plus (b) the final fixed interest rate on the Concession Loan multiplied by the amount of the Concession Loan outstanding at the time thereof plus any fees and costs incurred in connection with the Concession Loan or any amendment or modification thereof in connection with such transfer of the Club's NHL franchise operations; or

(ii) In the event that the Club is unable, after using all means necessary in its control, to provide a concession lease on the terms outlined in subparagraph (i) above, the Club shall provide to the Tenant an alternative income stream equivalent in amount to that described above; or

(iii) In the event the conditions of either subparagraph (i) or (ii) are not met, the Club shall either (x) pay the Concession Loan in full or (y) provide evidence that the Club has sufficient cash flow to cover scheduled debt service on the Concession Loan and scheduled debt service up to $12,000,000.00 of other debt, and shall grant a second priority lien against its NHL franchise rights and all of its assets to the Concession Lenders to secure payment of the Concession Loan, second only to a first priority lien for financing of not more than $12,000,000.00 and coequal in priority with a lien on the Club's NHL franchise and all such assets granted to secure payment of the first $12,000,000 of the Construction Loan; or

(iv) In the event the Club meets at least one of subparagraphs (i), (ii) or (iii)(y), the Club shall repay the principal balance of the Concession Loan in excess of $15,500,000.00 plus interest then accrued thereon, and the Concession Loan shall be converted into a seven (7) year fully amortizing term loan payable in equal monthly principal installments plus interest.

(v) in the event the Club does not meet the requirements of one of subparagraphs (i), (ii) or (iii) (y), the Concession Loan shall be repaid in full.

(b) Notwithstanding subsection (a), in the event of (i) (x) a transfer of ownership of the Club's NHL franchise to a third party not affiliated with the Club, or (y) any sale or transfer of more than 6% of the equity interests of the Club or more than 6% of the equity interests of the Club's general partner to a third party except for the conversion of current debt held by Adelphia Communications Corporation or John Rigas into equity, and (ii) the Club or such transferee third party does not continue to operate its NHL franchise at the Buffalo Memorial Auditorium or the Arena, the Concession Loan shall be paid in full prior to such transfer.

(c) In the event of a transfer of operation of the Club's NHL franchise professional hockey operations to premises other than Buffalo Memorial Auditorium or the Arena, or a sale of the Club's NHL franchise or equity interest described in subparagraph (b) is made to a third party at a time when any Interim Loan remains outstanding, the Landlord (or the Club) shall repay the Interim Loans in full plus all costs and fees incurred in connection therewith.

(d) (i) The Sabre Entities, jointly and severally covenant and guaranty to Tenant that, in the event Club relocates, assigns or transfers its professional NHL franchise hockey operations in violation of Sections 7.4(a), (b) or (c), or in the event such relocation, assignment or transfer occurs after completion of the Arena, The Sabre Entities shall:

(w) pay to the Concession Lenders the balance of principal, interest, fees and other charges outstanding on the Concession Loan;

(x) fully satisfy their obligations under Section 6.2(b) to the extent such provision is then applicable; and

(y) pay Tenant the full amount of principal, interest and charges outstanding under the Interim Loans (to the extent then outstanding).

All of the foregoing obligations (w) - (y) of the Sabre Entities shall hereinafter be referred to in the aggregate as the "Sabre Obligations."

(ii) The Sabre Entities agree to indemnify and hold the Tenant and its Affiliates, harmless from any and all loss, cost, damages, liability or expense arising out of any failure of the Sabre Entities or any one of them, to fulfill their obligations under this Section 7.4, including attorneys fees and expenses incurred by the Tenant in connection therewith or in connection with enforcement of the provisions hereof.

(e) At the Closing, the Club shall provide the Concession Lenders with a perfected lien (limited in amount,

priority and other conditions as set forth in the Concession Loan Agreement on its assets, including its NHL franchise.

The provisions of Section 7.3 and 7.4 of this Lease supersede and replace in all respects a Grant of Exclusive Rights Agreement dated August 10, 1994 between the Club and the Tenant.

7.5 NHL RIGHTS.

(a) Tenant and Guarantor each hereby agree that nothing contained in this Lease in any way limits the rights of the NHL to bring disciplinary proceedings against the Club or the rights of the NHL to transfer ownership of, terminate or relocate the Club's NHL franchise pursuant to NHL Rules.

(b) Tenant and Guarantor each hereby agree that nothing in this Lease prohibits the Club from playing exhibition games, Championship games and Stanley Cup Playoff Games constituting Buffalo Sabres home games at any location other than Buffalo Memorial Auditorium or the Arena, as applicable, to the extent required by NHL Rules or expressly permitted by the Aud Lease or the Hockey Lease as applicable.

(c) The obligations of the Club under Section 7.4 shall terminate upon the payment in full of the Sabre Obligations as defined in Section 7.4(d) hereof, provided that such payment shall not release the Club from its obligations under Section 7.3 hereof.

(d) The obligations of the Sabre Entities set forth in Sections 7.3 and 7.4 of this Lease shall be binding only upon a Franchisee. Tenant and Guarantor each hereby acknowledge and agree that, notwithstanding anything contained in this Lease or in any other Operative Document to which it is a party or in any other document executed in conjunction with the transactions contemplated by the Operative Documents, any entity or entities that succeed to the ownership or operation of the Club's NHL franchise or any entity or entities that succeed to the ownership of substantially all of the assets of Club, in each case as a result of action taken by the NHL (an "NHL-Sponsored Successor"), including without limitation any action taken by the NHL pursuant to Sections 3.9 and 3.10 of the NHL Constitution (or any successor sections), shall, for only so long as such NHL-Sponsored Successor continues operations of an NHL hockey team at Buffalo Memorial Auditorium or the Arena, as applicable, be bound by the obligations of the Club set forth in this Lease, other than those obligations set forth in Sections 7.3 and 7.4 hereof. Any NHL-Sponsored Successor that ceases, at any time, to conduct operations of an NHL hockey team at Buffalo Memorial Auditorium or the Arena, as applicable, shall, as of the date such operations cease, have no further obligations under this Lease and, upon such date, this Lease shall be deemed null and void and of no further force or affect, as to the NHL-Sponsored Successor.

(e) It is acknowledged, understood and agreed that to the extent the provisions hereof relate to the Club (1) this Lease is subject to NHL Rules and (2) in the event of any conflict between the terms of the NHL Rules and this Lease, the terms of the NHL Rules shall prevail; provided, however, and except as may be set forth in the Financing Participants' Cooperation Agreement, nothing in the preceding clauses (1) and (2) is intended to nullify the Club's obligations under Section 7.4 of this Lease not to transfer operations of the Club's NHL franchise except as may otherwise be contemplated therein.

(f) All capitalized terms used in this Section 7.5 and Section 7.6 and not otherwise defined in this Lease shall have the meaning given to them in that certain Non-Relocation Agreement (Public Sector) dated of even date herewith among the Club, the City of Buffalo, the New York State Urban Development Corporation and the County of Erie.

7.6 CONTINUOUS OPERATIONS OF CLUB.

Without limitation of the NHL rights set forth in Section 7.5, the Club hereby covenants with the Tenant and Guarantor that throughout the term of this Lease it shall: (i) not effect, allow to occur or allow to continue any material default in the performance of any of its obligations which causes or might cause a termination or forfeiture of the Franchise under NHL Rules or otherwise, (ii) not terminate or forfeit the Club's Franchise, (iii) provide an NHL team to play all of the Club's games in accordance with NHL Rules, and (iv) in all other respects, to continuously operate an NHL hockey team in Buffalo, New York in accordance with NHL Rules, except as otherwise allowed under Sections 7.3 and 7.4 hereof.

7.7 ATTORNMENT.

(a) Tenant agrees that all of its rights under this Lease are and will be subject and subordinate to all superior ownership or leasehold interests, mortgages and/or security instruments (collectively referred to as "Senior Liens") that now exist or may later be placed upon the Premises, the Arena, Food Concession Facilities, Food Service Equipment, Parking Facilities and/or Parking Equipment, or any of them. Tenant also agrees that if the holder of any such Senior Lien ("Senior Lienors") or if the "Purchaser" of any such interest, requests Tenant to do so, Tenant shall attorn to and establish direct privity of estate and contract with and recognize such Senior Lienor or Purchaser as the successor to Landlord under this Lease with respect to the property rights involved.

(b) In consideration for the foregoing, and as a precondition to the effectiveness of Tenant's obligations under Section 4.4 above, the Sabre Entities, the Public Participants, the

Developer, the Concession Lenders, and the Construction Lenders have executed and delivered to the Tenant the Non-Disturbance and Attornment Agreement dated as of May 10, 1995 (the "Non-Disturbance Agreement"), which is hereby incorporated herein, as if fully set forth herein.

(c) In the event the Club does not commence or has ceased playing NHL hockey home games at the Arena on a permanent basis, and the Construction Lenders or the Public Participants, or any one of them, or their successors and assigns (the "New Landlord") assume or otherwise acquire any duties or obligations of the Landlord under this Lease pursuant to the Non-Disturbance Agreement or otherwise, then, notwithstanding anything in this Lease or the Non-Disturbance Agreement to the contrary:

(i) the New Landlord shall have no affirmative obligation to cause professional hockey events or professional sporting events to take place in the Arena;

(ii) The Tenant may, at its option, terminate this Lease upon thirty (30) days written notice to the New Landlord, without further obligation hereunder;

(iii) The Tenant's and New Landlord's respective rights and obligations under this Lease may be deferred for a period not to exceed one (1) year, at Tenant's election, in its sole discretion, until such time NHL hockey home games or other acceptable national sporting events take place at the Arena, and in such event, the Term hereof shall be automatically extended for the period of such deferral; provided, however, that in the event Tenant elects such deferral, the Tenant shall have the first right to provide such services on such terms and conditions as Tenant and New Landlord might agree during such deferral period and in the event the Tenant and the New Landlord do not so agree, the New Landlord may during such deferral period engage another concession operator to provide concession services on such terms and conditions as the New Landlord and such concession operator might agree;

(iv) Unless the Tenant has elected to terminate this Lease under subparagraph (ii) above, (A) if the New Landlord elects not to operate the Arena, the New Landlord's and the Tenant's respective rights and obligations shall be automatically deferred during the period that the Arena is not operated, and (B) if the New Landlord elects to operate the Arena, subject to Tenant's rights to terminate under subparagraph (ii) or to defer under subparagraph (iii), Tenant shall perform its obligations under this Lease subject to the provisions of this Section 7.7(c).

(v) If the New Landlord operates events at the Arena without NHL hockey home games, "Quality Arena Standards"

shall then mean such standards of quality and performance in effect generally at arenas holding the type of events then held at the Arena;

(vi) Neither the New Landlord, the Tenant nor the Guarantor shall have any obligations to each other or any other party pursuant to the second sentence of Section 2.3(a), Section 3.1, Section 3.3, Section 4.4, Section 4.5, Section 4.6, Section 6.2(b), Section 7.3, and Section 7.4 of this Lease;

(vii) Only the New Landlord shall have the obligation to perform obligations of the Landlord hereunder, except for maintenance of the Arena which obligation shall be the responsibility of the lessor of the Arena from time to time;

(viii) Tenant shall comply with any special agreement relating to the name of the Arena, if Tenant agreed to be bound to such agreement with the Landlord or the Developer;

(ix) This Lease may be terminated by the Tenant or the New Landlord upon a total casualty or a total Taking; and

(x) Payment of the Sabre Obligations shall not be a condition to any termination hereof by the New Landlord.

(d) Neither the Sabre Entities nor the Developer shall amend, terminate or modify the Master Concession Lease, or any other lease prior in right thereto to which any of them is a party, if such amendment would adversely affect any of the Tenant's rights hereunder and the Sabre Entities shall exercise all rights they may have to enforce any of such leases which are prior in right. In the event that the Sabre Entities or the Developer fail to perform any obligation with respect to the Master Concession Lease or any lease prior in right thereto, the Sabre Entities shall provide notice to Tenant of such non-performance and, at its option, Tenant shall have the right to cure such non-performance. In such event the Sabre Entities and the Developer shall be liable to the Tenant for all loss, cost, liability and expense (including reasonable attorneys' fees and disbursements) arising out of such amendment, termination, modification or non-performance.

ARTICLE VIII

Termination

8.1 TERMINATION BY LANDLORD

Subject to the terms of Section 8.3 and 8.4 below, Landlord may terminate this Lease by written notice to such effect for cause in the event: (a) Tenant fails to remit, for a period of fifteen (15) days after receipt of written notice of demand

therefor, any sums due and owing to Landlord under Article IV of this Lease (except for such amounts which the Tenant, in good faith, disputes as owing or is permitted to withhold hereunder); or (b) Tenant fails to fulfill its obligations under the terms of the Refinancing Agreement; or (c) the Tenant fails in a material and substantial manner to perform its other obligations hereunder where the effect thereof is to deprive Landlord, in a substantial and material manner, of the benefits of this Lease (except where such failure or refusal is due to a Force Majeure) and such failure continues substantially unremedied for a period of thirty (30) days after receipt of written notice of the particular failure to perform or, in the case of a failure due to Force Majeure, such failure continues unremedied for a period of thirty (30) days after the condition constituting a Force Majeure has terminated.

8.2 TERMINATION BY TENANT.

(a) Subject to the terms of Section 8.3 and 8.4 below, in the event the Sabre Entities fail to perform, in any material and substantial respect, its obligations hereunder where the effect thereof is to deprive the Tenant, in a substantial and material manner, of the benefits of this Lease (except where such failure or refusal is due to a Force Majeure), and such failure continues unremedied for thirty (30) days after receipt of written notice of the particular failure, Tenant may terminate this Lease by furnishing the Sabre Entities with written notice of its intent to do so.

(b) If the Club's NHL franchise is relocated or transferred to a facility other than the Arena or ceases to exist, the Tenant shall have the unilateral right to terminate this Lease without future obligation to any party hereto by issuing written notice to all affected parties of its desire to do so and in any event Section 4.4 shall be void. Exercising such termination right shall not be construed to limit or terminate Tenant's rights to follow the Club's NHL franchise to another facility as described in Sections 7.3 and 7.4 hereof.

(c) If upon an Event of Default under the Concession Loan, the Concession Lenders remove the Food Concession Equipment from the Arena, the Tenant may elect at its sole option to continue to provide Concession Services in the Arena pursuant to this Lease. Upon such action, the Tenant's obligations under Section 4.4 hereof shall be void and the Tenant reasonably promptly shall provide Food Concession Equipment reasonably equivalent in type, age and quality to that removed by the Concession Lenders. If the Tenant elects not to so continue this Lease, this Lease shall terminate, and the Tenant shall have no further obligation hereunder.

8.3 GENERAL CURE PERIOD.

Except in the case of a payment default by Tenant under Section 8.1(a), if the particular failure to perform under Section 8.1 or Section 8.2 cannot be cured within the applicable curative periods provided above, the breaching party shall have a reasonable time thereafter in which to remedy the problem provided that it is diligently and continuously making any and all reasonable efforts required to correct the problem.

8.4 SETTLEMENT.

Upon Termination of this Lease, Tenant shall immediately surrender possession of the Parking Facilities and Food Concession Facilities to Landlord, and all matters, rights and liabilities existing on the date of termination between the parties hereto shall be determined by the parties hereto as of such termination date (except as described above), and discharged as promptly as possible thereafter, including but not limited to any claims for damages either party may have against the other for breach of the terms and conditions hereof. Any such surrender shall require delivery of possession in good condition, reasonable and ordinary wear and tear excepted. No termination shall be fully effective until all matters rights and liabilities between the parties are resolved and all debts of the parties, each to the other are fully paid and satisfied including the Sabre Obligations, as set forth in Section 7.4 above and the Guaranteed Rent obligations under Section 4.4. In the event of termination by the Landlord for any reason except Tenant default, the Sabre Obligations must be fully paid and satisfied as a condition precedent to termination of the Tenant's leasehold estate and rights granted hereunder.

ARTICLE IX

Casualty Event

9.1 RESTORATION.

After any damage to or destruction of the Arena or any portion of the Arena or the parking structure which adversely impacts Food Concession Facilities or Parking Facilities, Tenant shall continue the operation of its Food Concession Facilities and Parking Facilities hereunder to the extent practicable from the standpoint of good business. To the extent of insurance proceeds available and subject to the Financing Participants Agreement dated as of May 10, 1995 among the Public Participants, Concession Lenders, Sabre Entities and others, the Sabre Entities shall make any repairs, reconstruction or restoration of any such damage or destruction. In any such event, Tenant shall not be entitled to any monetary or other damages because of any resulting inconvenience or loss. In the event the Sabre Entities do not repair, reconstruct or restore any such damage or destruction to

the Arena and the Arena becomes fully or substantially unsuitable for its intended use, this Lease and Tenant's obligations and duties to perform hereunder shall terminate.

9.2 EXTENSION OF TERM.

In the event of any such damage or destruction of the type described in Section 9.1, the Term of this Lease shall be automatically extended in an equitable manner so that all parties shall have the full operational benefit of operating for the entire period originally intended under this Lease. In the event that the Arena is shut down because of the occurrence, the Term shall be extended for a period of time equal to the shutdown period. In the event of partial shutdown, the Term shall be extended on an equitable basis based on the reduction in the number of available sales outlets.

9.3 ABATEMENT OF GUARANTEED RENT.

The obligations of Tenant described in Section 4.4 to pay Guaranteed Rent shall be subject to abatement in the manner described in Section 4.4.

ARTICLE X

Arbitration

Any controversy arising out of or relating to this Lease, or relating to any breach hereof, which involves a dispute of $250,000 or less) or any dispute of the type referred to in Section 3.10, regardless of dollar value, shall be settled by arbitration in Buffalo, New York in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. One Arbitrator shall be selected by the "strike-off" method. The award rendered by the Arbitrator shall be final and judgment upon the award rendered by the Arbitrator may be entered upon it in any court having jurisdiction thereof. The Arbitrator shall possess the power to issue mandatory orders, and restraining orders in connection with such arbitration, including ordering specific performance. The expense of arbitration shall be borne by the losing party unless otherwise allocated by the Arbitrator. This Agreement to Arbitrate shall be specifically enforceable under the prevailing Arbitration Law. During the continuance of any arbitration proceedings, the parties shall continue to perform their respective obligations under this Lease.

ARTICLE XI

Condemnation

11.1 ENTIRE TAKING.

In the event of a taking, for any public or quasi-public use, under any statute or by right of eminent domain(a "Taking") of (a) all of the Arena or (b) so much of the Arena so that it no longer can be used for, or restored for, playing NHL hockey games or holding Events, Tenant's obligation to perform under the terms and conditions of this Lease shall cease unless Club shall continue at another facility in which case this Lease shall continue in effect at such new facility in the manner and subject to the terms of Section 7.3 hereof.

11.2 PARTIAL TAKING.

(a) In the event of any other taking of the Arena for public or quasi-public use under any statute or by right of eminent domain which does not result in the conditions described in Section 11.1, the Sabres Entities shall, to the extent of any award, restore the Arena to a condition suitable for playing NHL hockey games and holding other Events, and this Lease shall continue in full force and effect and the Rent shall abate to the extent and in the manner described in Section 4.4 hereof.

(b) In the event of a Taking of the Parking Lots, in whole or in part, the Rent shall abate as described in Section 4.4.

11.3 COMPENSATION.

In any event, Tenant shall have right to prosecute an action against the condemning authority for compensation for the loss of its leasehold estate and personal property and Tenant shall assign the proceeds of any such action to the Concession Lenders as collateral security for the Concession Loan.

ARTICLE XII
Miscellaneous

12.1 APPLICABLE LAW.

The Lease shall be governed in all respects by the Laws of the State of New York, without regard to such state's position with respect to Conflict of Laws.

12.2 This Lease and the terms hereof shall be unaffected by any reorganization, merger, recapitalization or change in structure of either party or by any transfer, lease, assignment or other

change in ownership of the Sabre Entities' interests in the Premises or the Arena or the Parking Lots or any portion thereof.

12.3 BINDING ON.

This Lease shall be binding upon, and inure to the benefit of the parties hereto and their respective successors and assigns, as may be permitted herein.

12.4 WHOLE AGREEMENT.

This Lease and the exhibits attached hereto, contain all of the covenants, promises and agreements between the parties concerning the Concession Services and Parking Concession Operations. This Lease supersedes all prior agreements, arrangements or understanding, whether written or oral. This Lease may not be amended or modified except in a writing signed by the parties.

12.5 NO JOINT VENTURE.

Nothing hereinabove or elsewhere contained in this Lease shall in any manner be deemed to create a partnership or joint venture relationship between the Sabre Entities (or any one of them) and Tenant, or any of their respective Affiliates.

12.6 NOTICES.

All notices required or permitted to be given under the terms of this Lease shall be sent in writing by certified mail, return receipt requested, or by courier service to the parties hereto at their addresses first set forth above or to such other address as the parties may hereinafter designate in writing. Notices shall be deemed given when deposited in the mail or actually delivered by courier.

12.7 INVALID SECTIONS.

Any provision of this Lease prohibited or invalidated by a court of competent jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or invalidity without affecting the validity of the remaining provisions of this Lease.

12.8 CONSENTS AND APPROVALS.

Where consent or approval of or authorization (the "Consent") from the Landlord or any of the Sabre Entities is required hereunder, such Consent shall mean the Consent of the Landlord's on-site general manager. Where Consent of Tenant is required hereunder such Consent shall mean that of its President. Each party agrees that except as otherwise provided in this Lease

whenever prior Consent of a proposed action is required, it will not unreasonably withhold or delay such Consent. Failure to provide an explanation for disapproval shall be considered "unreasonable" per se. Each party also agrees that if it fails to either approve or disapprove a request for a period of twenty (20) days or longer, the other party shall have the right to construe such silence as Consent.

12.9 PRIVATE CLUB ("Aud Club").

In the event that the Sabre Entities (or any one of them) elects to operate a private eating facility at the Arena comparable to the Aud Club at Memorial Auditorium (currently described as Rooms 2E02B, 2D02 and 2E02 in the Architectural Drawings or such other rooms as ultimately contain such facility in the Arena) and determines that it wishes to permit such facility to be operated by a third party, the Landlord shall notify Tenant in writing of any terms and conditions negotiated with any third party and Tenant shall have 30 days to elect in writing to operate such facility in accordance with such terms and conditions (in all material respects including as to quality of food and service, experience and other intangibles proposed by such third party) and to notify Landlord in writing of its election to do so, whereupon, the Tenant shall operate such facility in accordance with such terms and conditions.

12.10 HEADLINES SPORTS BAR.

Tenant shall provide Landlord with an improvement allowance of up to $200,000 to be expended by Landlord for the construction and decoration of the Headlines Sports Bar, but in no event more than 50% of the costs incurred. The final design of such improvements shall be subject to the mutual approval of the Landlord and Tenant. Periodic payments of such allowance shall be made to Landlord, within 20 days following Tenant's receipt of contractors' invoices for the work. Percentage Rent payable under Section 4.2(a) shall be reduced with respect to Gross Food Service Sales derived from the Headlines Sports Bar from 42% to 30%, until such time as Tenant has recouped its $200,000 investment by virtue of this differential.

12.11 GUARANTEE OF SPORTSERVICE CORPORATION.

(a) In consideration of commitments undertaken by the Sabres Entities under the terms of this Lease, including, without limitation, the grant of exclusive rights provided for in Section 7.3, the Guarantor hereby guarantees to the Sabres Entities the payment when due of all Guaranteed Rent in accordance with Section 4.4 of this Lease. The liability of Guarantor hereunder shall be absolute and unconditional irrespective of the liquidation, bankruptcy, insolvency or reorganization of Tenant or Guarantor or any circumstance which might constitute a defense available to, or a legal or equitable discharge of, the Tenant or the Guarantor.

This guarantee is a continuing guarantee and shall (i) remain in full force and effect until payment in full of all Guaranteed Rent payable during the entire Term of this Lease; (ii) be binding upon the Guarantor, its respective successors and assigns; and (iii) inure to the benefit of the Landlord and the Concession Lenders and their respective successors, transferees and assigns. Upon any failure of the Tenant to pay any Guaranteed Rent when and as the same shall become due, the Guarantor hereby agrees immediately on demand by the Landlord or the Concession Lenders to pay or cause to be paid in accordance with the terms hereof an amount equal to the full unpaid amount of the Guaranteed Rent then due and payable to date. The Guarantor hereby waives (i) promptness, diligence, presentment, notice of non-performance, protest or dishonor, notice of acceptance and any and all other notices with respect to the Guaranteed Rent and (ii) any right to require the Landlord or the Concession Lenders to exhaust any right or pursue and remedy or to take any action against the Tenant or any collateral or security for the Guaranteed Rent.

(b) Both Tenant and Guarantor acknowledge that the Sabres Entities are relying on payment of the Guaranteed Rent to fund their respective payment obligations under the terms of the Concession Loan and further acknowledge and consent to the collateral assignment and security interest made and granted by the Landlord in favor of the Concession Lenders in and to all rights of the Landlord under the terms of this Lease.

(c) Each of Tenant and Guarantor further agree to comply with any payment directions which from time to time may be given by the Landlord with respect to the payments of Guaranteed Rent under the terms of this Lease.

12.12 ECIDA REQUIREMENTS. During the Term of this Lease, the Tenant agrees that it shall comply with the ECIDA Requirements attached to this Lease as **Exhibit H.**

IN WITNESS WHEREOF, this Lease has been duly executed as of the day and year first above written.

NEW YORK SPORTSERVICE, INC.

By: _____
Michael F. Thompson, President

SPORTSERVICE CORPORATION

By: _____
Michael F. Thompson, President

NIAGARA FRONTIER HOCKEY, L.P.

By: Niagara Frontier Hockey Management Corporation, its General Partner

By: _____

BUFFALO SABRES CONCESSION LLC

By: Niagara Frontier Hockey Management Corporation, its Member

By: _____

By: Niagara Frontier Hockey, L.P., its Member

By: Niagara Frontier Hockey Management Corporation, its General Partner

By: _____

Being all of the members thereof.

STATE OF NEW YORK)
COUNTY OF ERIE) SS.:

On this 22nd day of May, 1995, before me personally came Michael F. Thompson, to me known, who, being by me duly sworn, did depose and say that he resides at 208 Viscount Drive, Williamsville, New York; that he is the President of NEW YORK SPORTSERVICE, INC.; the corporation described in and which executed the above instrument; and that he signed his name thereto by order of the Board of Directors.

Notary Public

JANET M NOVAKOWSKI GABEL
Notary Public, State of New York
Qualified in Genesee County
My Commission Expires October 31 19 95

STATE OF NEW YORK)
COUNTY OF ERIE) SS.:

On this 22nd day of May, 1995, before me personally came Michael F. Thompson, to me known, who, being by me duly sworn, did depose and say that he resides at 208 Viscount Drive, Williamsville, New York; that he is the President of SPORTSERVICE CORPORATION; the corporation described in and which executed the above instrument; and that he signed his name thereto by order of the Board of Directors.

Notary Public

JANET M. NOVAKOWSKI GABEL
Notary Public, State of New York
Qualified in Genesee County
My Commission Expires October 31 19 95

STATE OF NEW YORK)
COUNTY OF ERIE) SS.:

On this ___ day of May, 1995, before me personally came Daniel J. DiPofi, to me known, who, being by me duly sworn, did depose and say that he resides at 428 Chicora Road, Lewiston, New York; that he is the Vice President of Finance of NIAGARA FRONTIER HOCKEY MANAGEMENT CORPORATION, the general partner of NIAGARA FRONTIER HOCKEY, L.P., described in, and which executed, the foregoing instrument; and that he signed his name thereto by order of the board of directors of the General Partner of the limited partnership.

Notary Public

JANET M NOVAKOWSKI GABEL
Notary Public, State of New York
Qualified in Genesee County
My Commission Expires October 31 19 95

STATE OF NEW YORK)
COUNTY OF ERIE) SS.:

On this 23rd day of May, 1995, before me personally came Daniel J. DiPofi, to me known, who, being by me duly sworn, did depose and say that he resides at 428 Chicora Road, Lewiston, New York; that he is the Vice President of Finance of NIAGARA FRONTIER HOCKEY MANAGEMENT CORPORATION, the general partner of NIAGARA FRONTIER HOCKEY, L.P., a member of BUFFALO SABRES CONCESSION LLC, the New York limited liability company described in, and which executed, the foregoing instrument; and that he signed his name thereto by order of the board of directors of the General Partner of the limited partnership.

Notary Public

JANET M NOVAKOWSKI GABEL
Notary Public, State of New York
Qualified in Genesee County
My Commission Expires October 31 19 95

STATE OF NEW YORK)
COUNTY OF ERIE) SS.:

On this 23rd day of May, 1995, before me personally came Daniel J. DiPofi, to me known, who, being by me duly sworn, did depose and say that he resides at 428 Chicora Road, Lewiston, New York; that he is the Vice President of Finance of NIAGARA FRONTIER HOCKEY MANAGEMENT CORPORATION, a member of BUFFALO SABRES CONCESSION LLC, the New York limited liability company described in, and which executed, the foregoing instrument; and that he signed his name thereto by order of the board of directors of the Member of the Limited Liability Company.

Notary Public

JANET M NOVAKOWSKI GABEL
Notary Public, State of New York
Qualified in Genesee County
My Commission Expires October 31 1995

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EXHIBITS

A	-	Project Real Property
B	-	Adjacent Parking Parcel
C	-	Layout of Food Concession Facilities and Parking Facilities
D	-	Leased Premises
E	-	Excluded Areas
F	-	Affirmative Action Plan
G	-	Memorandum of Lease
H	-	ECIDA Requirements

EXHIBIT A

PROJECT REAL PROPERTY

PARCEL I

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Outer Lots Nos. 76, 77 and 78, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) as it formerly existed and the easterly line of Main Street (99 feet wide); thence southerly along the easterly line of Main Street 328.76 feet to the north line of South Park Avenue (66 feet wide) as presently laid out; thence southeasterly along the said northerly line of South Park Avenue 285.87 feet to an angle point; thence continuing southeasterly at an interior angle of 161° 35′ 40" along the said northerly line of South Park Avenue 503.54 feet to the intersection of the said northerly line of South Park Avenue and westerly line of Illinois Street (50 feet wide); thence northerly along the westerly line of Illinois Street 660.35 feet to the intersection of the westerly line of Illinois Street and the southerly line of Perry Street (66 feet wide) as presently laid out; thence westerly along the said southerly line of Perry Street and continuing along the southerly line of Perry Street as it formerly existed 704.93 feet to the point or place of beginning.

TOGETHER with all right, title and interest in Illinois Street to the centerline thereof.

PARCEL II

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Lot No. 75, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) and the easterly line of Mississippi Street (60 feet wide); running thence easterly along the southerly line of Perry Street 195.0 feet to the westerly line of Baltimore Street (40 feet wide); thence southerly along the westerly line of Baltimore Street 672.10 feet to the northerly line of South Park Avenue (66 feet wide); thence westerly along the northerly line of South Park Avenue 195.0 feet to the easterly line of Mississippi Street; thence northerly along the easterly line of Mississippi Street 672.47 feet to the point or place of beginning.

TOGETHER with all right, title and interest in Mississippi Street and Baltimore Street to the centerlines thereof.

PARCEL III

ALL THAT TRACT OR PARCEL OF LAND situate in the City of Buffalo, County of Erie and State of New York, being part of Lots Nos. 74 and 75, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) and the easterly line of Baltimore Street (40 feet wide); thence easterly along the southerly line of Perry Street 113.68 feet to the westerly line of Columbia Street (50 feet wide); thence southerly along the westerly line of Columbia Street 531.8 feet more or less to the north line of lands of Consolidated Rail Corporation by deed recorded in the Erie County Clerk's Office in Liber 1056 of Deeds at page 293; thence westerly along the said north line of Consolidated Rail Corporation 113.68 feet to the easterly line of Baltimore Street; thence northerly along the easterly line of Baltimore Street 532.02 feet more or less to the southerly line of Perry Street and the point or place of beginning.

TOGETHER with all right, title and interest in Baltimore Street and Columbia Street to the centerlines thereof.

PARCEL IV

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Outer Lots Nos. 74 and 75, bounded and described as follows:

BEGINNING at a point in the westerly line of Columbia Street distant 140 feet northerly along said westerly line of Columbia Street from its intersection with the northerly line of South Park Avenue, which point is also the southeast corner of lands conveyed to Higgins Erectors & Haulers, Inc. by deed recorded in the Erie County Clerk's Office in Liber 8470 of Deeds at page 537; thence southerly along the westerly line of Columbia Street 140 feet to the north line of South Park Avenue; thence westerly along the northerly line of South Park Avenue 113.68 feet more or less to the easterly line of Baltimore Street; thence northerly along the easterly line of Baltimore Street 140 feet to the southwest corner of said lands conveyed to Higgins Erectors & Haulers, Inc. by deed aforesaid; thence easterly along the southerly line of said lands conveyed to Higgins Erectors & Haulers, Inc. 113.68 feet more or less to the point of beginning.

TOGETHER with all right, title and interest in Baltimore Street and Columbia Street to the centerlines thereof.

For Conveyance Only
Together with all right, title and interest of, in and to any streets and roads abutting the above described premises. Our policy of title insurance include such buildings and

improvements thereon which by law constitute real property, unless specifically excepted therein.

EXHIBIT B

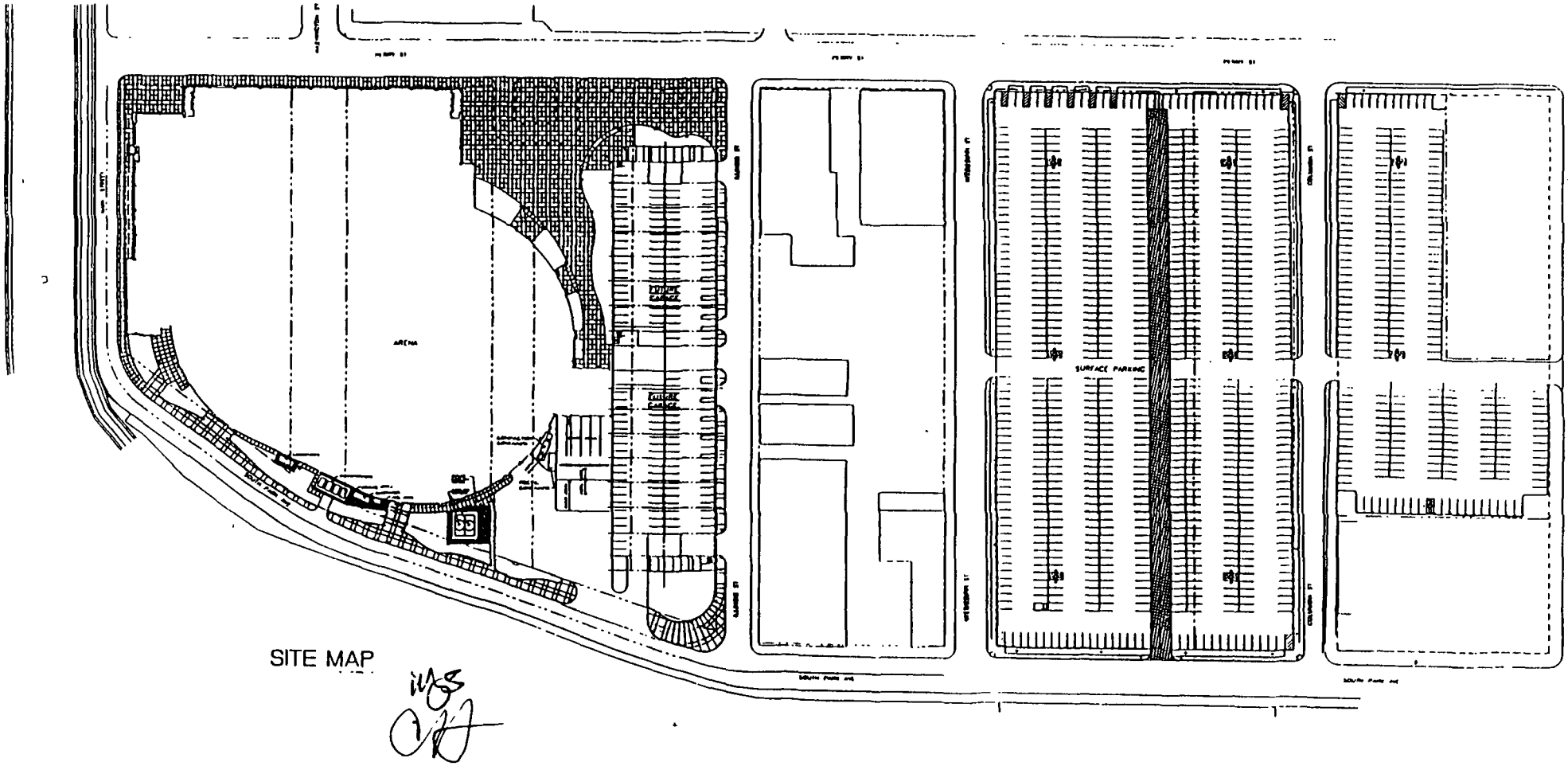
ADJACENT PARKING

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Outer Lot 74, described as follows:

BEGINNING at the intersection of the east line of Columbia Street (50 feet wide) and the south line of Perry Street (66 feet wide); running thence southerly along the east line of Columbia Street 516.88 feet to a point which is 155 feet north of the north line of South Park Avenue; running thence easterly parallel with South Park Avenue, 80 feet; running thence northerly parallel with Columbia Street, 1.60 feet; running thence easterly parallel with South Park Avenue 161.00 feet to the west line of Michigan Street (66 feet wide); running thence northerly along the west line of Michigan Street 193.97 feet; running thence westerly at an exterior angle of 90° 02′ 18" a distance of 120 feet; running thence northerly parallel with Columbia Street 130.41 feet to the north line of Baker by deed recorded in Liber 999 of Deeds at page 479; running thence westerly along the north line of said Baker on an extension thereof 1.0 foot; thence running northerly parallel with Columbia Street 190.80 feet to the south line of Perry Street; running thence westerly along the south line of Perry Street 120.00 feet to the point of beginning.

lses.r

EXHIBIT C



SITE MAP

LEASED PREMISES

EXHIBIT C
LEGEND

2. CONCESSION FACILITIES
AND INCIDENTAL
FOOD PREP & LOUNGE
DOCK BUFFET
COS COMMISSARY
COSA BEER
COSD REFRIGERATOR
COSE TOILET
COSG RECEIVING
COSH PREP KITCHEN
COSF ICE
COSG SECURED STORAGE
COSH LOBBY
COSJ GENERAL OFFICES
COSK ASSISTANT
COSL STORAGE
COSM ASSISTANT
COSN ASSISTANT
COSP TOILET
COSQ GENERAL MANAGER
COSR KITCHENETTE
COSS CONFERENCE
COST FREEZER
COSU SECURITY STORAGE
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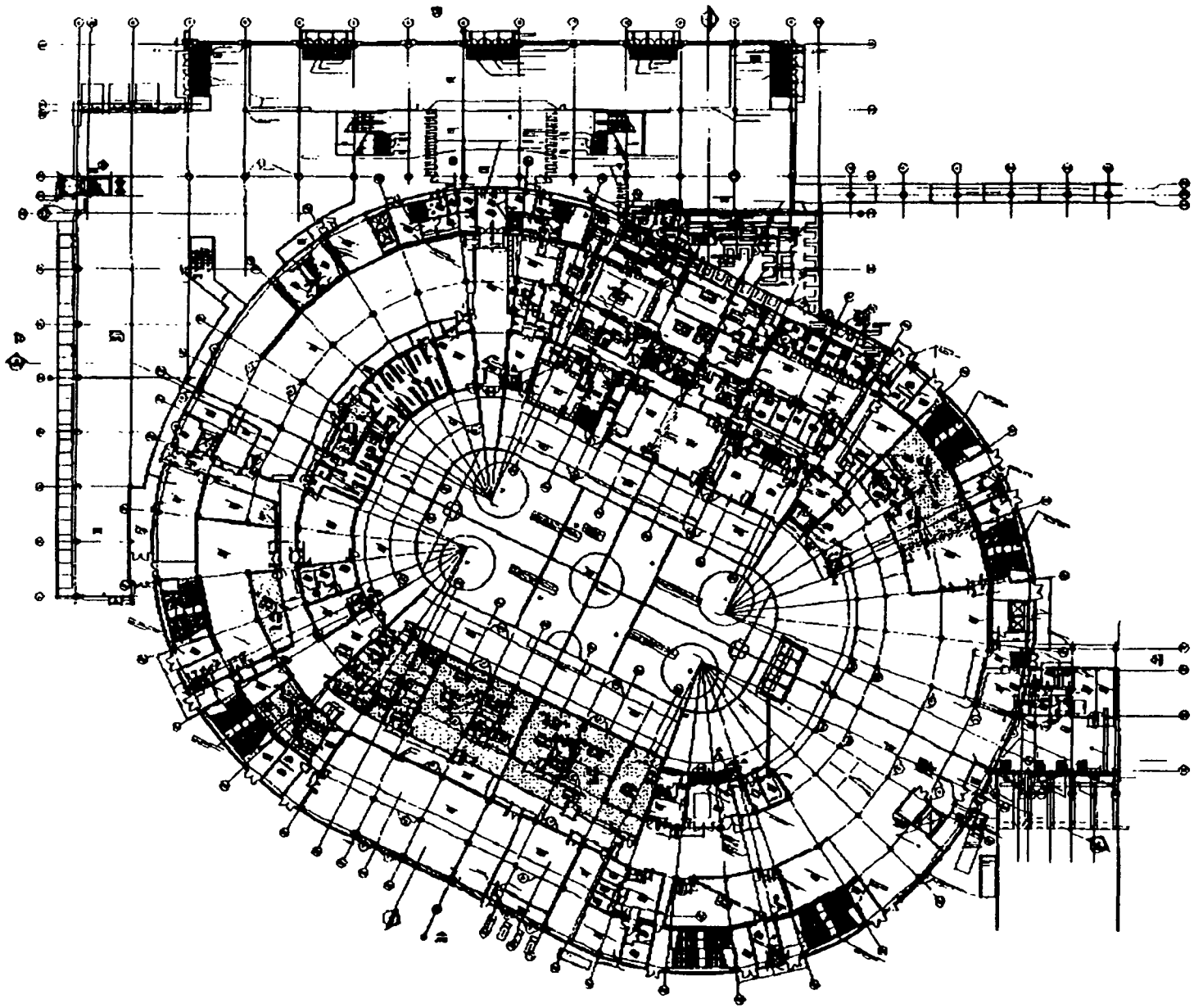


EVENT FLOOR

LEASED PREMISES

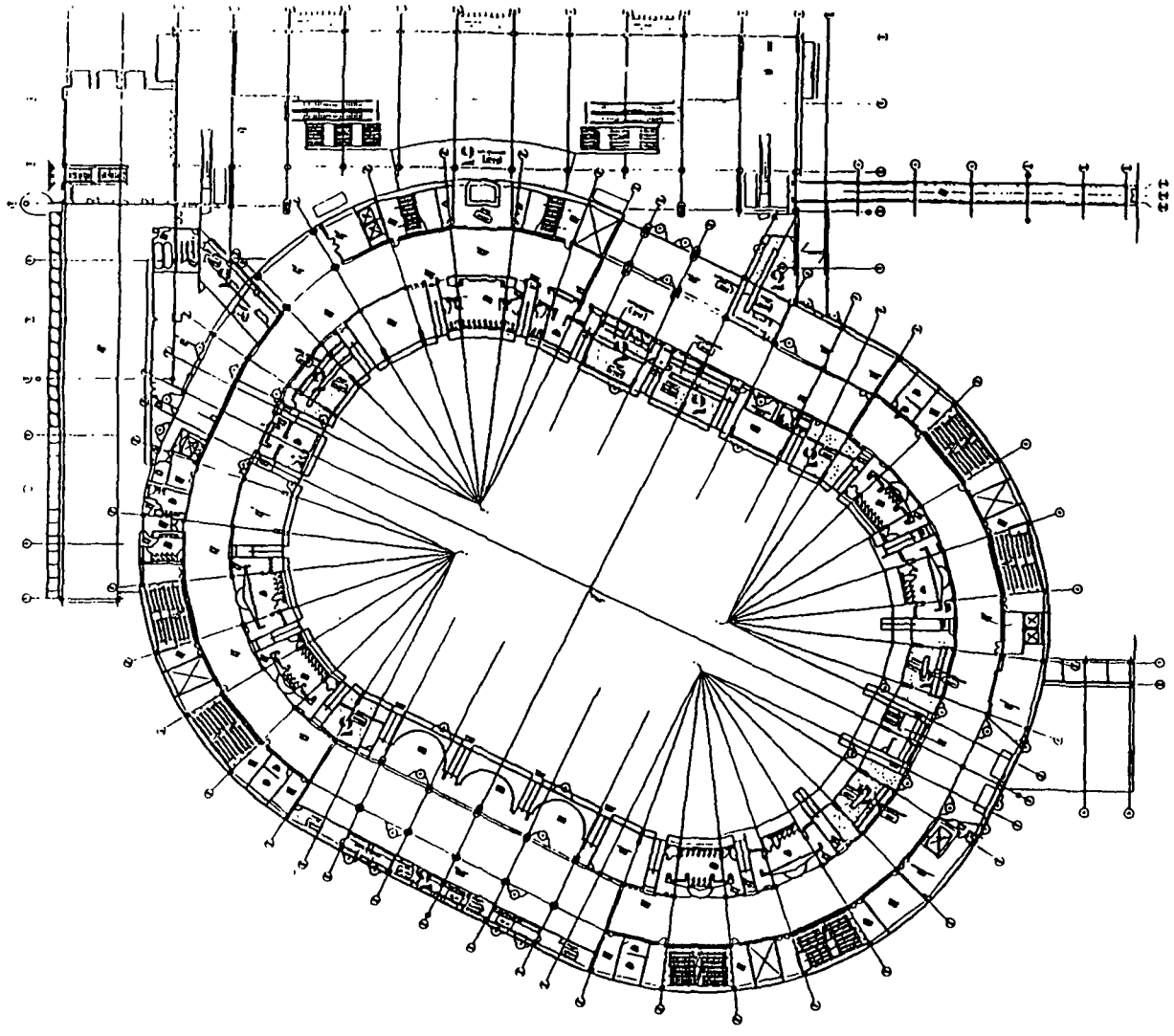


EXHIBIT C
LEGEND

1 12 CONCESSION FACILITIES
2A01 CONCESSION
2A01A PREP
2A01 BAR
2A10 CONCESSION
2A10A PREP
2A12 CONCESSION
2A12A PREP
2A20 CONCESSION
2A20A PREP
2001 CONCESSION
2001A PREP
2008 CONCESSION
2008A PREP
2008 VENDOR COMMISSARY
2C11 CONCESSION
2C11A PREP
2C18 CONCESSION
2C18A PREP
2C19 CONCESSION
2C19A PREP
2C19B PREP
2D08 VENDOR COMMISSARY
2D12 CONCESSION
2D12A PREP
2F02 COLONNADE

MAIN CONCOURSE

LEASED PREMISES

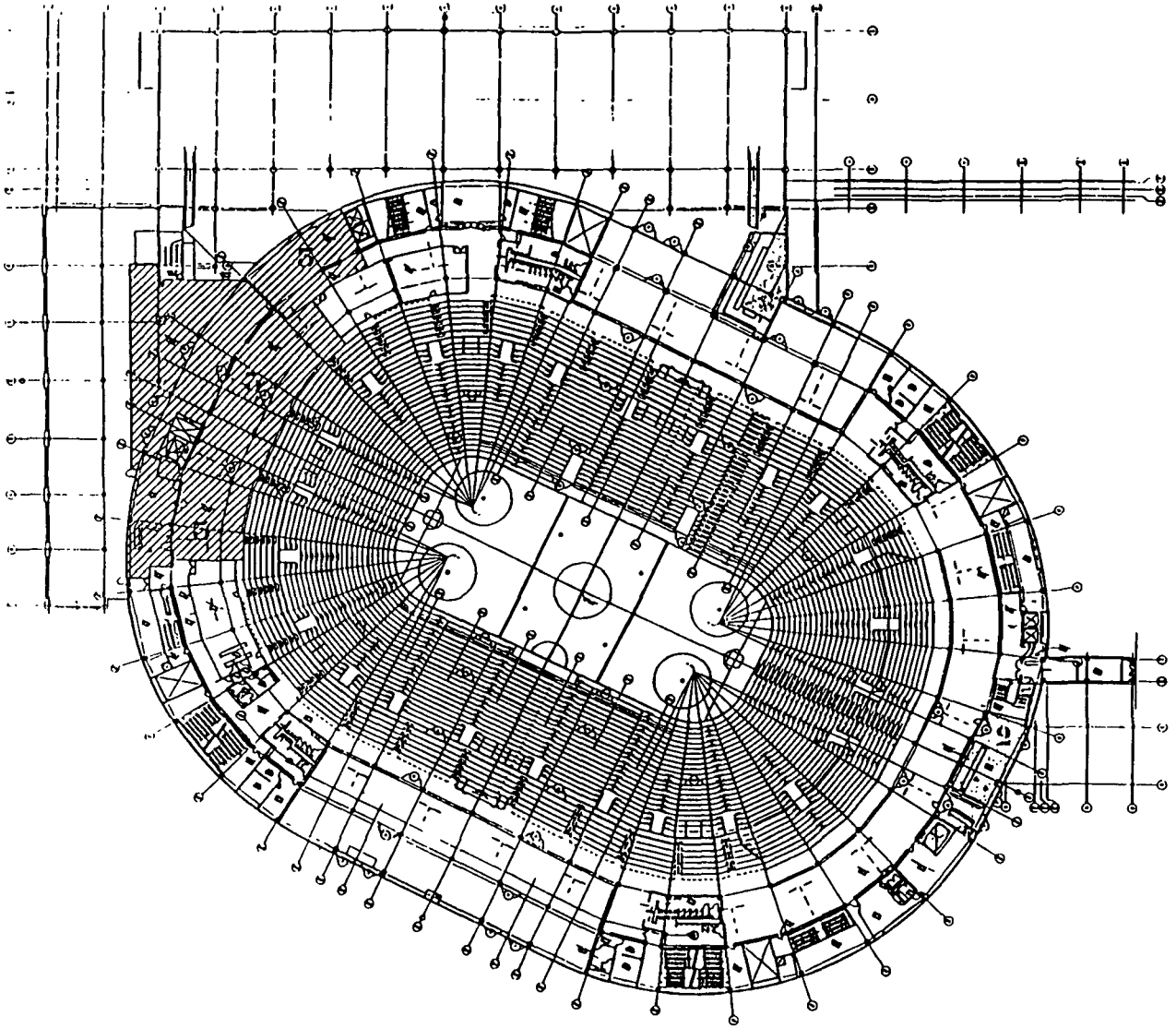


EXHIBIT C
LEGEND

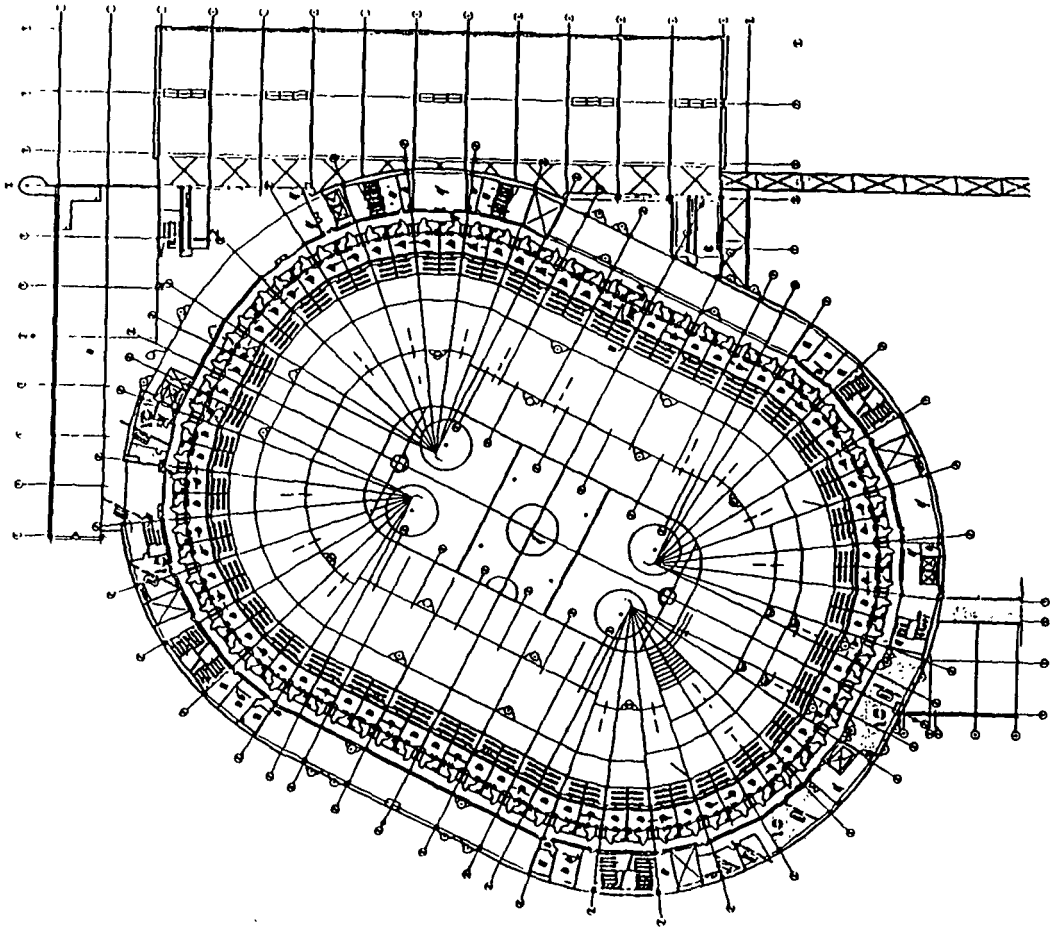
1 12 [illegible]

13 [illegible]

3A01 ELEVATOR LOBBY
3A07 CONCOURSE
3A10 SHELL SPACE
3D01 PANTRY
3D08 SHELL SPACE
3L01 AUD MEZZANINE

CLUB LEVEL

LEASED PREMISES



SUITE LEVEL

EXHIBIT C
LEGEND

2 CONCESSION FACILITIES

4B04 SUITE KITCHEN
4C03 COLD FOOD PANTRY
4C03A LIQUOR/BEVERAGE STORAGE
4C03D DRY STORAGE
4D03 ELEVATOR LOBBY
4D03A FOOD SERVICE STORAGE
4D03 FOOD SERVICE STORAGE
4D09A FOOD SERVICE STORAGE

LEASED PREMISES

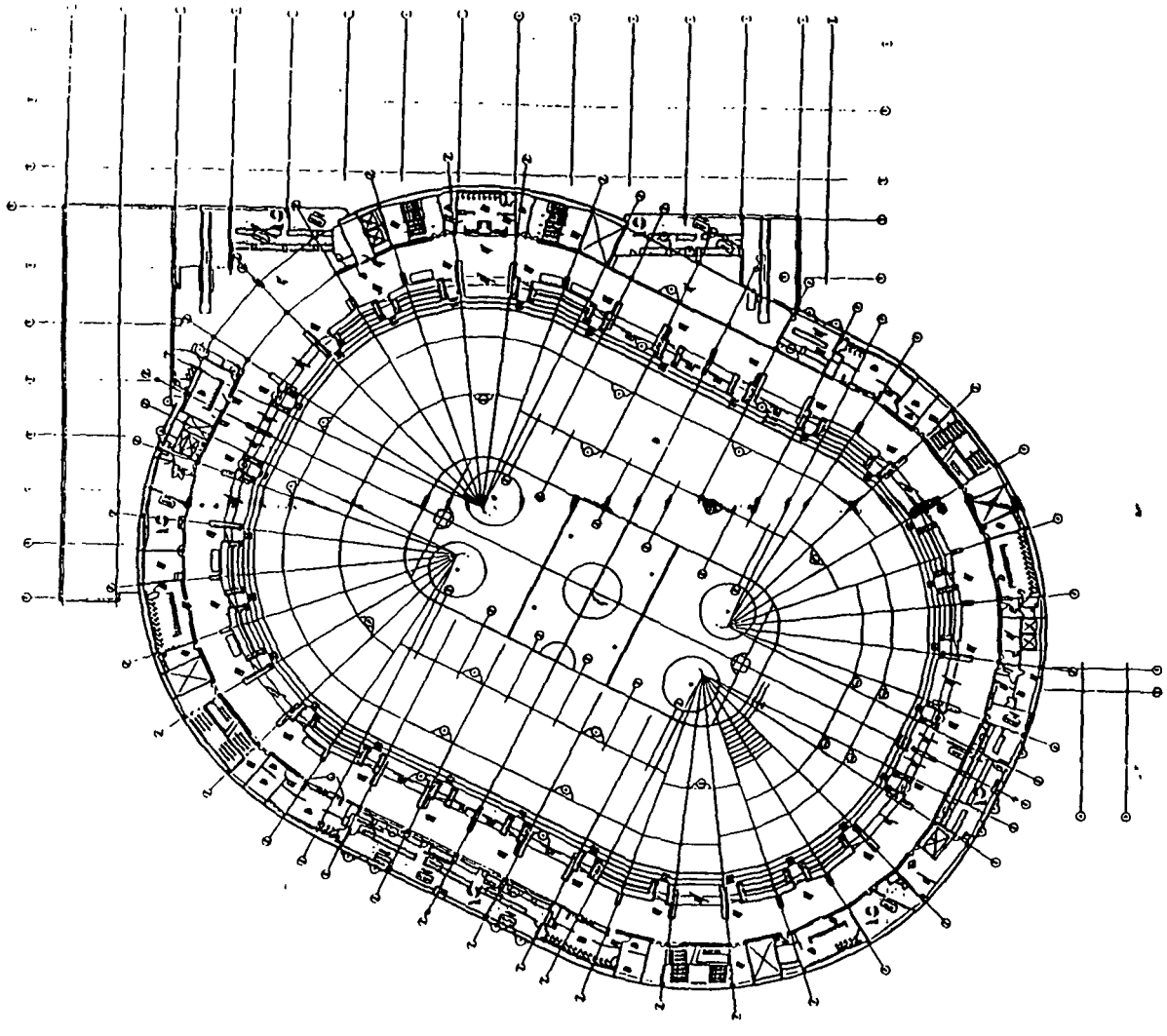


EXHIBIT C
LEGEND

1...12 CONCESSION FACILITIES

5A01A CONCESSION
5A02 PREP
5A11 CONCESSION
5A11A PREP
5A10 CONCESSION
5B10A PREP
5B10B PREP
5C13 VENDOR COMMISSARY
5C17 CONCESSION
5C17A PREP
5C18 CONCESSION
5C18A PREP
5D01 CONCESSION
5D01A PREP
5D04 VENDOR COMMISSARY

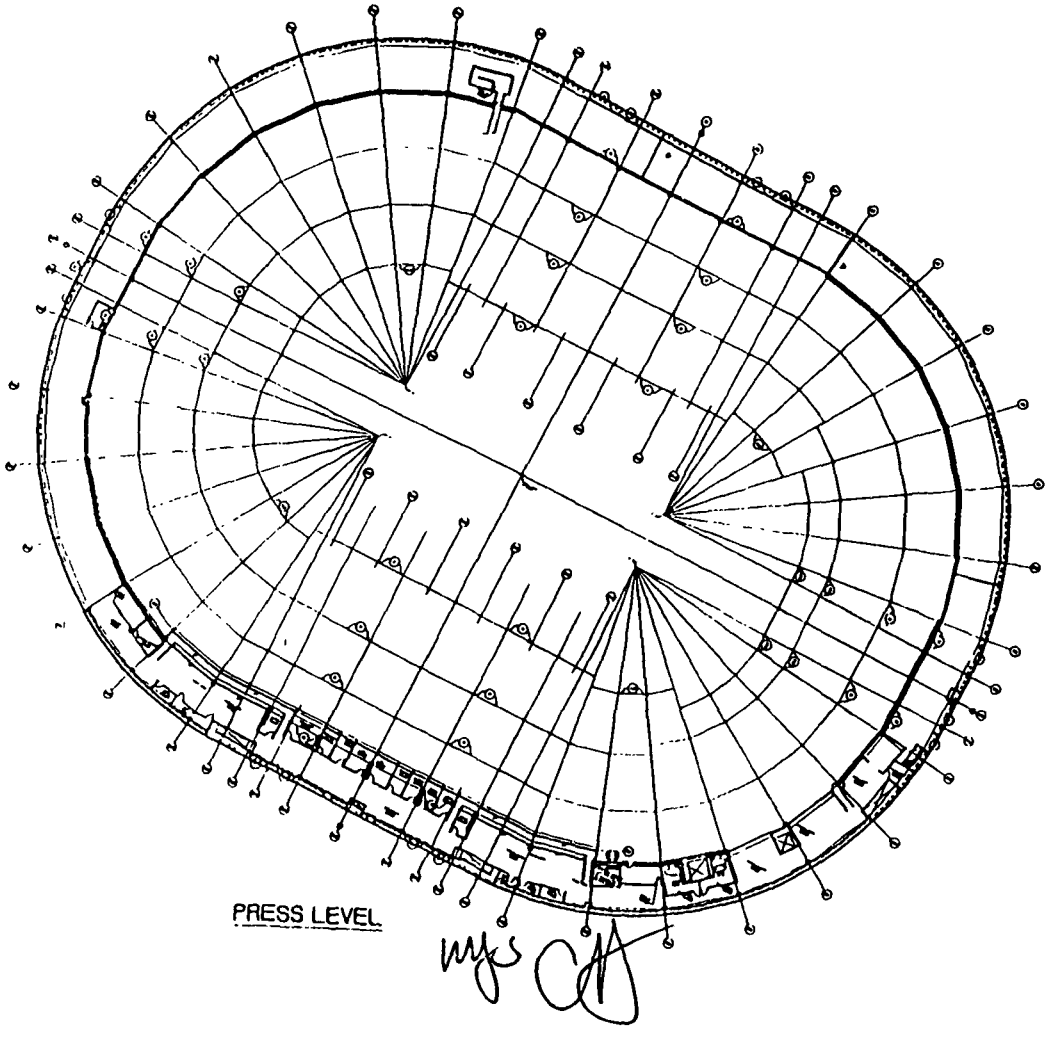
UPPER CONCOURSE

LEASED PREMISES

EXHIBIT C

LEGEND

2. CONCESSION FACILITIES
7C10 COFFEE SHOP



LEASED PREMISES

EXHIBIT D

See Exhibit C

EXHIBIT E

LEGEND

2. [illegible]

5 [illegible]

6. [illegible]

- IA01 VISITING LOCKER
- IA01A VESTIBULE
- IA01B COACH
- IA01C TRAINER
- IA01D TOILET
- IA01F SHOWER
- IA0B LOCKER ROOM
- IA0BA VESTIBULE
- IA0BB EQUIPMENT MANAGER
- IA0BC LAUNDRY
- IA0BD [illegible]
- IA0BE LOUNGE
- IA0BF CORRIDOR
- IA0BG CHANGING
- IA0BH GROOMING
- IA0BI TOILET
- IA0BJ SAUNA
- IA0BK SHOWER
- IA0BL ASSISTANT COACH/VIDEO
- IA0BM COACH
- IA0BN SHOWER
- IA0BO LOCKER ROOM
- IA0BP WEIGHT TRAINING
- IA0BQ EXAM
- IA0BR TOILET
- IA0BS DOCTOR/EXAM
- IA0BT DENTIST
- IA0BU HYDROTHERAPY
- IA0BV SPA EQUIPMENT
- IA0BW TRAINER
- IA0BX TRAINING
- IA11 VISITING LOCKER
- IA11A VESTIBULE
- IA11B TOILET
- IA11C DRY
- IA11D SHOWER
- IA11E COACH
- IA11F TRAINING
- IB02 VISITING NHL LOCKER
- IB02B VESTIBULE
- IB02C TOILET
- IB02D DRY
- IB02L SHOWER
- IB02F TRAINING
- IB02G COACH
- IB03 VISITING NHL LOCKER
- IB03A VESTIBULE
- IB03B TOILET
- IB03C DRY
- IB03D SHOWER
- IB03E TRAINING
- IB03F COACH

8. [illegible]

10. SABRES OFFICES
- IF02 RECEPTION
- IF02A WAITING
- IF02B ATM
- IF02C TICKET WINDOW
- IF02D SETTLEMENT
- IF02E COMPUTER
- IF02F OFFICE
- [illegible]
- IF02K COPIER
- IF02L TOILET
- IF02M SUPPLY CLOSET
- IF02N CORRIDOR
- [illegible]

113. [illegible]

EVENT FLOOR

EXCLUDED AREAS

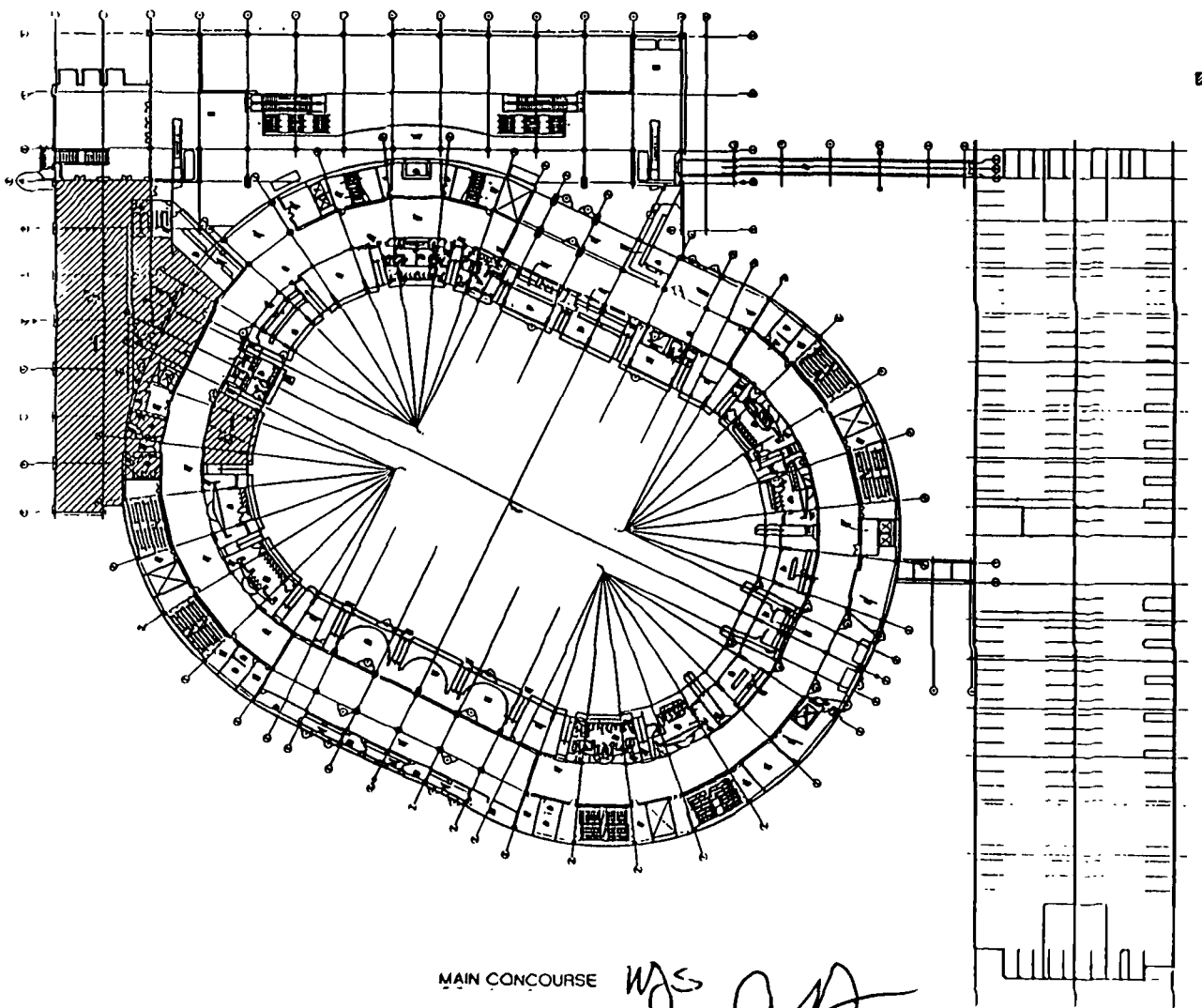


EXHIBIT E

LEGEND

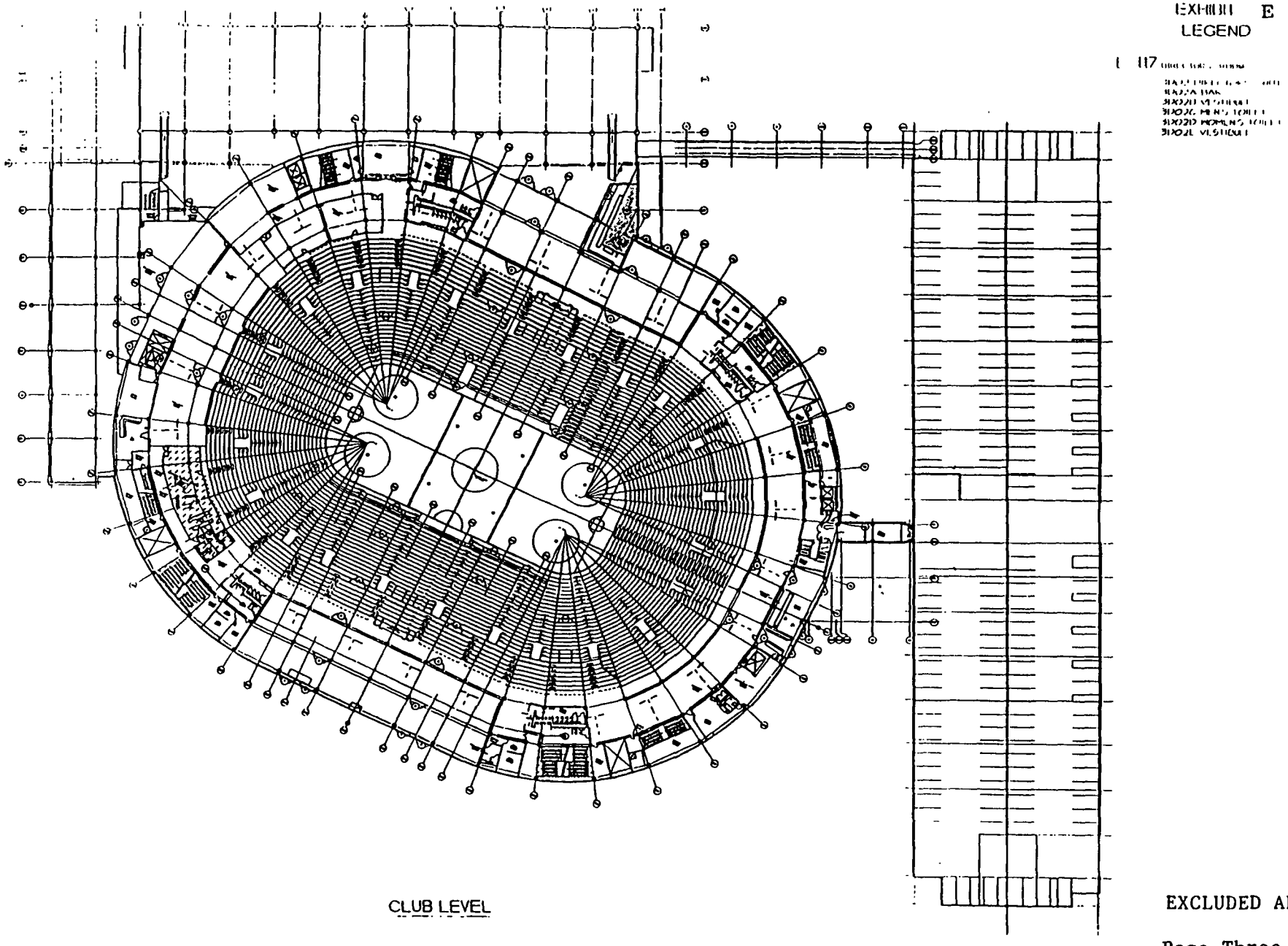
1. AUD CLUB (WITH KITCHEN)
2002 AUD CLUB STORAGE
2014 VESTIBULE
2015 WOMEN'S TOILET
2015A VESTIBULE
2016 MEN'S TOILET
2016A VESTIBULE
2C03 AUD CLUB
2C03A COATS
2C03B AUD CLUB KITCHEN
2C03C OFFICE
2C07D STORAGE

MAIN CONCOURSE

EXCLUDED AREAS

EXHIBIT E

LEGEND

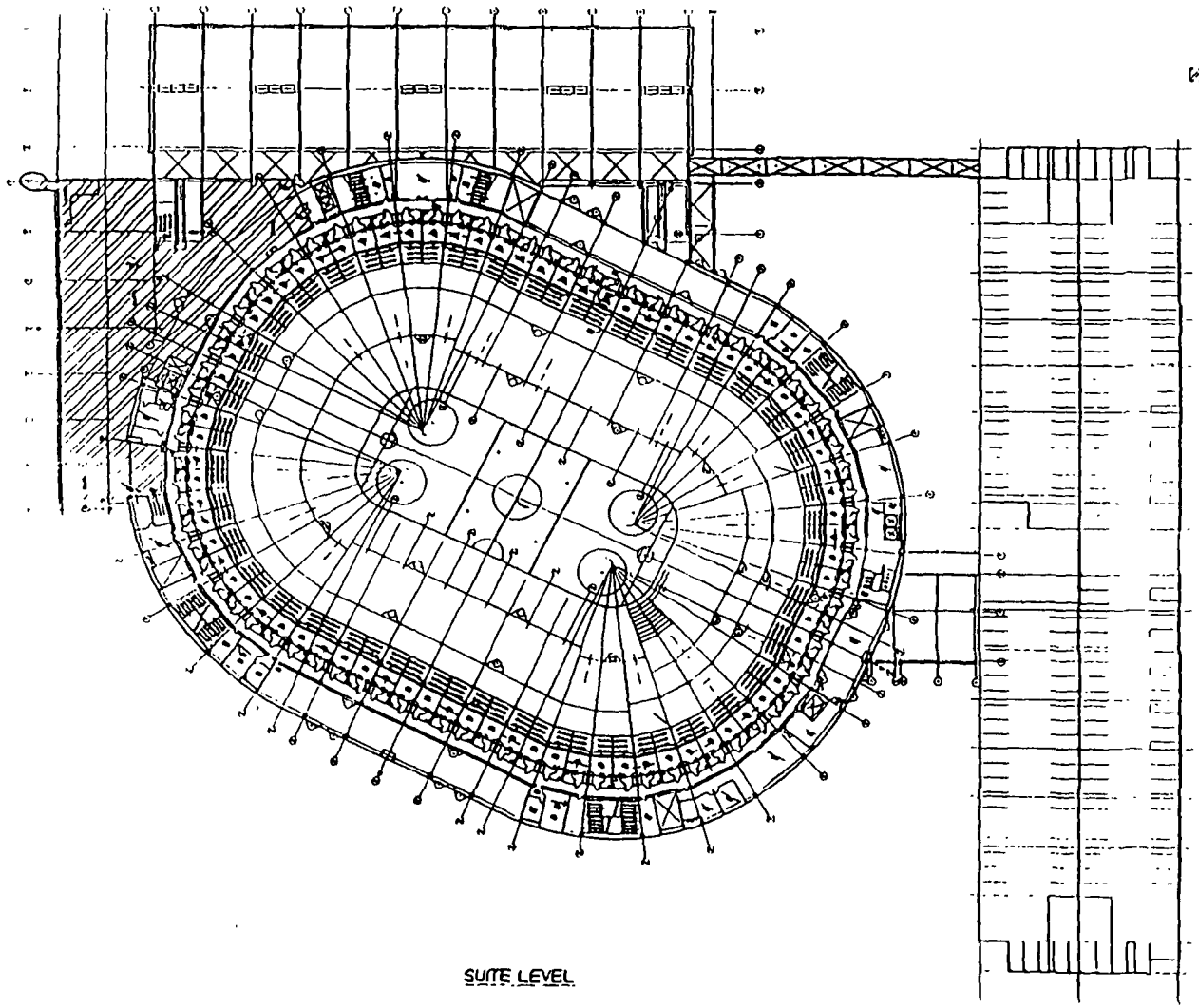


CLUB LEVEL

EXCLUDED AREAS

EXHIBIT E

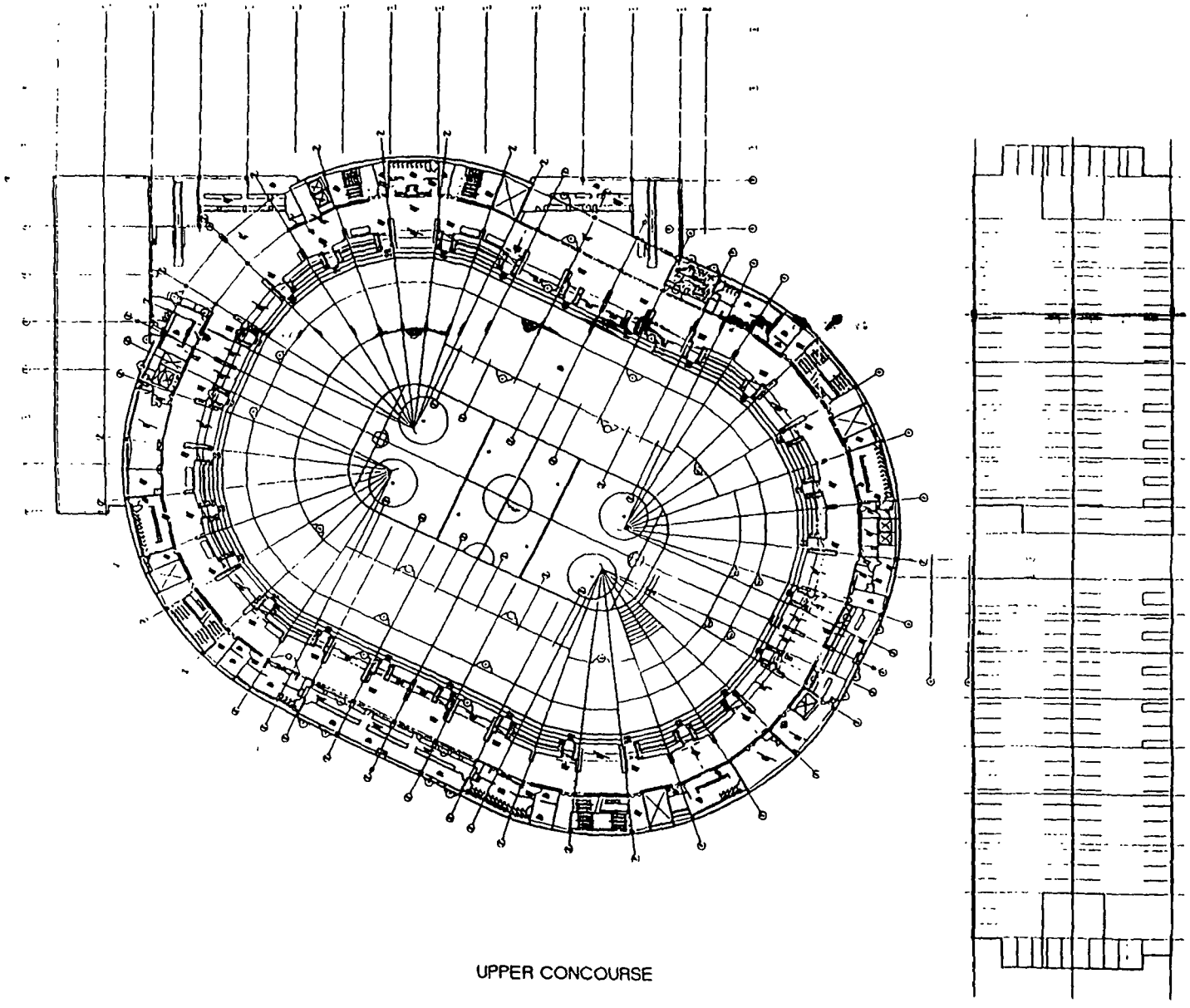
LEGEND



SUITE LEVEL

EXCLUDED AREAS

EXHIBIT E
LEGEND



UPPER CONCOURSE

EXCLUDED AREAS

EXHIBIT F

AGREEMENT

This Agreement is made this 18th day of October , 1994 by and between the Crossroads Arena Corporation ("CAC"), Niagara Frontier Hockey, L.P. (the "Sabres"), the City of Buffalo, New York ("City"), and the Buffalo Urban Renewal Agency ("BURA").

Whereas, CAC and the Sabres entered into negotiations with the New York State Urban Development Corporation ("UDC"), the County of Erie, New York ("County"), the Erie County Industrial Development Agency ("ECIDA"), the City and BURA (collectively, the "Public Participants") with respect to the financing and construction of a state-of-the-art community entertainment facility referred to as the "Crossroads Arena"; and

Whereas, CAC, the Sabres and the Public Participants entered into a Memorandum of Understanding ("MOU") regarding the financing and construction of such arena, which requires CAC and the Sabres to adopt and implement an Affirmative Action/Equal Opportunity Hiring Plan ("Plan"); and

Whereas, CAC and the Sabres have negotiated the terms of the Plan with the City, as the representative of the Public Participants; and

Whereas, the Plan, attached hereto as Exhibit A, was filed with the City Clerk's office on October 14, 1994;

Now Therefore, it is hereby agreed that CAC and the Sabres shall adopt and implement the Plan, attached hereto as Exhibit A, in accordance with its terms.

CAC

By: _____

SABRES

By: _____

CITY

By: _____
MAYOR

BURA

By: _____
CHAIRMAN

EXHIBIT F

CROSSROADS ARENA CORPORATION

AFFIRMATIVE ACTION/EQUAL OPPORTUNITY HIRING PLAN

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I. Policy

It is the policy of the Crossroads Arena Corporation ("CAC"), consistent with applicable law, that equal opportunity be provided to minority group members, women, minority-owned business enterprises ("MBEs") and women-owned business enterprises ("WBEs") to participate in the business opportunities generated by the Crossroads Arena Project ("Project").

This Affirmative Action/Equal Opportunity Hiring Plan ("Plan") has been adopted to ensure equal employment opportunities for minority group members and women and the opportunity for meaningful participation of MBEs and WBEs in connection with the Construction of the Crossroads Arena and the Operation of the Crossroads Arena so that the recipients of the benefits of the business opportunities generated by the Project will reflect the diversity of the City of Buffalo.

In order to achieve these objectives, CAC has adopted a plan of equal employment opportunities and good faith efforts to achieve participation by minority group members and women. MBE and WBE participation goals are expressed as a percentage of the total dollar value of all expenditures, barters, trades-in-kind and offsets made in connection with the Project including, without limitation, all Contracts awarded in connection with the Construction of the Crossroads Arena and all Contracts for the furnishing of labor, services, materials, supplies, equipment, fixtures, and furnishings, and in connection with the Operation of the Crossroads Arena. The participation goals are 20% participation by MBEs, 5% participation by WBEs and 25% combined minority and women work force participation. These participation percentages are numerical objectives to be pursued by good faith efforts. The achievement of the above stated numerical objectives shall not be assumed to be compliance with the Plan nor shall the failure to achieve the above stated numerical objectives be assumed to be noncompliance with the Plan.

II. Definitions

For purposes of this Plan, the following terms shall have the meaning set forth below:

1. "Minority group member" shall mean a United States citizen or permanent resident alien who is and can demonstrate membership in one of the following groups:

(a) Black persons having origins in any of the Black African racial groups;

(b) Hispanic persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American descent of either Indian or Hispanic origin, regardless of race;

(c) Native American or Alaskan native persons having origins in any of the original peoples of North America; and

(d) Asian and Pacific Islander persons having origins in any of the Far East countries, South East Asia, the Indian subcontinent or the Pacific Islands.

2. "Minority-owned business enterprise" shall mean a business enterprise, including a sole proprietorship, partnership or corporation that is:

(a) At least fifty-one percent owned by one or more minority group members;

(b) An enterprise in which such minority ownership is real, substantial and continuing;

(c) An enterprise in which such minority ownership has and exercises the authority to control and operate, independently, the day-to-day business decisions of the enterprise; and

(d) An enterprise authorized to do business in the State of New York and is independently owned and operated.

(e) An enterprise certified as a MBE by the New York State Department of Economic Development, the County or the City.

3. "Women-owned business enterprise" shall mean a business enterprise, including a sole proprietorship, partnership or corporation that is:

(a) At least fifty-one percent owned by one or more citizens or permanent resident aliens who are women;

(b) An enterprise in which the ownership interest of such women is real, substantial and continuing;

(c) An enterprise in which such women ownership has and exercises the authority to control and operate, independently, the day-to-day business decisions of the enterprise; and

(d) An enterprise authorized to do business in the State of New York and which is independently owned and operated.

(e) An enterprise certified as a WBE by the New York State Department of Economic Development, the County or the City.

4. "Contractor" shall mean any individual or business enterprise, including, without limitation, a sole proprietorship, partnership, corporation or not-for-profit corporation which has a Contract with CAC in connection with the Construction of the Crossroads Arena or Operation of the Crossroads Arena, but not a Customer.

5. "Contract" shall mean an agreement providing for a total value in excess of twenty-five thousand dollars with respect to the Construction of the Crossroads Arena or Operation of the Crossroads Arena.

6. "Subcontract" shall mean (a) in the case of a Contract in excess of fifty thousand dollars, an agreement providing for a total expenditure of twenty-five thousand dollars in which a portion of a Contractor's obligation with respect to a Contract is undertaken or assumed by a third party or (b) in the case of a Contract of fifty thousand dollars or less, an agreement providing for a total expenditure of ten thousand dollars in which a portion of a Contractor's obligation with respect to a Contract is undertaken or assumed by a third party.

7. "UDC" shall mean the New York State Urban Development Corporation or its designee.

8. "City" shall mean the City of Buffalo, New York or its designee.

9. "County" shall mean the County of Erie, New York or its designee.

10. "CAC" shall mean a wholly owned subsidiary of the Sabres (or a limited partnership to be formed of which CAC will be the sole managing partner and in which the Sabres will hold substantially all of the limited partnership interests).

11. "Sabres" shall mean Niagara Frontier Hockey, L.P., a Delaware limited partnership whose sole managing general partner is Niagara Frontier Hockey Management Corporation, a New York corporation.

12. "Construction of the Crossroads Arena" shall mean the construction, demolition, replacement, repair, renovation, planning or design of real property or improvements thereon for a state-of-the-art community entertainment center, referred to herein as "the Crossroads Arena".

13. "Operation of the Crossroads Arena" shall mean the functioning of a state-of-the-art community entertainment center, referred to herein as "the Crossroads Arena", but which do not include those activities set forth in the definition of "Construction of the Crossroads Arena".

14. "Customer" shall mean a Person (including but not limited an individual, firm, corporation or partnership) which leases or purchases commodities or services from CAC or the Sabres, regardless of whether such lease, acquisition or purchase satisfies the definition of a Contract. For example and by way of illustration but not limitation, Customers of CAC or the Sabres include advertisers, ticketholders, suite holders, premium seat club holders, performers, sports teams or franchises other than those owned by the Sabres, and entertainers. A Person is not a Customer when such Person is a supplier of commodities or services.

III. Construction of the Crossroads Arena

The provisions of this Section III shall apply during the Construction of the Crossroads Arena. Copies of Section I, II, and III of this Plan shall be provided to each Contractor or subcontractor in connection with the Construction of the Crossroads Arena.

A. Equal Employment Opportunity for Minority Group Members and Women.

CAC shall and shall require each Contractor to specifically agree that:

1. It will not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status, and will undertake or continue existing programs to ensure that minority group members and women are afforded equal employment opportunities without discrimination.

2. It shall request each employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding, to furnish a written statement that such employment agency, labor union or authorized representative will not discriminate on the basis of race, creed, color, national origin, sex, age, disability or marital status and that such employment agency, labor union or authorized representative will affirmatively cooperate in the implementation of the Contractor's obligations herein.

3. It shall state in all solicitations or advertisements for employees that, in the performance of the Contract, all qualified applicants will be afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status.

4. It shall include the provisions of this Section III in every Subcontract in such a manner that the provisions will be binding upon each subcontractor with respect to all of its work in connection with the Construction of the Crossroads Arena.

5. It shall, and shall cause its subcontractors to, make every effort to achieve meaningful participation of minorities and women in its workforce, and shall, and shall require each of its subcontractors, to demonstrate good faith efforts in connection with the Construction of the Crossroads Arena at least as extensive as the following to achieve same:

(a) Ensure and maintain a working environment free of harassment, intimidation and coercion at the Project site(s) and in all facilities at which employees are assigned to work in connection with the Construction of the Crossroads Arena. Foremen, superintendents and/or other supervisory personnel shall be made aware of the obligation to maintain such a working environment.

(b) Establish and maintain a current list of recruitment, training and employment sources for minorities and women, provide written notification to these sources when employment opportunities become available, and provide a reasonable opportunity for such source's response. Such list shall include all employment, recruitment and training sources recommended by CAC and/or UDC.

(c) Maintain a current file of each off-the-street application from minorities or women which includes the name, address and telephone number thereof and the name, address and telephone number of each referral from a union or a recruitment, training or employment source for minorities or women and of the action taken with respect to each individual.

(d) Disseminate the affirmative action/nondiscrimination obligations under this Plan to employment agencies, labor unions or authorized representatives and requesting their cooperation in assisting the Contractor in meeting its obligations, by including a statement that the Contractor is an equal opportunity employer in publications referring to the Contractor and any advertising related to the Contract, including but not limited to any notices of available jobs, and by informing subcontractors of the obligations under this Plan.

(e) Review, before the commencement of construction work at the Project site(s) and at least quarterly thereafter, the affirmative action/nondiscrimination obligations under this Plan with all employees having any responsibility for hiring, assignment, layoff, termination or other employment decisions,

including on-site supervisory personnel such as superintendents and general foremen. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and actions taken.

(f) Direct its recruitment efforts, both oral and written, to community organizations representing the interests of minorities and/or women, to schools with minority students, and to employment, recruitment and training organizations serving minorities and/or women in the Contractor's recruitment area. Such notification shall describe the openings, screening procedures and tests to be used in the selection of workers, apprentices or trainees for work in connection with the Construction of the Crossroads Arena.

(g) Encourage minority and women employees to recruit other minority and women workers and, where reasonable, provide after-school, summer and vacation employment to minority and women students.

(h) Ensure that seniority practices, job classifications, work assignments, collective bargaining agreements and other personnel practices do not have a discriminatory effect by monitoring all personnel and employment related activities to ensure that the affirmative action/nondiscrimination obligations under this Plan are being carried out.

(i) Conduct a review, at least quarterly, of adherence to and performance pursuant to this Plan.

(j) Maintain written documentation of all activities pursuant to this Section III.A. in such form as will enable CAC or UDC to verify compliance therewith. Such documentation shall be retained for a period of one year after completion of the Contract and shall be available to CAC or UDC or their representatives during regular business hours.

B. MBE/WBE Participation.

CAC shall, and shall require each Contractor and subcontractor to, take the following good faith efforts to achieve MBE and WBE participation herein:

1. Actively and affirmatively solicit bids for Subcontracts from qualified MBEs or WBEs, including circulation of solicitations to minority and women contractor associations.

2. Ensure that plans, specifications, requests for proposals and other documents used to secure proposals for the performance of work or supply of materials will be made available in sufficient time for review by prospective MBEs or WBEs.

3. Where economically and technically feasible, divide the work into smaller portions to enhance participation by MBEs and WBEs.

4. Encourage, where economically and technically feasible, the formation of joint ventures, partnerships or other similar arrangements among contractors to enhance participation by MBEs and WBEs.

5. Consult with and use the services of governmental agencies, their consultants, and contractor associations in connection with efforts to fulfill participation goals.

6. Place timely advertisements in appropriate general circulation, trade and minority and women-oriented publications.

7. Make written solicitations in a timely fashion of MBEs and WBEs.

8. Document and maintain a record of all bid solicitations, including solicitations to MBEs and WBEs, and the results thereof.

9. Take such other reasonable measures as CAC or UDC shall direct.

C. Training.

Each Contractor (and CAC, if it engages in construction related activity) shall provide and maintain an on-site training program for the purpose of educating unskilled individuals, occupying entry level positions in specific construction trade procedures and skills required in connection with the Contract. Such training programs shall be initiated upon commencement of the

Contractor's work and continue through the completion of the Contract.

If the Contractor (or CAC, if it engages in construction related activity), in its sole discretion, implements on-site supervisory or management training programs, such Contractor (or CAC as the case may be) shall use its best efforts to include minorities and women in such training programs.

Prior to initiation of any training program, each Contractor shall submit to CAC a detailed written description of the specific components of the training program for CAC's approval and shall receive same prior to commencing the program. CAC shall forward to UDC a copy of all programs it approves within ten (10) days of such approval.

D. Compliance.

1. CAC, if applicable, shall submit to UDC or its designated agent, and Contractor shall submit to CAC or its designated agent, with copies to the UDC, compliance reports as approved by UDC. Each compliance report shall include but not be limited to the following information:

(a) The name, address and telephone number of each MBE and WBE being used or intended to be used to comply with the participation goals;

(b) A brief description of the Contract scope of work to be performed by each MBE and WBE and the scheduled dates for performance;

(c) A statement of whether there is a written agreement with each MBE and WBE being used or intended to be used and, if requested, copies of such agreements;

(d) The actual total cost of each Contract, the work performed and the materials provided, and the scope of work to be performed by each MBE and WBE for each Contract;

(e) The actual amounts of any payments made to each MBE and WBE as of the date the compliance report was submitted; and

(f) The percentage of total MBE and WBE contractors, subcontractors, vendors and suppliers utilized for the Construction of the Crossroads Arena and total contract value such percentages constitute.

2. During the initial construction of the Crossroads Arena, CAC or UDC may conduct a semi-annual audit and compliance review at such time and in such manner as it deems necessary in order to review compliance with this Plan. Thereafter, CAC or UDC may annually conduct an audit and compliance review in order to review compliance with this Plan.

3. Contractor will incorporate or cause to be incorporated the requirements of this Plan in all of its Subcontracts entered into in connection with the Construction of the Crossroads Arena in such manner as will require each subcontractor to comply with this Plan.

4. For purposes of determining the contract value of work performed by MBEs and WBEs, all contracts, whether awarded directly by CAC, by a Contractor, or awarded by the subcontractor of a Contractor, shall be considered. The following standards shall apply in determining the dollar value of any contract involving an MBE or WBE:

(a) Where the MBE or WBE is the Contractor or where the Contractor is a joint venture consisting entirely of MBEs or WBEs, the value shall be 100% of the contract price.

(b) Where the Contractor is a joint venture including one or more MBEs or WBEs as joint venturer(s), the value shall be the contract price multiplied by the percentage which represents the interest of the MBEs or WBEs in the venture.

(c) Where the MBE or WBE is a Contractor which subcontracts work to a party not an MBE or WBE, the value shall be the excess, if any, of the contract price of the work contracted by the MBE or WBE over the contract price of the work subcontracted by such MBE or WBE.

(d) Where the MBE or WBE is a bona fide supplier, the value shall be the price of the materials purchased, provided that if the MBE or WBE acts as a supplier or distributor of goods

manufactured or produced by a party which is not an MBE or WBE, the price paid by the MBE or WBE to the manufacturer or supplier shall be deducted from the price of the materials purchased.

5. In the event CAC or a Contractor is unable to achieve the above-noted MBE and/or WBE participation numerical objectives:

(a) CAC and each Contractor will maintain detailed records of the good faith actions that it and its contractors and subcontractors have taken to achieve the participation goals in such form as will enable CAC or the UDC to determine that Contractor has indeed made such good faith efforts in accordance with this Plan. Records shall include, but not be limited to, those set forth in Sections III.A. and III.B. above.

(b) The Contractor may apply to CAC or its designee (or, if applicable, CAC may apply to UDC or its designee) for a waiver or modification of the Plan's requirements by the submission of a written request for a waiver or modification documenting good faith efforts by the Contractor (or CAC, if applicable) to meet the participation goals of the Plan, which waiver or modification may be granted after careful consideration of the following factors:

(i) The names of general circulation, trade association and minority and women-oriented publications in which bids were solicited;

(ii) The dates bid solicitations for MBE and WBE participation were published in any of the publications identified pursuant to paragraph (i) and the text of the bid solicitation;

(iii) A list of MBEs and WBEs which were solicited in writing to provide bids;

(iv) Proof of dates on which such solicitations were made in writing and copies of solicitations made, or a sample copy of the solicitation if an identical solicitation was made of all MBEs and WBEs;

(v) Copies of responses made by MBEs and WBEs to solicitations made by (CAC or) the Contractor;

(vi) A description of any contract documents, plans, or specifications made available to MBEs and WBEs for purposes of soliciting their bids, and the dates and manner in which these documents were made available;

(vii) Documentation of any negotiations between CAC or the Contractor and MBEs and WBEs;

(viii) With respect to the recruitment efforts undertaken to identify and hire supervisory employees, evidence of good faith efforts may include, but not be limited to, CAC's, the Contractor's and each subcontractor's participation at women and minority job fairs, each party's utilization of employment and job placement agencies, each party's encouragement of its women and minority supervisory personnel to solicit other employees, and, the number of interviews granted to qualified applicants;

(ix) Any other information determined relevant by CAC or the Contractor; and

(x) A statement setting forth CAC's or the Contractor's bases for requesting a waiver or modification.

6. Each Subcontract entered into for the Construction of the Crossroads Arena shall include a provision that CAC and UDC shall be deemed third-party beneficiaries of the provisions included in such Subcontract pursuant to this Plan and shall have the full right of enforcement thereof. Nothing contained in this Plan shall be construed to create any third party beneficiary right in any party other than as expressly provided herein.

E. Sanctions.

In the event Contractor fails to comply with the provisions of this Plan, CAC may withhold payment of any amounts due, suspend, cancel or terminate any Contract without incurring any penalty or damage on account of such action and without any further liability.

IV. Operation of the Crossroads Arena

The provisions of this Section IV shall apply during the Operation of the Crossroads Arena. Copies of Section I, II and IV of this Plan shall be provided to each Contractor or subcontractor in connection with the Operation of the Crossroads Arena.

A. Equal Employment Opportunity for Minority Group Members and Women.

1. CAC shall and shall require the Sabres and each Contractor to specifically agree that:

(a) It will not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status, and will undertake or continue existing programs to ensure that minority group members and women are afforded equal employment opportunities without discrimination.

(b) It shall request each employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding, to furnish a written statement that such employment agency, labor union or authorized representative will not discriminate on the basis of race, creed, color, national origin, sex, age, disability or marital status and that such employment agency, labor union or authorized representative will affirmatively cooperate in the implementation of the obligations herein.

(c) It shall state in all solicitations or advertisements for employees that all qualified applicants will be afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status.

2. Each Contractor will include the provisions of this Section IV in every Subcontract in such a manner that the provisions will be binding upon each subcontractor with respect to all of its work in connection with a Contract.

3. CAC, the Sabres (except as to hockey players, scouts and coaches, the hockey general manager, assistant general manager and

trainers of the Sabres), and each Contractor and subcontractor shall make every effort to achieve meaningful participation of minorities and women in its work force, and will demonstrate good faith efforts at least as extensive as the following to achieve same:

(a) Ensure and maintain a working environment free of harassment, intimidation and coercion in all facilities at which employees are assigned to work and ensure that all supervisory personnel are aware of and carry out the obligation to maintain such a working environment with specific attention to minorities and women working at such site(s) or in such facilities.

(b) Establish and maintain a current list of recruitment, training and employment sources for minorities and women, provide written notification to these sources when employment opportunities become available, and provide a reasonable opportunity for such source's response. Such list shall include all employment, recruitment and training sources recommended by CAC and/or UDC.

(c) Maintain a current file of each off-the-street application from minorities or women which includes the name, address and telephone number thereof and the name, address and telephone number of each referral from a union or a recruitment, training or employment source for minorities or women and of the action taken with respect to each individual.

(d) Disseminate the affirmative action/nondiscrimination obligations under this Plan to employment agencies, labor unions or authorized representatives and requesting their cooperation and assistance in meeting the obligations under this Plan, by including a statement that it is an equal opportunity employer in advertising and notices of available jobs with CAC, the Sabres or the Contractor, and by informing subcontractors of the obligations under this Plan.

(e) Review, at least annually, the affirmative action/nondiscrimination obligations under this Plan with all employees having any responsibility for hiring, assignment, layoff, termination or other employment decisions, including on-site supervisory personnel such as superintendents and general foremen. A written record shall be made and maintained identifying the time

and place of these meetings, persons attending, subject matter discussed, and actions taken.

(f) Direct recruitment efforts, both oral and written, to community organizations representing the interests of minorities and/or women, to schools with minority students, and to employment, recruitment and training organizations serving minorities and/or women in the Western New York area. Written notification may include a description of the openings, screening procedures and tests to be used in the selection of workers, apprentices or trainees.

(g) Encourage minority and women employees to recruit other minority and women workers and, where reasonable, provide afterschool, summer and vacation employment to minority and women students.

(h) Ensure that seniority practices, job classifications, work assignments, collective bargaining agreements and other personnel practices do not have a discriminatory effect by monitoring all personnel and employment related activities to ensure that the affirmative action/nondiscrimination obligations under this Plan are being carried out.

(i) Conduct periodic reviews, of adherence to and performance pursuant to this Plan.

(j) Maintain written documentation of all activities pursuant to this Section IV.A. in such form as will enable verification of compliance therewith. Such documentation shall be retained for a period of one year and shall be available to CAC, UDC or their designees during regular business hours.

B. MBE/WBE Participation.

1. With respect to the Operation of the Crossroads Arena, CAC will, and will require its Contractors and subcontractors (other than the Sabres) to, take the following good faith efforts to achieve MBE and WBE participation herein:

(a) Actively and affirmatively solicit bids for Contracts and Subcontracts from qualified MBEs or WBEs, including circulation of solicitations to minority and women contractor associations.

(b) Ensure that plans, specifications, requests for proposals and other documents used to secure proposals for the performance of work or supply of materials will be made available in sufficient time for review by prospective MBEs or WBEs.

(c) Where economically and technically feasible, divide the work into smaller portions to enhance participation by MBEs and WBEs.

(d) Encourage, where economically and technically feasible, the formation of joint ventures, partnerships or other similar arrangements to enhance participation by MBEs and WBEs.

(e) Consult with governmental agencies, their consultants and contractor associations in connection with efforts to fulfill participation goals.

(f) Place timely advertisements in appropriate general circulation, trade and minority and women-oriented publications.

(g) Make written solicitations in a timely fashion of MBEs and WBEs.

(h) Document and maintain a record of all Contract solicitations, including solicitations to MBEs and WBEs, and the results thereof.

2. The Sabres shall develop and periodically update a list of qualified MBEs and WBEs to which it shall refer, prior to purchasing supplies or materials, in order to create business opportunities for such firms, and to provide such list to CAC. The Sabres may seek the assistance of the City, County and New York State in the development of such list of qualified MBEs and WBEs.

C. Training.

With respect to the Operation of the Crossroads Arena, CAC, if appropriate and applicable, and each Contractor shall provide and maintain an on-site program for the purpose of educating unskilled individuals occupying entry level positions in specific skills required in connection with the Contract. Each Contractor shall submit to CAC and, if applicable, CAC shall submit to UDC a detailed written description of the specific components of the

training plan for CAC's and/or UDC's approval and shall receive same prior to commencing the program. CAC shall forward to UDC, or its designee, a copy of all programs it approves within ten (10) days of such approval.

If the labor market is not providing qualified minority or women candidates for supervisory positions, training programs which are funded by the federal, state, county or city government or other public or private agencies may be implemented.

If a Contractor (or CAC, if appropriate and applicable), in its sole discretion, implements on-site supervisory or management training programs, such Contractor (or CAC) shall use its best efforts to include minorities and women in such training programs.

D. Compliance.

1. CAC or UDC may annually conduct an audit and compliance review of CAC or the Sabres at such time and in such manner as it deems necessary in order to review compliance with this Plan.

2. CAC and each Contractor shall incorporate or cause to be incorporated the requirements of this Plan in all of its Contracts or Subcontracts entered into in connection with a Contract in such manner as will require each subcontractor to comply with this Plan.

3. Contractors and the Sabres will submit to CAC, and CAC, if applicable, to UDC, compliance reports which shall describe all steps which have been taken to comply with this Plan, including, where applicable:

(a) The name, address and telephone number of each MBE and WBE which CAC or Contractor is using or intends to use to comply with the participation goals;

(b) A brief description of the Contract scope of work to be performed for CAC or Contractor by each MBE and WBE and the scheduled dates for performance;

(c) A statement of whether CAC, the Sabres or Contractor have a written agreement with any MBE and WBE which CAC, the Sabres or Contractor is using or intends to use and, if requested, copies of such agreements;

(d) The actual total cost of any Contract or Subcontract, the work performed and the materials provided, and the scope of work to be performed by each MBE and WBE for each Contract or Subcontract;

(e) The actual amounts of any payments made to each MBE and WBE as of the date the compliance report was submitted; and

(f) A report detailing compliance with the Equal Employment Opportunity provisions of this Section IV.

4. For purposes of determining the contract value of work performed by MBEs and WBEs, all contracts, whether awarded directly by CAC or by Contractors or subcontractors, shall be considered. The following standards shall apply in determining the dollar value of any contract involving an MBE or WBE:

(a) Where the MBE or WBE is the Contractor or where the Contractor is a joint venture consisting entirely of MBEs or WBEs, the value shall be 100% of the contract price.

(b) Where the Contractor is a joint venture including one or more MBEs or WBEs as joint venturer(s), the value shall be the contract price multiplied by the percentage which represents the interest of the MBEs or WBEs in the venture.

(c) Where the MBE or WBE is a Contractor which subcontracts work to a party not an MBE or WBE, the value shall be the excess, if any, of the contract price of the work contracted by the MBE or WBE over the contract price of the work subcontracted by such MBE or WBE.

(d) Where the MBE or WBE is a bona fide supplier, the value shall be the price of the materials purchased, provided that if the MBE or WBE acts as a supplier or distributor of goods manufactured or produced by a party which is not an MBE or WBE, the price paid by the MBE or WBE to the manufacturer or supplier shall be deducted from the price of the materials purchased.

5. In the event CAC, the Sabres or a Contractor is unable to achieve the above-noted equal employment opportunity or MBE/WBE participation numerical objectives:

(a) Detailed records of the good faith actions that it has undertaken to achieve the goals shall be maintained in such form as will enable CAC or the UDC to determine that such good faith efforts have been undertaken. Records shall include, but not be limited to, those set forth in Sections IV.A. and IV.B. above.

(b) The Contractor or the Sabres may apply to CAC, or in the case of CAC, it may apply to UDC, for a waiver or modification of the Plan's requirements by the submission of a written request for a waiver or modification stating the bases for such request and documenting good faith efforts to meet the goals of the Plan, which waiver or modification may be granted after careful consideration of the relevant following factors:

(i) The names of general circulation, trade association and minority and women-oriented publications in which employment opportunities were advertised or bids solicited.

(ii) The dates, employment opportunities or bid solicitations for MBE and WBE participation were published in any of the publications identified pursuant to paragraph (i) and its text.

(iii) A list of MBEs and WBEs which were solicited in writing to provide bids.

(iv) Proof of dates on which such solicitations were made in writing and copies of solicitations made, or a sample copy of the solicitation if an identical solicitation was made of all MBEs and WBEs.

(v) Copies of responses made by MBEs and WBEs to solicitations.

(vi) A description of any contract documents, plans, or specifications made available to MBEs and WBEs for purposes of soliciting their bids, and the dates and manner in which these documents were made available.

(vii) Documentation of any negotiations between CAC, the Sabres or Contractor with MBEs and WBEs.

(viii) The nature of all recruitment efforts undertaken to identify and hire management and other employees. Such efforts shall include, but not be limited to, CAC's, or the Sabres or the Contractor's the participation at women and minority job fairs, utilization of employment and job placement agencies, encouragement of their women and minority management personnel to solicit other management and non-management employees.

(ix) The number of job applications received by CAC, the Sabres and Contractor for all positions, both management and non-management. The number of interviews granted to such applicants.

(x) Any other relevant information.

6. Each Contract or Subcontract shall include a provision that CAC, UDC and the City shall be deemed third-party beneficiaries of the provisions included in such Contract or Subcontract pursuant to this Plan and shall have the full right of enforcement thereof. Nothing contained in this Plan shall be construed to create any third party beneficiary right in any party other than as expressly provided herein.

E. Failure to Comply.

In the event CAC or the Sabres is notified of its failure to meet the provisions of this Plan, CAC or the Sabres will take appropriate steps to correct such deficiencies and will notify the City (as the designee of UDC), in writing, of the steps taken to remedy such deficiencies. The City (as the designee of UDC) reserves the right to suggest reasonable steps to correct such deficiencies.

V. City, UDC and County Cooperation and Dissemination of the Objectives of this Plan

The City, County and UDC shall support CAC, Contractors, and the Sabres in working with applicable unions to obtain greater affirmative action and equal employment opportunities in accordance with this Plan. Similarly, CAC and the Sabres shall provide copies of Section I of this Plan or a similar policy statement to Customers.

VI. Modifications

This Plan shall not be altered without the written consent of the City (as the designee of UDC).

EXHIBIT G

MEMORANDUM OF LEASE

The undersigned, NIAGARA FRONTIER HOCKEY, L.P. (the "Club"), a New York limited partnership with an office at 140 Main Street, Buffalo, New York 14202, BUFFALO SABRES CONCESSION LLC (the "Landlord"), a New York limited partnership with an office at 140 Main Street, Buffalo, New York, NEW YORK SPORTSERVICE, INC. (the "Tenant"), a New York Corporation with an office 438 Main Street, Buffalo, New York 14202, and SPORTSERVICE CORPORATION (the "Guarantor"), a New York Corporation with an office 438 Main Street, Buffalo, New York 14202, entered into the Crossroads Arena Concession Lease dated as of May 10, 1995 (the "Lease") for the lease of certain portions of the Project Real Property, as described in **Exhibit A** attached hereto, and the Adjacent Parking Parcel, as described in **Exhibit B** attached hereto. The Crossroads Arena (the "Crossroads Arena") is to be constructed on the Project Real Property. All capitalized terms not specifically defined herein shall have such meaning as is set forth in the Lease.

Such Lease covers those areas of the Project Real Property and Adjacent Parking Parcel shown as Areas 2 and 3 and the parking lots on **Exhibit C** attached hereto, including the Food Concession Facilities, Parking Lots and Parking Facilities (the "Leased Premises"), and certain Common Areas as set forth in the Lease.

Such Lease provides for the rental of the Leased Premises and Common Areas from the Landlord and for the payment by the Tenant of rent payable pursuant to such Lease over a lease term continuing until the last day of the twentieth (20th) Lease Year, unless such term is earlier terminated or extended as provided therein.

IN WITNESS WHEREOF, the undersigned have caused this Memorandum of Lease to be executed in their respective names as of May ___, 1995.

NEW YORK SPORTSERVICE, INC.

By:_____

SPORTSERVICE CORPORATION

By:_____

NIAGARA FRONTIER HOCKEY, L.P.

By: Niagara Frontier Hockey Management Corporation, its General Partner

By:_____

BUFFALO SABRES CONCESSION LLC

By: Niagara Frontier Hockey Management Corporation, its Member

By:_____

By: Niagara Frontier Hockey, L.P., its Member

By: Niagara Frontier Hockey Management Corporation, its General Partner

By:_____

Being all of the members thereof.

STATE OF NEW YORK)
SS:
COUNTY OF ERIE)

On this _____ day of May, 1995, before me personally came Michael F. Thompson, to me known, who, being by me duly sworn, did depose and say that he resides at 208 Viscount Drive, Williamsville, New York; that he is the President of NEW YORK SPORTSERVICE, INC.; the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that he signed his name thereto by like order.

_____
Notary Public

STATE OF NEW YORK)
SS:
COUNTY OF ERIE)

On this _____ day of May, 1995, before me personally came Michael F. Thompson, to me known, who, being by me duly sworn, did depose and say that he resides at 208 Viscount Drive, Williamsville, New York; that he is the President of SPORTSERVICE CORPORATION; the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that he signed his name thereto by like order.

_____
Notary Public

STATE OF NEW YORK)
SS:
COUNTY OF ERIE)

On this ____ day of May, 1995, before me personally came ___ _____, to me known, who, being by me duly sworn, did depose and say that _he resides at _____ _____, that _he is the _____ of Niagara Frontier Hockey Management Corporation, the corporate general partner of NIAGARA FRONTIER HOCKEY., L.P., the limited partnership described in and which executed the foregoing

instrument; that _he knows the seal of said corporation; the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and the _he signed h___ name thereto by like order as an officer of the corporate general partner of the partnership described herein.

_____
Notary Public

STATE OF NEW YORK)
SS:
COUNTY OF ERIE)

On this ___ day of May, 1995, personally appeared the above named _____, the _____ of Niagara Frontier Hockey Management Corporation, a member of BUFFALO SABRES CONCESSION LLC, and acknowledged the foregoing to be his/her free act and deed as the _____ of Niagara Frontier Hockey Management Corporation, and the free act and deed of said Niagara Frontier Hockey Management Corporation on behalf of BUFFALO SABRES CONCESSION LLC, before me,

_____
Notary Public

STATE OF NEW YORK)
SS:
COUNTY OF ERIE)

On this ___ day of May, 1995, personally appeared the above named _____, the _____ of Niagara Frontier Hockey Management Corporation, the general partner of Niagara Frontier Hockey, L.P., a member of BUFFALO SABRES CONCESSION LLC, and acknowledged the foregoing to be his/her free act and deed, as _____ of Niagara Frontier Hockey Management Corporation, the free act and deed of said Niagara Frontier Hockey Management Corporation as the general partner of Niagara Frontier Hockey, L.P., and the free act and deed of said Niagara Frontier Hockey, L.P. on behalf of BUFFALO SABRES CONCESSION LLC, before me,

_____
Notary Public

EXHIBIT H

ECIDA REQUIREMENTS

1. Tenant shall operate the Leased Premises as a qualified "project" in accordance with and as defined in the New York State Industrial Development Agency Act (Title 1 of Article 18-A of the General Municipal Law), as amended, and Chapter 293 of the 1970 Laws of New York, as amended.

2. The consummation of the transaction contemplated by this Lease will not result in the removal of a facility of Tenant from one area of the State of New York to another area of the State of New York, and the Leased Premises is reasonably necessary to discourage Tenant from removing its operations to a location outside the State of New York and to preserve the competitive position of Tenant in its industry.

3. Tenant shall furnish to ECIDA such information as ECIDA shall reasonably request regarding employment (past, present and future) at the Leased Premises.

4. Except as otherwise provided by collective bargaining contracts or agreements, new employment opportunities created at the Leased Premises (whether by Tenant or any sublessee or licensee of Tenant) shall be listed by Tenant (or, if applicable, by such other sublessee or licensee) with the New York State Department of Labor Community Services Division, and with the administrative entity of the service delivery area created by the Federal Job Training Partnership Act (P.L. No. 97-300) in which the Premises is located. Except as is otherwise provided by collective bargaining contracts or agreements, Tenant agrees, and shall cause any of its sublessees or licensees to agree, where practicable, to first consider persons eligible to participate in the Federal Job Training Partnership (P.L. No. 97-300) programs who shall be referred by administrative entities of service delivery areas created pursuant to such act or by the Community Service Division of the New York State Department of Labor for such new employment opportunities.

5. Tenant shall include the above provision in any sublease, license or other agreement entered into by Tenant with regard to use or occupancy of the Premises.

MEMORANDUM OF LEASE
(Concession Sublease)

The undersigned, NIAGARA FRONTIER HOCKEY, L.P. (the "Club"), a New York limited partnership with an office at 140 Main Street, Buffalo, New York 14202, BUFFALO SABRES CONCESSION LLC (the "Landlord"), a New York limited partnership with an office at 140 Main Street, Buffalo, New York, NEW YORK SPORTSERVICE, INC. (the "Tenant"), a New York Corporation with an office 438 Main Street, Buffalo, New York 14202, and SPORTSERVICE CORPORATION (the "Guarantor"), a New York Corporation with an office 438 Main Street, Buffalo, New York 14202, entered into the Crossroads Arena Concession Lease dated as of May 10, 1995 (the "Lease") for the lease of certain portions of the Project Real Property, as described in **Exhibit A** attached hereto, and the Adjacent Parking Parcel, as described in **Exhibit B** attached hereto. The Crossroads Arena (the "Crossroads Arena") is to be constructed on the Project Real Property. All capitalized terms not specifically defined herein shall have such meaning as is set forth in the Lease.

Such Lease covers those areas of the Project Real Property and Adjacent Parking Parcel shown as Areas 2 and 3 and the parking lots on **Exhibit C** attached hereto, including the Food Concession Facilities, Parking Lots and Parking Facilities (the "Leased Premises"), and certain Common Areas as set forth in the Lease.

Such Lease provides for the rental of the Leased Premises and Common Areas from the Landlord and for the payment by the Tenant of rent payable pursuant to such Lease over a lease term continuing until the last day of the twentieth (20th) Lease Year, unless such term is earlier terminated or extended as provided therein.

IN WITNESS WHEREOF, the undersigned have caused this Memorandum of Lease to be executed in their respective names as of May 10, 1995.

NEW YORK SPORTSERVICE, INC.

By: _____
Michael F. Thompson, President

SPORTSERVICE CORPORATION

By: _____
Michael F. Thompson, President

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NIAGARA FRONTIER HOCKEY, L.P.

By: Niagara Frontier Hockey Management Corporation, its General Partner

By: _____

BUFFALO SABRES CONCESSION LLC

By: Niagara Frontier Hockey Management Corporation, its Member

By: _____

By: Niagara Frontier Hockey, L.P., its Member

By: Niagara Frontier Hockey Management Corporation, its General Partner

By: _____

Being all of the members thereof.

STATE OF NEW YORK)
COUNTY OF ERIE) SS.:

On this 23rd day of May, 1995, before me personally came Daniel J. DiPofi, to me known, who, being by me duly sworn, did depose and say that he resides at 428 Chicora Road, Lewiston, New York; that he is the Vice President of Finance of NIAGARA FRONTIER HOCKEY MANAGEMENT CORPORATION, the general partner of NIAGARA FRONTIER HOCKEY, L.P., described in, and which executed, the foregoing instrument; and that he signed his name thereto by order of the board of directors of the General Partner of the limited partnership.

Notary Public

JANET M. NOVAKOWSKI GABEL
Notary Public, State of New York
Qualified in Genesee County
My Commission Expires October 31 19 95

STATE OF NEW YORK)
COUNTY OF ERIE) SS.:

On this 23rd day of May, 1995, before me personally came Daniel J. DiPofi, to me known, who, being by me duly sworn, did depose and say that he resides at 428 Chicora Road, Lewiston, New York; that he is the Vice President of Finance of NIAGARA FRONTIER HOCKEY MANAGEMENT CORPORATION, the general partner of NIAGARA FRONTIER HOCKEY, L.P., a member of BUFFALO SABRES CONCESSION LLC, the New York limited liability company described in, and which executed, the foregoing instrument; and that he signed his name thereto by order of the board of directors of the General Partner of the limited partnership.

Notary Public

JANET M. NOVAKOWSKI GABEL
Notary Public, State of New York
Qualified in Genesee County
My Commission Expires October 31 19 95

STATE OF NEW YORK)
COUNTY OF ERIE) SS.:

On this 23rd day of May, 1995, before me personally came Daniel J. DiPofi, to me known, who, being by me duly sworn, did depose and say that he resides at 428 Chicora Road, Lewiston, New York; that he is the Vice President of Finance of NIAGARA FRONTIER HOCKEY MANAGEMENT CORPORATION, a member of BUFFALO SABRES CONCESSION LLC, the New York limited liability company described in, and which executed, the foregoing instrument; and that he signed his name thereto by order of the board of directors of the Member of the Limited Liability Company.

Notary Public

JANET M NOVAKOWSKI GABEL
Notary Public, State of New York
Qualified in Genesee County
My Commission Expires October 31 19 95

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EXHIBIT A

PROJECT REAL PROPERTY

PARCEL I

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Outer Lots Nos. 76, 77 and 78, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) as it formerly existed and the easterly line of Main Street (99 feet wide); thence southerly along the easterly line of Main Street 328.76 feet to the north line of South Park Avenue (66 feet wide) as presently laid out; thence southeasterly along the said northerly line of South Park Avenue 285.87 feet to an angle point; thence continuing southeasterly at an interior angle of 161° 35′ 40" along the said northerly line of South Park Avenue 503.54 feet to the intersection of the said northerly line of South Park Avenue and westerly line of Illinois Street (50 feet wide); thence northerly along the westerly line of Illinois Street 660.35 feet to the intersection of the westerly line of Illinois Street and the southerly line of Perry Street (66 feet wide) as presently laid out; thence westerly along the said southerly line of Perry Street and continuing along the southerly line of Perry Street as it formerly existed 704.93 feet to the point or place of beginning.

TOGETHER with all right, title and interest in Illinois Street to the centerline thereof.

PARCEL II

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Lot No. 75, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) and the easterly line of Mississippi Street (60 feet wide); running thence easterly along the southerly line of Perry Street 195.0 feet to the westerly line of Baltimore Street (40 feet wide); thence southerly along the westerly line of Baltimore Street 672.10 feet to the northerly line of South Park Avenue (66 feet wide); thence westerly along the northerly line of South Park Avenue 195.0 feet to the easterly line of Mississippi Street; thence northerly along the easterly line of Mississippi Street 672.47 feet to the point or place of beginning.

TOGETHER with all right, title and interest in Mississippi Street and Baltimore Street to the centerlines thereof.

PARCEL III

ALL THAT TRACT OR PARCEL OF LAND situate in the City of Buffalo, County of Erie and State of New York, being part of Lots Nos. 74 and 75, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) and the easterly line of Baltimore Street (40 feet wide); thence easterly along the southerly line of Perry Street 113.68 feet to the westerly line of Columbia Street (50 feet wide); thence southerly along the westerly line of Columbia Street 531.8 feet more or less to the north line of lands of Consolidated Rail Corporation by deed recorded in the Erie County Clerk's Office in Liber 1056 of Deeds at page 293; thence westerly along the said north line of Consolidated Rail Corporation 113.68 feet to the easterly line of Baltimore Street; thence northerly along the easterly line of Baltimore Street 532.02 feet more or less to the southerly line of Perry Street and the point or place of beginning.

TOGETHER with all right, title and interest in Baltimore Street and Columbia Street to the centerline thereof.

PARCEL IV

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Outer Lots Nos. 74 and 75, bounded and described as follows:

BEGINNING at a point in the westerly line of Columbia Street distant 140 feet northerly along said westerly line of Columbia Street from its intersection with the northerly line of South Park Avenue, which point is also the southeast corner of lands conveyed to Higgins Erectors & Haulers, Inc. by deed recorded in the Erie County Clerk's Office in Liber 8470 of Deeds at page 537; thence southerly along the westerly line of Columbia Street 140 feet to the north line of South Park Avenue; thence westerly along the northerly line of South Park Avenue 113.68 feet more or less to the easterly line of Baltimore Street; thence northerly along the easterly line of Baltimore Street 140 feet to the southwest corner of said lands conveyed to Higgins Erectors & Haulers, Inc. by deed aforesaid; thence easterly along the southerly line of said lands conveyed to Higgins Erectors & Haulers, Inc. 113.68 feet more or less to the point of beginning.

TOGETHER with all right, title and interest in Baltimore Street and Columbia Street to the centerlines thereof.

EXHIBIT B

ADJACENT PARKING

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Outer Lot 74, described as follows:

BEGINNING at the intersection of the east line of Columbia Street (50 feet wide) and the south line of Perry Street (66 feet wide); running thence southerly along the east line of Columbia Street 516.88 feet to a point which is 155 feet north of the north line of South Park Avenue; running thence easterly parallel with South Park Avenue, 80 feet; running thence northerly parallel with Columbia Street, 1.60 feet; running thence easterly parallel with South Park Avenue 161.00 feet to the west line of Michigan Street (66 feet wide); running thence northerly along the west line of Michigan Street 193.97 feet; running thence westerly at an exterior angle of 90° 02′ 18" a distance of 120 feet; running thence northerly parallel with Columbia Street 130.41 feet to the north line of Baker by deed recorded in Liber 999 of Deeds at page 479; running thence westerly along the north line of said Baker on an extension thereof 1.0 foot; thence running northerly parallel with Columbia Street 190.80 feet to the south line of Perry Street; running thence westerly along the south line of Perry Street 120.00 feet to the point of beginning.

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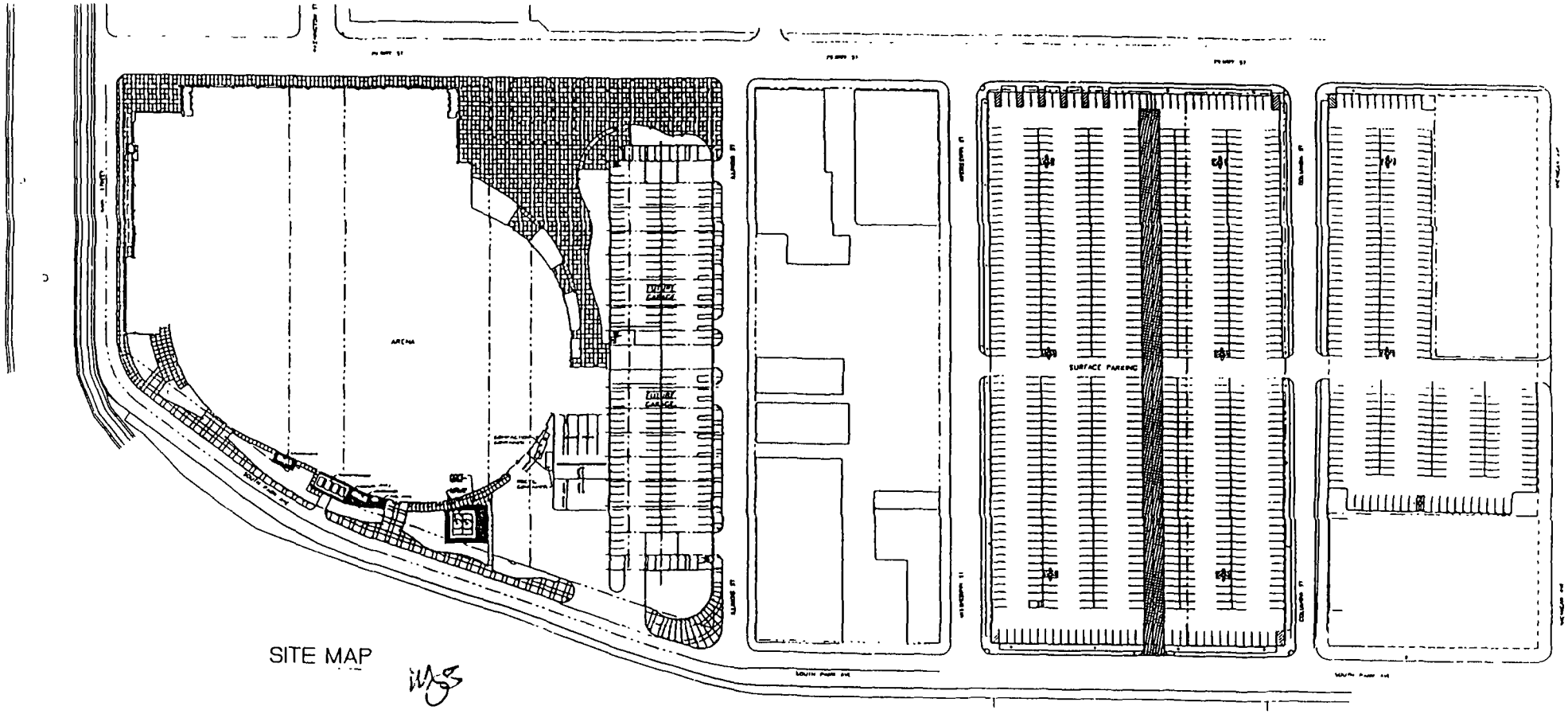
EXHIBIT C



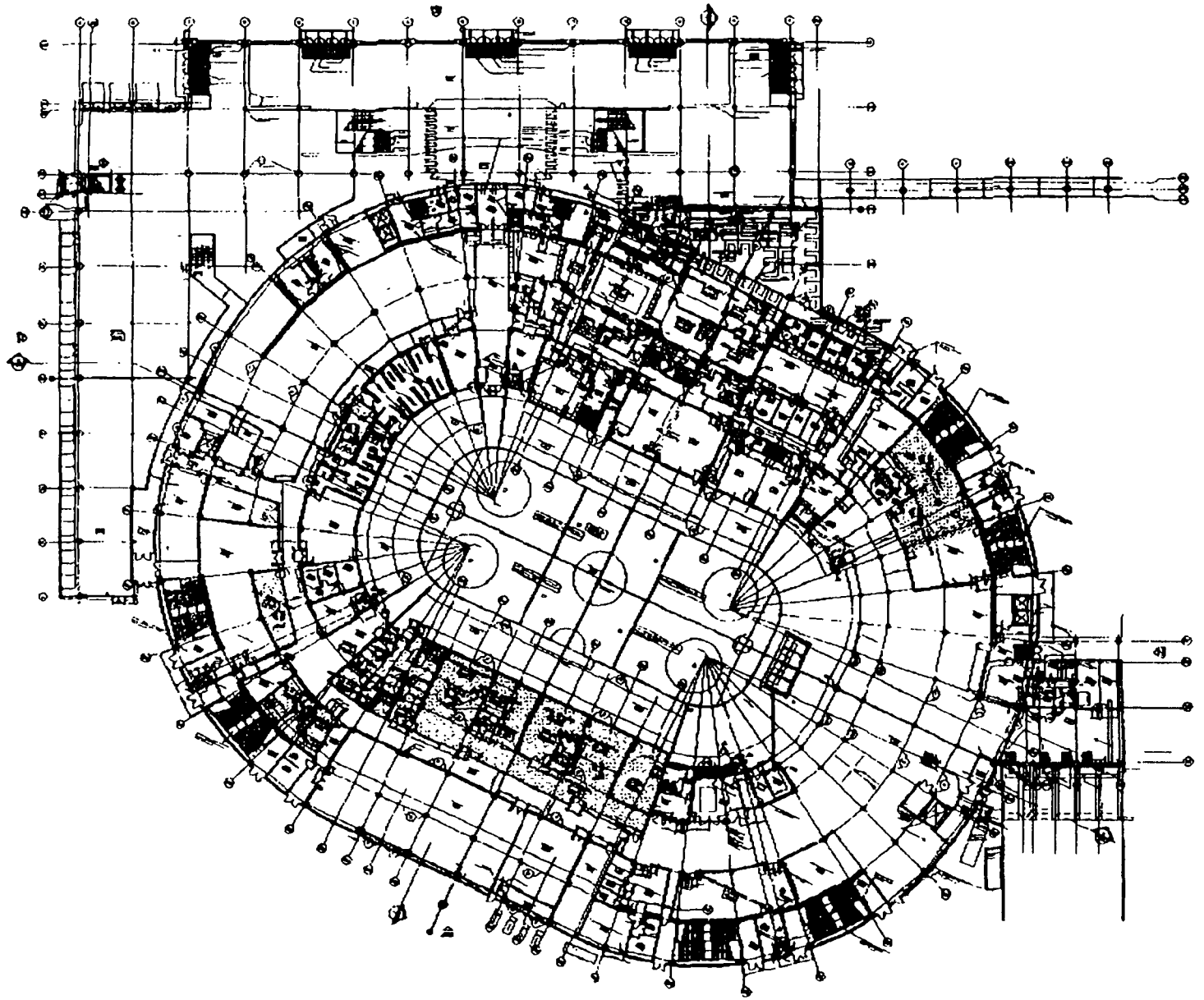
SITE MAP

LEASED PREMISES

EXHIBIT C

LEGEND

2. CONCESSION FACILITIES



EVENT FLOOR

LEASED PREMISES

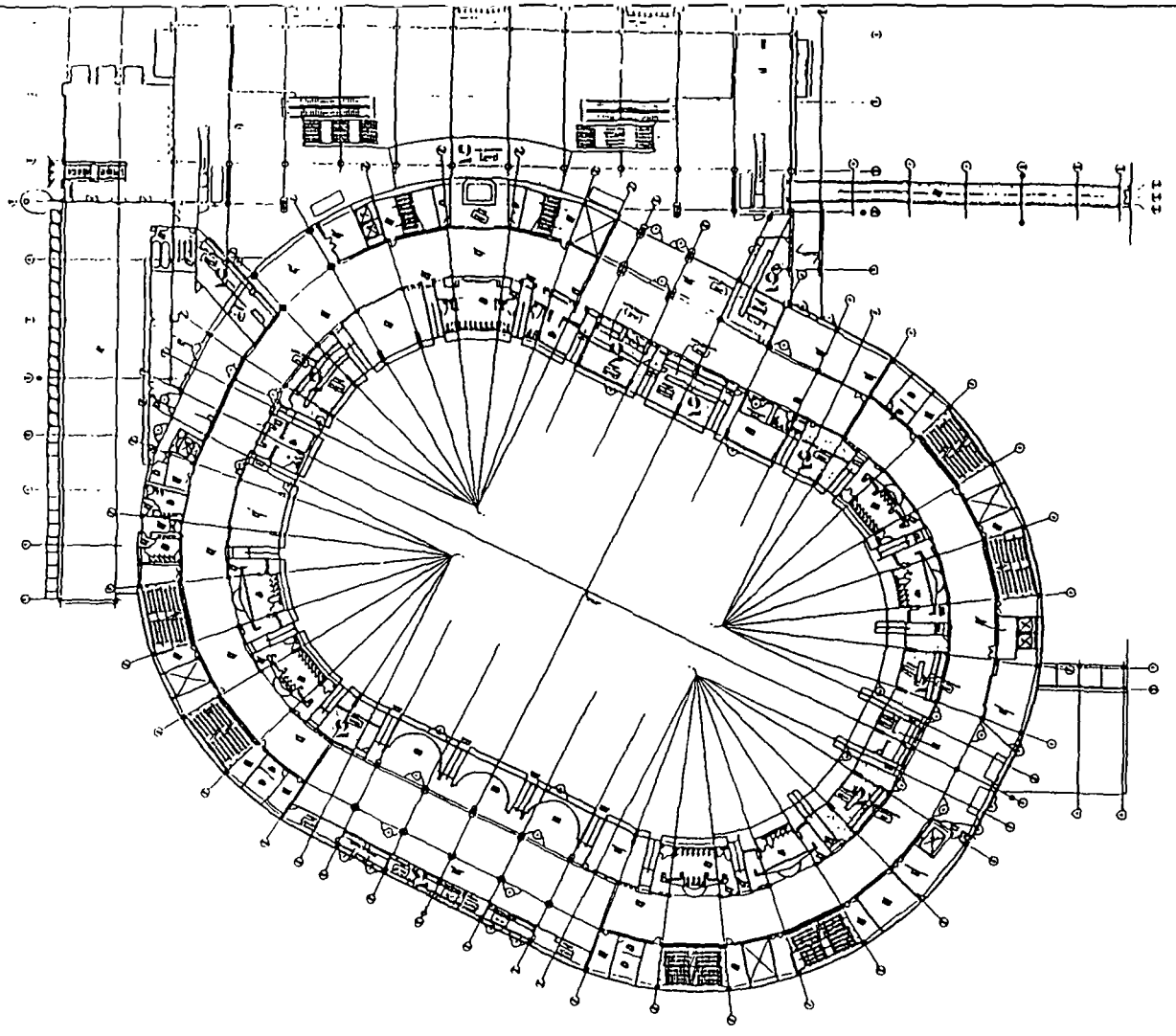


EXHIBIT C
LEGEND

1 ..12 [illegible]
2A01 CONCESSION
2A01A PREP
2A01 HAIR
2A10 CONCESSION
2A10A PREP
2A17 CONCESSION
2A17A PREP
2A20 CONCESSION
2A20A PREP
2D01 CONCESSION
2D01A PREP
2D08 CONCESSION
2D08A PREP
2D08 VENDOR COMMISSARY
2C11 CONCESSION
2C11A PREP
2C18 CONCESSION
2C18A PREP
2C19 CONCESSION
2C19A PREP
2C19D PREP
2D08 VENDOR COMMISSARY
2D12 CONCESSION
2D12A PREP
2F02 COLONNADE

MAIN CONCOURSE

LEASED PREMISES

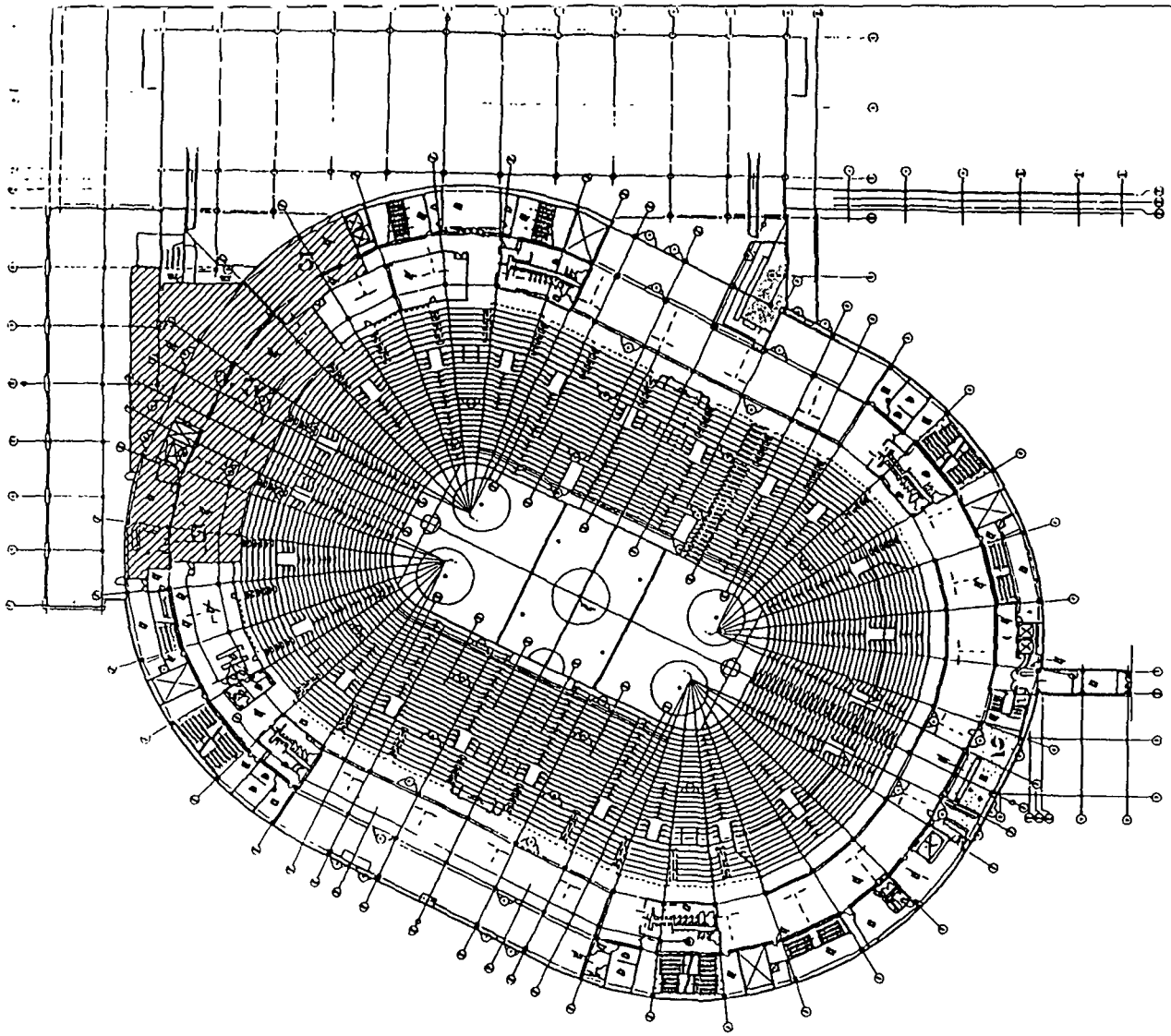


EXHIBIT C
LEGEND

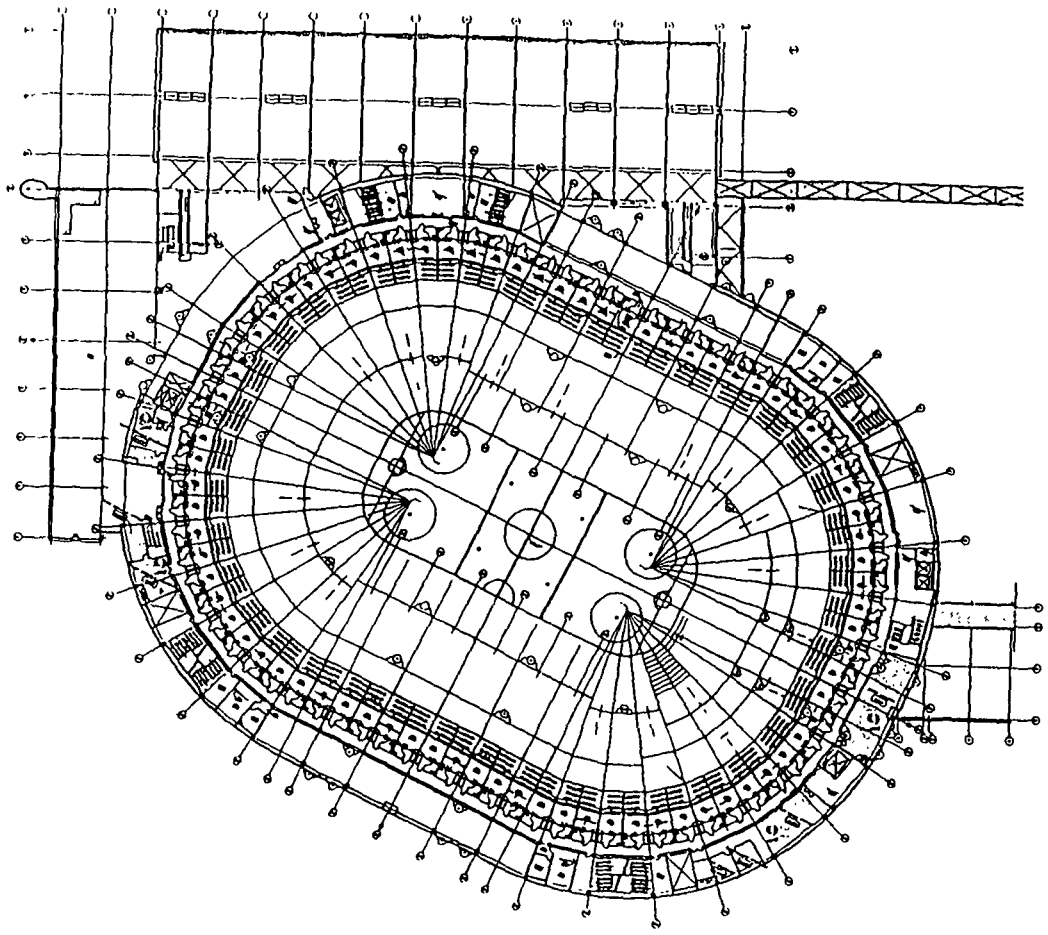
1 12. [illegible]

13 [illegible]

3A01 ELEVATOR LOBBY
3A02 CONCOURSE
3A10 SHELL SPACE
3D01 PANTRY
3D08 SHELL SPACE
3F01 AUD MEZZANINE

CLUB LEVEL 178

LEASED PREMISES



SUITE LEVEL

EXHIBIT C
LEGEND

2. CONCESSION FACILITIES
4B04 SUITE KITCHEN
4C03 COLD FOOD PANTRY
4C03A LIQUOR/BEVERAGE STORAGE
4C07D DRY STORAGE
4D02 ELEVATOR LOBBY
4D03A FOOD SERVICE STORAGE
4J03 FOOD SERVICE STORAGE
4J05A FOOD SERVICE STORAGE

LEASED PREMISES

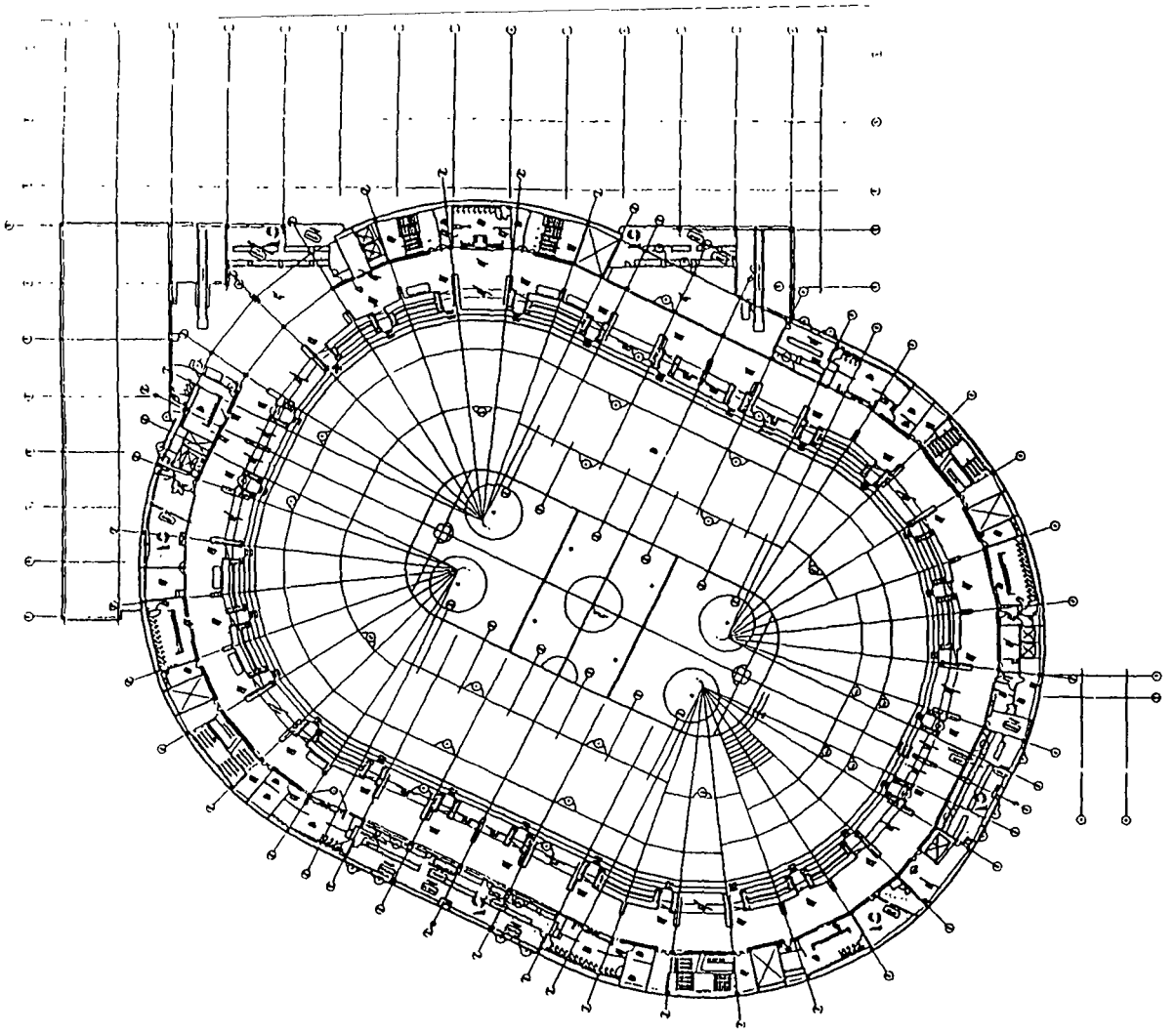


EXHIBIT C
LEGEND

1. 12 [illegible]
[illegible]
[illegible]
[illegible]
[illegible]
5B10 CONCESSION
5B10A PREP
5B10B PREP
5C13 VENDOR COMMISSARY
5C11 CONCESSION
5C11A PREP
5C1B CONCESSION
5C1BA PREP
5D01 CONCESSION
5D01A PREP
5D0N VENDOR COMMISSARY

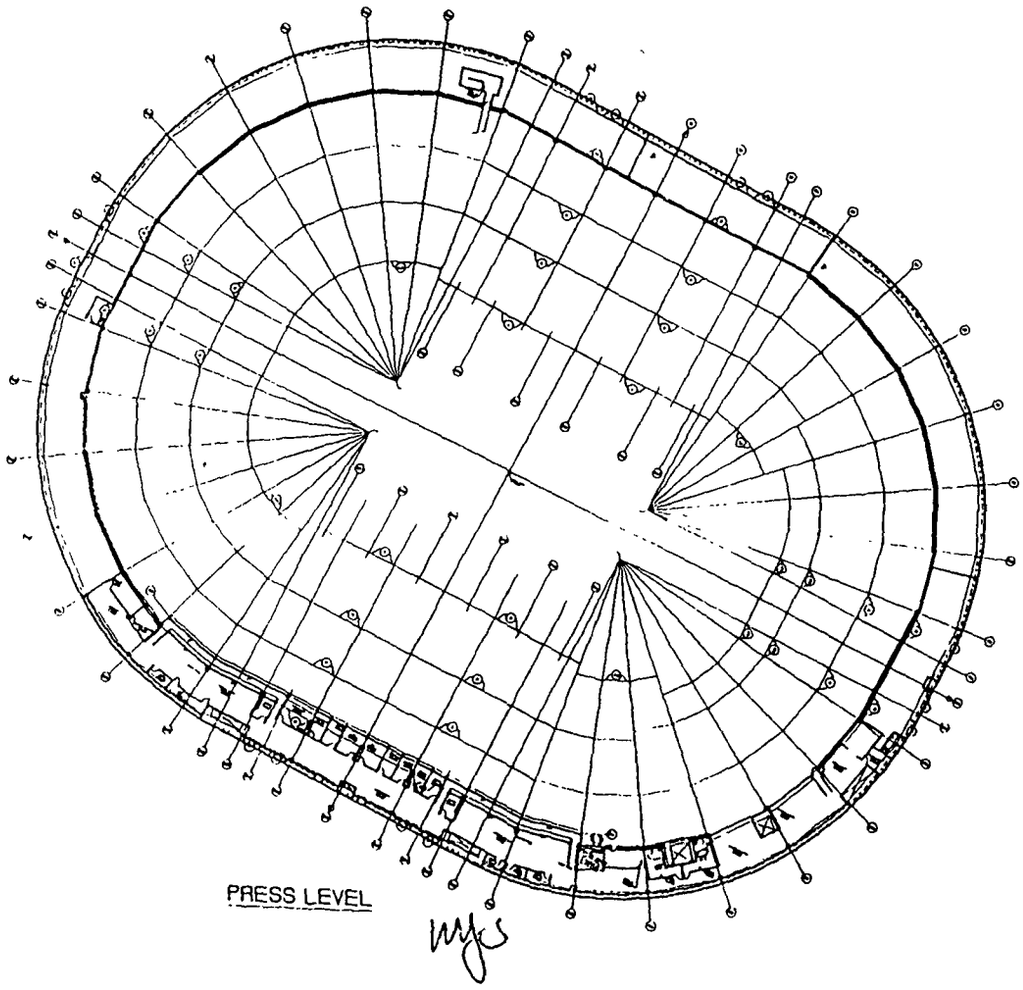
UPPER CONCOURSE

LEASED PREMISES

EXHIBIT C

LEGEND

2. CONCESSION FACILITIES
7010 COFFEE SHOP



LEASED PREMISES

ENDORSEMENT

Attached to and made a part of
Policy No. 5095-25155

Issued by
TICOR TITLE INSURANCE COMPANY
TICOR TITLE GUARANTEE COMPANY

STANDARD NEW YORK ENDORSEMENT (LOAN POLICY)

1. Insuring provision Number 7 is deleted and the following is substituted:

   "7. Any statutory lien for services, labor or materials furnished prior to the date hereof, and which has now gained or which may hereafter gain priority over the estate or interest of the insured as shown in Schedule A of this policy."

2. Paragraph number 6 of the Exclusions From Coverage is deleted.

3. The following is added to Paragraph 7 of the Conditions and Stipulations of this policy:

   "(d) If the recording date of the instruments creating the insured interest is later than the policy date, such policy shall also cover intervening liens or encumbrances, except real estate taxes, assessments, water charges and sewer rents."

Nothing herein contained shall be construed as extending or changing the effective date of said policy, unless otherwise expressly stated.

This endorsement, when countersigned below by a validating signatory, is made a part of said policy and is subject to the Exclusions from Coverage, Schedules, Conditions and Stipulations therein, except as modified by the provisions hereof.

IN WITNESS WHEREOF, the Company has caused its corporate name and seal to be hereunto affixed by its duly authorized officers.

Dated: June 2, 1995

TICOR TITLE INSURANCE COMPANY

By:

PRESIDENT

Attest:

EXECUTIVE VICE PRESIDENT

TICOR TITLE GUARANTEE COMPANY

By:

PRESIDENT AND CHIEF EXECUTIVE OFFICER

Attest:

EXECUTIVE VICE PRESIDENT AND CORPORATE SECRETARY

By _____
Authorized Signatory

Note: This endorsement shall not be valid or binding until countersigned by an authorized signatory.

ENDORSEMENT

Attached to and made a part of
Policy No. 5095-25155

Issued by
TICOR TITLE INSURANCE COMPANY
TICOR TITLE GUARANTEE COMPANY

ALTA ENDORSEMENT 9
(RESTRICTIONS, ENCROACHMENTS, MINERALS)

The Company insures the owner of the indebtedness secured by the insured mortgage against loss or damage sustained by reason of:

1. Any incorrectness in the assurance that, at Date of Policy:
   (a) There are no covenants, conditions or restrictions under which the lien of the mortgage referred to in Schedule A can be divested, subordinated or extinguished, or its validity, priority or enforceability impaired.
   (b) Unless expressly excepted in Schedule B:
   (1) There are no present violations on the land of any enforceable covenants, conditions or restrictions, nor do any existing improvements on the land violate any building setback lines shown on a plot of subdivision recorded or filed in the public records.
   (2) Any instrument referred to in Schedule B as containing covenants, conditions or restrictions on the land does not, in addition, (i) establish an easement on the land; (ii) provide a lien for liquidated damages; (iii) provide for a private charge or assessment; (iv) provide for an option to purchase, right of first refusal or the prior approval of a future purchaser or occupant.
   (3) There is no encroachment of existing improvements located on the land onto adjoining land, nor any encroachment onto the land of existing improvements located on adjoining land.
   (4) There is no encroachment of existing improvements located on the land onto that portion of the land subject to any easement excepted in Schedule B.
   (5) There are no notices of violation of covenants, conditions and restrictions relating to environmental protection recorded or filed in the public records.
2. Any future violation on the land of any existing covenants, conditions or restrictions occurring prior to the acquisition of title to the estate or interest in the land by the insured, provided the violation results in:
   (a) invalidity, loss of priority, or unenforceability of the lien of the insured mortgage; or
   (b) loss of title to the estate or interest in the land if the insured shall acquire title in satisfaction of the indebtedness secured by the insured mortgage.
3. Damage to existing improvements, including lawns, shrubbery or trees;
   (a) which are located on or encroach upon that portion of the land subject to any easement excepted in Schedule B, which damage results from the exercise of the right to maintain the easement for the purpose for which it was granted or reserved;
   (b) resulting from the future exercise of any right to use the surface of the land for the extraction or development of minerals excepted from the description of the land or excepted in Schedule B.
4. Any final court order or judgment requiring the removal from any land adjoining the land of any encroachment excepted in Schedule B.
5. Any final court order or judgment denying the right to maintain any existing improvements on the land because of any violation of covenants, conditions or restrictions or building setback lines shown on a plat of subdivision recorded or filed in the public records.

Whenever in this endorsement the words "covenants, conditions or restrictions" appear, they shall not be deemed to refer to or include the terms, covenants, conditions or limitations contained in an instrument creating a lease.

As used in paragraphs 1(b)(1) and 5, the words, "covenants, conditions or restrictions" shall not be deemed to refer to or include any covenants, conditions or restrictions relating to environmental protection.

This endorsement is made a part of the policy and is subject to all terms and provisions thereof and any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

Dated: June 2, 1995

TICOR TITLE INSURANCE COMPANY

By: _____ PRESIDENT

Attest: _____ EXECUTIVE VICE PRESIDENT

TICOR TITLE GUARANTEE COMPANY

By: _____ PRESIDENT AND CHIEF EXECUTIVE OFFICER

Attest: _____ EXECUTIVE VICE PRESIDENT AND CORPORATE SECRETARY

By _____
Authorized Signatory

Note: This endorsement shall not be valid or binding until countersigned by an authorized signatory.

TICOR TITLE GUARANTEE
TICOR TITLE INSURANCE

Policy of Title Insurance

American Land Title Association Loan Policy (10-17-92) With New York Coverage Endorsement Appended

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, TICOR TITLE GUARANTEE COMPANY, a New York Corporation, and **TICOR TITLE INSURANCE COMPANY,** a California corporation, herein called "The Company," insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title;
4. Lack of a right of access to and from the land;
5. The invalidity or unenforceability of the lien of the insured mortgage upon the title;
6. The priority of any lien or encumbrance over the lien of the insured mortgage;
7. Lack of priority of the lien of the insured mortgage over any statutory lien for services, labor or material:
   (a) arising from an improvement or work related to the land which is contracted for or commenced prior to Date of Policy; or
   (b) arising from an improvement or work related to the land which is contracted for or commenced subsequent to Date of Policy and which is financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance;
8. The invalidity or unenforceability of any assignment of the insured mortgage, provided the assignment is shown in Schedule A, or the failure of the assignment shown in Schedule A to vest title to the insured mortgage in the named insured assignee free and clear of all liens.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title or the lien of the insured mortgage, as insured, but only to the extent provided in the Conditions and Stipulations.

This policy shall not be valid or binding until countersigned below by a validating signatory of the Company.

TICOR TITLE GUARANTEE COMPANY

By _____ President

Attest _____ Secretary

TICOR TITLE INSURANCE COMPANY

By _____ President

Attest _____ Secretary

Issued by:
TICOR TITLE GUARANTEE COMPANY
110 Franklin Street
Buffalo, New York 14202

TICOR TITLE GUARANTEE COMPANY
TICOR TITLE INSURANCE COMPANY

Validating Officer or Agent _____

TICOR TITLE INSURANCE COMPANY
TICOR TITLE GUARANTEE COMPANY

AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (10-17-92)
WITH NEW YORK COVERAGE ENDORSEMENT APPENDED (A.L.T.A.)

SCHEDULE A

Title Number	Effective Date	Amount of Insurance
5095-25155	June 2, 1995	$400,000.00

1. Name of insured:
   SHAWMUT BANK, N.A. and FLEET BANK, as Lenders and SHAWMUT BANK, N.A., as Agent

2. The estate or interest in the land which is encumbered by the insured mortgage is:
   LEASEHOLD

3. Title to the estate or interest in the land is vested in:
   BUFFALO SABRES CONCESSION LLC

4. The insured mortgage and assignments thereof, if any, are described as follows:

   Building Loan Mortgage made by BUFFALO SABRES CONCESSION LLC to SHAWMUT BANK, N.A. and FLEET BANK dated May 10, 1995 and recorded June 5, 1995 in Liber 12668 of Mortgages at page 1370 in the amount of $400,000.00 and interest.

5. The land referred to in this Policy is described as follows: -SEE ATTACHED DESCRIPTION-

Authorized Signatory

FOR INFORMATIONAL PURPOSES ONLY, PREMISES IS COMMONLY KNOWN AS:
PERRY & COLUMBIA, BUFFALO, NEW YORK

L92T

SCHEDULE A DESCRIPTION

Policy No.: 5095-25155

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Outer Lot 74, described as follows:

BEGINNING at the intersection of the east line of Columbia Street (50 feet wide) and the south line of Perry Street (66 feet wide); running thence southerly along the east line of Columbia Street 516.88 feet to a point which is 155 feet north of the north line of South Park Avenue; running thence easterly parallel with South Park Avenue, 80 feet; running thence northerly parallel with Columbia Street, 1.60 feet; running thence easterly parallel with South Park Avenue 161.00 feet to the west line of Michigan Avenue (66 feet wide); running thence northerly along the west line of Michigan Avenue, 193.97 feet; running thence westerly at an exterior angle of 90° 02' 18" a distance of 120 feet; running thence northerly parallel with Columbia Street, 130.41 feet to the north line of Baker by deed recorded in Liber 999 of Deeds atpage 479; running thence westerly along the north line of said Baker on an extension thereof 1.0 feet; running thence northerly parallel with Columbia Street 190.80 feet to the south line of Perry Street; running thence westerly along the south line of Perry Street 120.00 feet to the point of beginning.

A1-39-94-97 INC. & 116-124 INC.

SCHEDULE B

Policy No.: 5095-25155

This policy does not insure against loss or damage (and the Company will not pay costs, attorney's fees or expenses) which arise by reason of:

1. Rights and claims of Higgins Erectors & Haulers, Inc., as tenants only, pursuant to lease agreement dated November 5, 1993.

2. Easement to Niagara Mohawk Power Corporation and New York Telephone Company recorded in Liber 10090 of Deeds, page 218 on October 16, 1989.

3. Easement to Niagara Mohawk Power Corporation recorded in Liber 6589 of Deeds, page 232 on September 15, 1960.

4. Easement to New York Telephone Company and Niagara Mohawk Power Corporation recorded in Liber 6567 of Deeds, page 198 on July 18, 1960.

   NOTE: This policy insures that the above easements at Nos. (2), (3) and (4) will not interfere with the use or enjoyment of improvements erected on the insured premises.

5. Exceptions as disclosed by Survey No. 93-92 made by Ray L. Sonnenberger dated June 30, 1993 as follows:

   a. Variation between the lines of fences and the lines of record title.

   NOTE: This policy insures that the above fence misplacement or future corrections thereof will not interfere with the mortgaged premises or improvements thereon.

   b. Two frame loading docks encroaching up to 11.46 feet into Columbia Street.

   c. Utility poles and overhead wire along the southerly and easterly lines of premises.

   d. Overhead bay and eaves encroaching up to 3.09 feet over Columbia Street.

   e. Brick trim encroaching up to .20 feet over Perry Street.

   f. Sign encroaching up to 1.20 feet over Perry Street.

   g. Utility pole line crossing the central and easterly portions of premises.

   NOTE: This policy insures that the above survey exceptions at Items (b) to (g) will not interfere with the use or enjoyment of improvements erected on the insured premises.

   h. Building on premises next east encroaches up to 0.16 feet onto premises with concrete ramp encroaching up to 12.51 feet onto premises.

6. Subject to terms and conditions of the following leases and subleases, as affected by a Non-Disturbance and Attornment Agreement recorded May 5, 1995 in Liber 10886 of Deeds at page 9016.

a. Lease between Buffalo Urban Renewal Agency and the County of Erie, dated May 10, 1995, a Memorandum of which is recorded in Liber 10886 of Deeds at page 8911,

b. Lease between the County of Erie and the City of Buffalo, dated May 10, 1995, a Memorandum of which is recorded in Liber 10886 of Deeds at page 8920,

c. Lease between the City of Buffalo and the County of Erie, dated May 10, 1995, a Memorandum of which is recorded in Liber 10886 of Deeds at page 8931,

d. Lease between the County of Erie and the Erie County Industrial Development Agency, dated May 10, 1995, a Memorandum of which is recorded in Liber 10886 of Deeds at page 8945,

e. Lease between Erie County Industrial Development Agency and Crossroads Arena LLC, dated June 2, 1995, a Memorandum of which is recorded in Liber 10886 of Deeds at page 8962.

f. Lease between Crossroads Arena LLC and Niagara Frontier Hockey, L.P., dated May 10, 1995 a Memorandum of which is recorded in Liber 10886 of Deeds at page 9088,

g. Lease between NIAGARA FRONTIER HOCKEY, L.P. and Buffalo Sabres Concession LLC, dated May 10, 1995, a Memorandum of which is recorded in Liber 10886 of Deeds at page 9094.

7. Pending disbursement of the full proceeds of the loan secured by the mortgage described herein, this policy insures only to the extent of the amount actually disbursed plus interest accrued thereon but increases as disbursements are made in good faith and without knowledge of any defects in, or objections to, the title, up to the face amount of the policy. Title shall be continued down to the date of each disbursement and the Company shall furnish to the mortgagee a continuation report, stating whether, since the date hereof or since the date of the last preceding continuation report, any liens or encumbrances have been recorded, whether any mechanics' liens or materialmen's liens have been filed.

8. Subject to terms and conditions of the Interim and Term Concession Loan Agreement filed on June 5, 1995, No. Q18-503, in conjunction with the mortgage insured herein.

9. Subject to reservation of rights set forth in deed to Niagara Frontier Hockey, L.P. recorded in Liber 10886 of Deeds at page 2284.

10. This company assures the insured that it will issue subsequent owner's and loan policies with the same affirmative insurance subject to any intervening matters and circumstances upon payment of the applicable title premium.

11. The Alta endorsement 9 attached to and made a part of this policy is hereby affirmatively extended to cover the improvements to be constructed on premises provided said improvements are constructed in accordance with the site plans for the "Crossroads" arena project.

12. Financing Statement No. Q18-519 affecting premises described in Schedule A.

Debtor	: NIAGARA FRONTIER HOCKEY, L.P.
Secured Party	: SHAWMUT BANK, N.A. and FLEET BANK
Date Filed	: June 5, 1995

13. Financing Statement No. Q18-520 affecting premises described in Schedule A.

Debtor	: CROSSROADS ARENA LLC
Secured Party	: SHAWMUT BANK, N.A. and FLEET BANK
Date Filed	: June 5, 1995

14. Financing Statement No. Q18-521 affecting premises described in Schedule A.

Debtor	: BUFFALO SABRES CONCESSION LLC
Secured Party	: SHAWMUT BANK, N.A. and FLEET BANK
Date Filed	: June 5, 1995

15. Financing Statement No. Q18-523 affecting premises described in Schedule A.

Debtor	: NIAGARA FRONTIER HOCKEY MANAGEMENT CORPORATION, general partner and NIAGARA FRONTIER HOCKEY, L.P.
Secured Party	: SHAWMUT BANK, N.A. and FLEET BANK
Date Filed	: June 5, 1995

16. Subject to the leasehold mortgage made by Buffalo Sabres Concession LLC to SHAWMUT BANK, N.A. and FLEET BANK in the amount of $32,500,000.00 recorded June 5, 1995 in Liber 12668 of Mortgages at page 1341.

17. Financing Statement No. Q18-524 affecting premises described in Schedule A.

Debtor	: ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Secured Party	: SHAWMUT BANK, N.A. and FLEET BANK
Date Filed	: June 5, 1995

SCHEDULE B - PART II

In addition to the matters set forth in Part I of this Schedule the title to the estate or interest in the land described or referred to in Schedule A is subject to the following matters, but the Company insures that such matters are subordinate to the lien or charge of the insured mortgage upon said estate or interest.

1. Collateral Assignment of Leases and Rents between Buffalo Sabres Concession LLC and SHAWMUT BANK, N.A. and FLEET BANK dated May 10, 1995 and recorded on June 5, 1995 in Liber 12668 of Mortgages at page 1433 and in Liber 10886 of Deeds at page 9137.

2. Collateral Assignment of Leases and Rents between Niagara Frontier Hockey, L.P. and SHAWMUT BANK, N.A. and FLEET BANK dated May 10, 1995 and recorded on June 5, 1995 in Liber 12668 of Mortgages at page 1402 and in Liber 10886 of Deeds at page 9117.

dak

ENDORSEMENT

Attached to and made a part of
Policy No. 5094-25302

Issued by
TICOR TITLE INSURANCE COMPANY
TICOR TITLE GUARANTEE COMPANY

STANDARD NEW YORK ENDORSEMENT
(LOAN POLICY)

1. Insuring provision Number 7 is deleted and the following is substituted:

   "7. Any statutory lien for services, labor or materials furnished prior to the date hereof, and which has now gained or which may hereafter gain priority over the estate or interest of the insured as shown in Schedule A of this policy."

2. Paragraph number 6 of the Exclusions From Coverage is deleted.

3. The following is added to Paragraph 7 of the Conditions and Stipulations of this policy:

   "(d) If the recording date of the instruments creating the insured interest is later than the policy date, such policy shall also cover intervening liens or encumbrances, except real estate taxes, assessments, water charges and sewer rents."

Nothing herein contained shall be construed as extending or changing the effective date of said policy, unless otherwise expressly stated.

This endorsement, when countersigned below by a validating signatory, is made a part of said policy and is subject to the Exclusions from Coverage, Schedules, Conditions and Stipulations therein, except as modified by the provisions hereof.

IN WITNESS WHEREOF, the Company has caused its corporate name and seal to be hereunto affixed by its duly authorized officers.

Dated: June 2, 1995

TICOR TITLE INSURANCE COMPANY

By: _____ PRESIDENT

Attest: _____ EXECUTIVE VICE PRESIDENT

TICOR TITLE GUARANTEE COMPANY

By: _____ PRESIDENT AND CHIEF EXECUTIVE OFFICER

Attest: _____ EXECUTIVE VICE PRESIDENT AND CORPORATE SECRETARY

By _____
Authorized Signatory

Note: This endorsement shall not be valid or binding until countersigned by an authorized signatory.

ENDORSEMENT

Attached to and made a part of
Policy No. 5094-25302

Issued by
TICOR TITLE INSURANCE COMPANY
TICOR TITLE GUARANTEE COMPANY

ALTA ENDORSEMENT 9
(RESTRICTIONS, ENCROACHMENTS, MINERALS)

The Company insures the owner of the indebtedness secured by the insured mortgage against loss or damage sustained by reason of:

1. Any incorrectness in the assurance that, at Date of Policy:
   (a) There are no covenants, conditions or restrictions under which the lien of the mortgage referred to in Schedule A can be divested, subordinated or extinguished, or its validity, priority or enforceability impaired.
   (b) Unless expressly excepted in Schedule B:
   (1) There are no present violations on the land of any enforceable covenants, conditions or restrictions, nor do any existing improvements on the land violate any building setback lines shown on a plot of subdivision recorded or filed in the public records.
   (2) Any instrument referred to in Schedule B as containing covenants, conditions or restrictions on the land does not, in addition, (i) establish an easement on the land; (ii) provide a lien for liquidated damages; (iii) provide for a private charge or assessment; (iv) provide for an option to purchase, right of first refusal or the prior approval of a future purchaser or occupant.
   (3) There is no encroachment of existing improvements located on the land onto adjoining land, nor any encroachment onto the land of existing improvements located on adjoining land.
   (4) There is no encroachment of existing improvements located on the land onto that portion of the land subject to any easement excepted in Schedule B.
   (5) There are no notices of violation of covenants, conditions and restrictions relating to environmental protection recorded or filed in the public records.
2. Any future violation on the land of any existing covenants, conditions or restrictions occurring prior to the acquisition of title to the estate or interest in the land by the insured, provided the violation results in:
   (a) invalidity, loss of priority, or unenforceability of the lien of the insured mortgage; or
   (b) loss of title to the estate or interest in the land if the insured shall acquire title in satisfaction of the indebtedness secured by the insured mortgage.
3. Damage to existing improvements, including lawns, shrubbery or trees;
   (a) which are located on or encroach upon that portion of the land subject to any easement excepted in Schedule B, which damage results from the excercise of the right to maintain the easement for the purpose for which it was granted or reserved;
   (b) resulting from the future exercise of any right to use the surface of the land for the extraction or development of minerals excepted from the description of the land or excepted in Schedule B.
4. Any final court order or judgment requiring the removal from any land adjoining the land of any encroachment excepted in Schedule B.
5. Any final court order or judgment denying the right to maintain any existing improvements on the land because of any violation of covenants, conditions or restrictions or building setback lines shown on a plat of subdivision recorded or filed in the public records.

Whenever in this endorsement the words "covenants, conditions or restrictions" appear, they shall not be deemed to refer to or include the terms, covenants, conditions or limitations contained in an instrument creating a lease.

As used in paragraphs 1(b)(1) and 5, the words, "covenants, conditions or restrictions" shall not be deemed to refer to or include any covenants, conditions or restrictions relating to environmental protection.

This endorsement is made a part of the policy and is subject to all terms and provisions thereof and any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

Dated: June 2, 1995

TICOR TITLE INSURANCE COMPANY

By: _____ PRESIDENT

Attest: _____ EXECUTIVE VICE PRESIDENT

TICOR TITLE GUARANTEE COMPANY

By: _____ PRESIDENT AND CHIEF EXECUTIVE OFFICER

Attest: _____ EXECUTIVE VICE PRESIDENT AND CORPORATE SECRETARY

By _____
Authorized Signatory

Note: This endorsement shall not be valid or binding until countersigned by an authorized signatory.

TICOR TITLE GUARANTEE
TICOR TITLE INSURANCE

Policy of Title Insurance

American Land Title Association Loan Policy (10-17-92) With New York Coverage Endorsement Appended

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, TICOR TITLE GUARANTEE COMPANY, a New York Corporation, and **TICOR TITLE INSURANCE COMPANY,** a California corporation, herein called "The Company," insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title;
4. Lack of a right of access to and from the land;
5. The invalidity or unenforceability of the lien of the insured mortgage upon the title;
6. The priority of any lien or encumbrance over the lien of the insured mortgage;
7. Lack of priority of the lien of the insured mortgage over any statutory lien for services, labor or material:
   (a) arising from an improvement or work related to the land which is contracted for or commenced prior to Date of Policy; or
   (b) arising from an improvement or work related to the land which is contracted for or commenced subsequent to Date of Policy and which is financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance;
8. The invalidity or unenforceability of any assignment of the insured mortgage, provided the assignment is shown in Schedule A, or the failure of the assignment shown in Schedule A to vest title to the insured mortgage in the named insured assignee free and clear of all liens.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title or the lien of the insured mortgage, as insured, but only to the extent provided in the Conditions and Stipulations.

This policy shall not be valid or binding until countersigned below by a validating signatory of the Company.

TICOR TITLE GUARANTEE COMPANY

By _____ President

Attest _____ Secretary

TICOR TITLE INSURANCE COMPANY

By _____ President

Attest _____ Secretary

Issued by:
TICOR TITLE GUARANTEE COMPANY
110 Franklin Street
Buffalo, New York 14202

TICOR TITLE GUARANTEE COMPANY
TICOR TITLE INSURANCE COMPANY

Validating Officer or Agent _____

TICOR TITLE INSURANCE COMPANY
TICOR TITLE GUARANTEE COMPANY

AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (10-17-92)
WITH NEW YORK COVERAGE ENDORSEMENT APPENDED (A.L.T.A.)

SCHEDULE A

Title Number	Effective Date	Amount of Insurance
5094-25302	June 2, 1995	$32,500,000.00

1. Name of Insured:
   SHAWMUT BANK, N.A. and FLEET BANK, as Lenders and SHAWMUT BANK, N.A., as Agent

2. The estate or interest in the land which is encumbered by the insured mortgage is:
   LEASEHOLD

3. Title to the estate or interest in the land is vested in:
   BUFFALO SABRES CONCESSION LLC

4. The insured mortgage and assignments thereof, if any, are described as follows:
   Leasehold Mortgage, Security Agreement and Fixture Financing Statement made by BUFFALO SABRES CONCESSION LLC and ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY to SHAWMUT BANK, N.A. and FLEET BANK dated May 10, 1995 and recorded June 5, 1995 in Liber 12668 of Mortgages at page 1341 in the amount of $32,500,000.00 and interest.

5. The land referred to in this Policy is described as follows: -SEE ATTACHED DESCRIPTION-

Authorized Signatory

FOR INFORMATIONAL PURPOSES ONLY, PREMISES IS COMMONLY KNOWN AS:
PERRY STREET, BUFFALO, NEW YORK

SCHEDULE A DESCRIPTION

Policy No.: 5094-25302

That portion of the following described premises demised to borrower pursuant to a lease from Niagara Frontier Hockey, L.P., dated May 10, 1995, a Memorandum of which is recorded in Liber 10886 of Deeds at page 9094 and more specifically described as Exhibit C attached to said lease:

PARCEL I

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Outer Lots Nos. 76, 77 and 78, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) as it formerly existed and the easterly line of Main Street (99 feet wide); thence southerly along the easterly line of Main Street 328.76 feet to the north line of South Park Avenue (66 feet wide) as presently laid out; thence southeasterly along the said northerly line of South Park Avenue 285.87 feet to an angle point; thence continuing southeasterly at an interior angle of 161° 35' 40" along the said northerly line of South Park Avenue 503.54 feet to the intersection of the said northerly line of South Park Avenue and westerly line of Illinois Street (50 feet wide); thence northerly along the westerly line of Illinois Street 660.35 feet to the intersection of the westerly line of Illinois Street and the southerly line of Perry Street (66 feet wide) as presently laid out; thence westerly along the said southerly line of Perry Street and continuing along the southerly line of Perry Street as it formerly existed 704.93 feet to the point or place of beginning.

TOGETHER with all right, title and interest in Illinois Street to the centerline thereof.

PARCEL II

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Lot No. 75, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) and the easterly line of Mississippi Street (60 feet wide); running thence easterly along the southerly line of Perry Street 195.0 feet to the westerly line of Baltimore Street (40 feet wide); thence southerly along the westerly line of Baltimore Street 672.10 feet to the northerly line of South Park Avenue (66 feet wide); thence westerly along the northerly line of South Park Avenue 195.0 feet to the easterly line of Mississippi Street; thence northerly along the easterly line of Mississippi Street 672.47 feet to the point or place of beginning.

TOGETHER with all right, title and interest in Mississippi Street and Baltimore Street to the centerlines thereof.

- CONTINUED -

PARCEL III

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Lots Nos. 74 and 75, bounded and described as follows:

BEGINNING at the intersection of the southerly line of Perry Street (66 feet wide) and the easterly line of Baltimore Street (40 feet wide); thence easterly along the southerly lline of Perry Street 113.68 feet to the westerly line of Columbia Street (50 feet wide); thence southerly along the westerly line of Columbia Street 531.8 feet more or less to the north line of lands of Consolidated Rail Corporation by deed recorded in the Erie County Clerk's Office in Liber 1056 of Deeds at page 293; thence westerly along the said north line of Consolidated Rail Corporation 113.68 feet to the easterly line of Baltimore Street; thence northerly along the easterly line of Baltimore Street 532.02 feet more or less to the southerly line of Perry Street and the point or place of beginning.

TOGETHER with all right, title and interest in Baltimore Street and Columbia Street to the centerlines thereof.

PARCEL IV

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie and State of New York, being part of Outer Lots Nos. 74 and 75, bounded and described as follows:

BEGINNING at a point in the westerly line of Columbia Street distant 140 feet northerly along said westerly line of Columbia Street from its intersection with the northerly line of South Park Avenue, which point is also the southeast corner of lands conveyed to Higgins Erectors & Haulers, Inc. by deed recorded in the Erie County Clerk's Office in Liber 8470 of Deeds at page 537; thence southerly along the westerly line of Columbia Street 140 feet to the north line of South Park Avenue; thence westerly along the northerly line of South Park Avenue 113.68 feet more or less to the easterly line of Baltimore Street; thence northerly along the easterly line of Baltimore Street 140 feet to the southwest corner of said lands conveyed to Higgins Erectors & Haulers, Inc. by deed aforesaid; thence easterly along the southerly line of said lands conveyed to Higgins Erectors & Haulers, Inc. 113.68 feet more or less to the point of beginning.

TOGETHER with all right, title and interest in Baltimore Street and Columbia Street to the centerlines thereof.

A1-39-65 to 67 et al

SCHEDULE B

Policy No.: 5094-25302

This policy does not insure against loss or damage (and the Company will not pay costs, attorney's fees or expenses) which arise by reason of:

1. Rights and claims of Higgins Erectors & Haulers, Inc. pursuant to lease agreement dated November 5, 1993.

   NOTE: Item 1 affects Parcels II and III.

2. Exceptions as disclosed by Survey No. 93060 made by Deborah A. Naybor, PLS, P.C. dated February 20, 1995, revised March 16, 1995 and March 28, 1995 as follows:

   a. Easement recorded in Liber 10138 of Deeds at page 271 shown in northerly portion of Parcel I.

   b. Parcel II shows fences that vary from lines of record title, concrete pads in the northerly and southerly portions, a shed, concrete pump island, gravel and asphalt and a utility pole, overhead wire and guy wire in the southerly portion.

   c. Overhead electric wires and a light standard are shown at the northerly portion of Parcel III.

   d. Utility poles, overhead wires and a billboard are shown on Parcel IV.

   NOTE: This policy insures that the above survey exceptions at Items (a) to (d) inclusive will not interfere with the use or enjoyment of improvements erected on the insured premises.

3. This policy insures that the footings of improvements erected on Parcel I are within the lines of record title.

4. Rights of the public in and to that portion of premises lying in the bed of Illinois Street, Mississippi Street, Baltimore Street and Columbia Street.

   NOTE: This policy insures that the above rights will not interfere with the use or enjoyment of improvements erected on the insured premises.

   NOTE: Item 5 affects Parcel I.

5. Easement to New York Telephone Company recorded in Liber 10138 of Deeds, page 271 on February 8, 1990.

   NOTE: This policy insures that the above easement will not interfere with the use or enjoyment of improvements erected on the insured premises.

   NOTE: Item 6 affects Parcels III and IV.

6. License Agreement dated January 15, 1960 with Niagara Mohawk Power Corporation.

   NOTE: This policy insures that the above license agreement will not interfere with the use or enjoyment of improvements erected on the insured premises.

7. Subject to terms and conditions of the following leases and subleases, as affected by a Non-Disturbance and Attornment Agreement recorded June 5, 1995 in Liber 10886 of Deeds at page 9016.

   a. Lease between Buffalo Urban Renewal Agency and the County of Erie, dated May 10, 1995, a Memorandum of which is recorded in Liber 10886 of Deeds at page 8911,

   b. Lease between the County of Erie and the City of Buffalo, dated May 10, 1995, a Memorandum of which is recorded in Liber 10886 of Deeds at page 8920,

   c. Lease between the City of Buffalo and the County of Erie, dated May 10, 1995, a Memorandum of which is recorded in Liber 10886 of Deeds at page 8931,

   d. Lease between the County of Erie and the Erie County Industrial Development Agency, dated May 10, 1995, a Memorandum of which is recorded in Liber 10886 of Deeds at page 8945,

   e. Lease between Erie County Industrial Development Agency and Crossroads Arena LLC, dated June 2, 1995, a Memorandum of which is recorded in Liber 10886 of Deeds at page 8962.

   f. Lease between Crossroads Arena LLC and Niagara Frontier Hockey, L.P., dated May 10, 1995, a Memorandum of which is recorded in Liber 10886 of Deeds at page 9088.

   g. Lease between Niagara Frontier Hockey, L.P. and Buffalo Sabres Concession LLC, dated May 10, 1995, a Memorandum of which is recorded in Liber 10886 of Deeds at page 9094.

8. Subject to a leasehold mortgage in the amount of $35,000,000.00 given by Crossroads Arena LLC of its leasehold interest under a lease from the Erie County Industrial Development Agency to Marine Midland Bank, as collateral agent for itself and Key Bank of New York, dated May 10, 1995 and recorded June 5, 1995 in Liber 12668 of Mortgages at page 1254, a Building Loan Agreement filed June 5, 1995, No. Q18-501, Financing Statements Nos. Q18-505, Q18-506, Q18-507, Q18-508, Q18-509, Q18-511, Q18-512, Q18-513, Q18-514, Q18-515, Q18-516, Q18-517 and Q18-518 and an Assignment of Leases and Rents dated May 10, 1995 and recorded June 5, 1995 in Liber 10886 of Deeds at page 8993 and in Liber 12668 of Mortgages at page 1301 filed in conjunction with said mortgage.

9. The Company assures the insured that it will issue subsequent owner's and loan policies with the same affirmative insurance subject to any intervening matters and circumstances and payment of the applicable title premium.

10. Pending disbursement of the full proceeds of the loan secured by the mortgage described herein, this policy insures only to the extent of the amount actually disbursed plus interest accrued thereon but increases as disbursements are made in good faith and without knowledge of any defects in, or objections to, the title, up to the face amount of the policy. Title shall

be continued down to the date of each disbursement and the Company shall furnish to the mortgagee a continuation report, stating whether, since the date hereof or since the date of the last preceding continuation report, any liens or encumbrances have been recorded, whether any mechanics' liens or materialmen's liens have been filed.

11. Subject to terms and conditions of the Interim and Term Concession Loan Agreement filed June 5, 1995, No. Q18-503 in conjunction with the mortgage insured herein.

12. The Alta Endorsement 9 attached to and made a part of this policy is hereby affirmatively extended to cover the improvements to be constructed on premises provided said improvements are constructed in accordance with the site plans for the "Crossroads" arena project.

13. Financing Statement No. Q18-519 affecting premises described in Schedule A.

Debtor	: NIAGARA FRONTIER HOCKEY, L.P.
Secured Party	: SHAWMUT BANK, N.A. and FLEET BANK
Date Filed	: June 5, 1995

14. Financing Statement No. Q18-520 affecting premises described in Schedule A.

Debtor	: CROSSROADS ARENA LLC
Secured Party	: SHAWMUT BANK, N.A. and FLEET BANK
Date Filed	: June 5, 1995

15. Financing Statement No. Q18-521 affecting premises described in Schedule A.

Debtor	: BUFFALO SABRES CONCESSION LLC
Secured Party	: SHAWMUT BANK, N.A. and FLEET BANK
Date Filed	: June 5, 1995

16. Financing Statement No. Q18-523 affecting premises described in Schedule A.

Debtor	: Niagara Frontier Hockey Management Corporation, General Partner and Niagara Frontier Hockey, L.P.
Secured Party	: SHAWMUT BANK, N.A. and FLEET BANK
Date Filed	: June 5, 1995

17. Financing Statement No. Q18-524 affecting premises described in Schedule A.

Debtor	: ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Secured Party	: SHAWMUT BANK, N.A. and FLEET BANK

Date Filed : June 5, 1995

18. This policy insures contiguity between the south line of Parcel III and the north line of Parcel IV.

SCHEDULE B - PART II

In addition to the matters set forth in Part I of this Schedule, the title to the estate or interest in the land described or referred to in Schedule A is subject to the following matters, but the Company insures that such matters are subordinate to the lien or charge of the insured mortgage upon said estate or interest:

1. Collateral Assignment of Leases and Rents between BUFFALO SABRES CONCESSION LLC and SHAWMUT BANK, N.A. and FLEET BANK dated May 10, 1995 and recorded June 5, 1995 in Liber 12668 of Mortgages at page 1433 and in Liber 10886 of Deeds at page 9137.

2. Collateral Assignment of Leases and Rents between NIAGARA FRONTIER HOCKEY, L.P. and SHAWMUT BANK, N.A. and FLEET BANK dated May 10, 1995 and recorded June 5, 1995 in Liber 12668 of Mortgages at page 1402 and in Liber 10886 of Deeds at page 9117.

sas

TP-584 (8/94)

New York State Department of Taxation and Finance

Combined Real Property Transfer Gains Tax Affidavit Real Estate Transfer Tax Return Credit Line Mortgage Certificate

For department use only

See instructions (TP-584-I) before completing this form. Please print or type.

Schedule A - Information Relating to Conveyance

(Transferor/grantor) public benefit	Name *(if individual; last, first, middle initial)* City of Buffalo Urban Renewal Agency		Social security number
☐ Individual ☒ Corporation ☐ Partnership ☐ Other	Mailing address City Hall, Buffalo, New York 14202	ZIP code	Federal employer identification number 16 1030027
(Transferee/grantee) municipal	Name *(if individual; last, first, middle initial)* County of Erie		Social security number
☐ Individual ☒ Corporation ☐ Partnership ☐ Other	Mailing address 95 Franklin Street, Buffalo, New York 14202	ZIP code	Federal employer identification number 16 6002558

Location and description of property conveyed

Tax map designation Section	Block	Lot	Address	City/Village	Town	County
			Crossroads Arena	Buffalo		Erie

Type of property conveyed *(check applicable box)*

1 ☐ 1 - 3 family house
2 ☐ Residential cooperative
3 ☐ Residential condominium
4 ☐ Vacant land
5 ☐ Commercial/Industrial
6 ☐ Apartment building
7 ☐ Office building
8 ☒ Other sports arena

Date of conveyance: 5 (month) 10 (day) 95 (year)

Percentage of real property conveyed which is residential real property 0 % *(see instructions)*

Condition of conveyance *(check all that apply)*

a. ☐ Conveyance of fee interest
b. ☐ Acquisition of a controlling interest (state percentage acquired _____ %)
c. ☐ Transfer of a controlling interest (state percentage transferred _____ %)
d. ☐ Conveyance to cooperative housing corporation
e. ☐ Conveyance pursuant to or in lieu of foreclosure or enforcement of security interest *(attach Form TP-584.1, Schedule E)*
f. ☐ Conveyance which consists of a mere change of identity or form of ownership or organization *(attach Form TP-584.1, Schedule F)*
g. ☐ Conveyance for which credit for tax previously paid will be claimed *(attach Form TP-584.1, Schedule G)*
h. ☐ Conveyance of cooperative apartment(s)
i. ☐ Syndication
j. ☐ Conveyance of air rights or development rights
k. ☐ Contract assignment
l. ☐ Option assignment or surrender
m. ☐ Leasehold assignment or surrender
n. ☒ Leasehold grant
o. ☐ Conveyance of an easement
p. ☐ Conveyance for which exemption from transfer tax is claimed (complete Schedule C, Part III)
q. ☐ Conveyance of property partly within and partly without the state
r. ☐ Other *(describe)* _____

Schedule B - Real Property Transfer Gains Tax Affidavit (Article 31-B of the Tax Law)

☐ **Check this box if a *Tentative Assessment and Return* is being filed with respect to your current transfer, and proceed to Schedule C without completing the following affidavit. Also, enter the assessment number shown on the *Tentative Assessment*:** _____

I (we) certify that: *(check appropriate box)*

1 ☐ The transfer of real property consists of the execution of a contract to sell real property without the use or occupancy of such property or the granting of an option to purchase real property without the use or occupancy of such property.

2 ☒ The transfer is a transfer of real property where the consideration is less than $500,000, and the transfer is neither (A) pursuant to a cooperative or condominium plan, nor (B) a partial or successive transfer (i.e., a transfer that is one of a series of transfers of contiguous or adjacent interests in real property e.g., subdivided parcels).

3 ☐ The transfer is a transfer of real property by tenants in common, joint tenants or tenants by the entirety where the aggregate consideration is less than $500,000. (All such transferors must sign this form.)

4 ☐ The conveyance is not a transfer of real property within the meaning of section 1440.7 of Article 31-B of the Tax Law. (Attach documents supporting such claim, and sign on back as required.)

5 ☐ The transfer of real property consists of premises wholly occupied and used by the transferor **exclusively** as his residence, including a cooperative apartment or condominium occupied by the transferor exclusively as a residence. **(This exemption may only be claimed and attested to by a transferor that is an individual, estate or trust.)**

6 ☐ Transferor is the state of New York, or any of its agencies, instrumentalities, political subdivisions, or public corporations, including a public corporation created pursuant to an agreement or compact with another state or Canada.

7 ☐ Transferor is the United Nations or any other international organization of which the United States is a member, the United States of America or any of its agencies or instrumentalities.

Schedule C - Real Estate Transfer Tax Return (Article 31 of the Tax Law)

Part I - Computation of Tax Due

1	Enter amount of consideration for conveyance *(if you are claiming a total exemption from tax, enter consideration and proceed to Part III)*	1 1 00
2	Continuing lien deduction *(see instructions if property is taken subject to mortgage or lien)*	2 ( )
3	Taxable consideration *(subtract line 2 from line 1)*	3
4	Tax due: $2 for each $500, or fractional part thereof, of consideration on line 3	4
5	Amount of credit claimed *(see instructions and attach Form TP-584.1, Schedule G)*	5 ( )
6	Total tax due* *(subtract line 5 from line 4)*	6

Part II - Computation of Additional Tax Due on the Conveyance of Residential Real Property for $1 Million or More

1	Enter amount of consideration for conveyance (from Part I, line 1)	1
2	Taxable consideration *(multiply line 1 by the percentage of the premises which is residential real property; see instructions)*	2
3	Total additional transfer tax due* *(1% of line 2)*	3

*Please make check(s) payable to the county clerk where the recording is to take place or if the recording is to take place in New York City, make check(s) payable to the ***NYC Department of Finance***. If no recording is required, send your check(s) made payable to the ***Department of Taxation and Finance***, directly to the NYS Tax Department, TTTB-Transfer Tax, P O Box 5045, Albany NY 12205-5045.

For recording officer's use	Amount received ▶ Part I $ / Part II $	Date received	Transaction number

Schedule C - (continued)

Part III - Explanation of Exemption Claimed in Part I, line 1 *(check any boxes that apply)*

The conveyance of real property is exempt from the real estate transfer tax for the following reason:

a. Conveyance is to the United Nations, the United States of America, the state of New York or any of their instrumentalities, agencies or political subdivisions (or any public corporation, including a public corporation created pursuant to agreement or compact with another state or Canada) ..... a ☐

b. Conveyance is to secure a debt or other obligation ..... b ☐

c. Conveyance is without additional consideration to confirm, correct, modify or supplement a prior conveyance ..... c ☐

d. Conveyance of real property is without consideration and not in connection with a sale, including conveyances conveying realty as bona fide gifts ..... d ☐

e. Conveyance is given in connection with a tax sale ..... e ☐

f. Conveyance is a mere change of identity or form of ownership or organization where there is no change in beneficial ownership. (This exemption cannot be claimed for a conveyance to a cooperative housing corporation of real property comprising the cooperative dwelling or dwellings.) ..... f ☐

g. Conveyance consists of deed of partition ..... g ☐

h. Conveyance is given pursuant to the federal bankruptcy act ..... h ☐

i. Conveyance consists of the execution of a contract to sell real property without the use or occupancy of such property or the granting of an option to purchase real property without the use or occupancy of such property ..... i ☐

j. Conveyance of an option or contract to purchase real property with the use or occupancy of such property where the consideration is less than $200,000 and such property was used solely by the grantor as his personal residence and consists of a 1-, 2-, or 3-family house, a residential individual condominium unit, or the sale of stock in a cooperative housing corporation in connection with the grant or transfer of a proprietary leasehold covering an individual residential cooperative unit ..... j ☐

k. Conveyance is not a conveyance within the meaning of section 1401(e) of Article 31 of the Tax Law *(attach documents supporting such claim)* ..... k ☐

l. Other *(attach explanation)* ..... l ☐

Schedule D - Credit Line Mortgage Certificate (Article 11 of the Tax Law)

Complete the following only if the interest being transferred is a fee simple interest.

I (we) certify that: *(check appropriate box)*

1 ☐ The real property being sold or transferred is not principally improved nor will it be improved by a one- to six-family owner-occupied residence or dwelling.

2 ☐ The real property being sold or transferred is not subject to an outstanding credit line mortgage.

3 ☐ The real property being sold or transferred is subject to an outstanding credit line mortgage. However, an exemption from th is claimed for the following reason.

- ☐ The transfer of real property is a transfer of a fee simple interest to a person or persons who held a fee simple interes the real property (whether as a joint tenant, a tenant in common or otherwise) immediately prior to the transfer.
- ☐ The transfer of real property is (A) to a person or persons related by blood, marriage or adoption to the original obligo to one or more of the original obligors or (B) to a person or entity where a majority of the beneficial interest in such re property after the transfer is held by the transferor or such related person or persons.
- ☐ The transfer of real property is a transfer to a trustee in bankruptcy, a receiver, assignee or other officer of a court.
- ☐ Other (attach detailed explanation).

4 ☐ The real property being transferred is presently subject to an outstanding credit line mortgage. However, no tax is due for th following reason:

- ☐ A certificate of discharge of the credit line mortgage is being offered at the time of recording the deed.
- ☐ A check has been drawn payable for transmission to the credit line mortgagee or his agent for the balance due, and a satisfaction of such mortgage will be recorded as soon as it is available.

5 ☐ The real property being transferred is subject to an outstanding credit line mortgage on record at _____ (insert liber and page or reel or other identification of the mortgage). The maximum principal amount expressed in the mort is _____. No exemption from tax is claimed and the tax of _____ is being paid herewith. *(Make check payable to county clerk where deed will be recorded or, if the recording is to take place i New York City, make check payable to the **NYC Department of Finance**.)*

Signature and Affirmation (both the transferor(s)/grantor(s) and transferee(s)/grantee(s) must sign).

The undersigned, being duly sworn, depose and say under penalty of perjury that the above return, including any affidavit, certificatic schedule or attachment, has been examined by the undersigned, and is, to the best of his/her knowledge, true and complete and ma in good faith pursuant to Articles 11, 31 and 31-B of the New York State Tax Law.

Transferor/grantor	Title	Transferee/grantee	Title
CITY OF BUFFALO URBAN RENEWAL AGENCY		COUNTY OF ERIE	County Executive
Michael L. McCarthy	Secretary		

Subscribed to and sworn before me this 22nd day of May, 19 95.

Marianne Vara

MARIANNE VARA
NOTARY PUBLIC, State of New York
Qualified in Erie County
My Commission Expires March 30, 19 98

State of _____

County of _____

Subscribed to and sworn before me this 22nd day of May, 19 95.

Whitney K. Reed

WHITNEY K. REED
Notary Public, State of New York
No. 01RE5002610
Qualified in Monroe County
Certificate Filed in Ontario County
Commission Expires Oct. 5, 19 96

State of New York

County of Erie

Reminder: Did you complete all of the required information in Schedules A and B? Were you required to complete Schedules C and D? If you checked e, f and g in Schedule A, did you complete TP-584.1? Have you attached your check(s) made payable to the county clerk or city register where recording will take place or, if the recording is in New York City, to the *NYC Department of Finance*? If no recording is required, send your check(s), made payable to the *Department of Taxation and Finance*, directly to the NYS Tax Department, TTTB-Transfer Tax, P O Box 5045, Albany NY 12205-0545.

TP-584 (8/94)

New York State Department of Taxation and Finance

Combined Real Property Transfer Gains Tax Affidavit Real Estate Transfer Tax Return Credit Line Mortgage Certificate

For department use only

See instructions (TP-584-I) before completing this form. Please print or type.

Schedule A - Information Relating to Conveyance

Transferor/grantor) municipal ☐ Individual ☐ Corporation ☐ Partnership ☐ Other	Name *(if individual; last, first, middle initial)* County of Erie	Social security number
	Mailing address 95 Franklin Street, Buffalo, New York 14202 ZIP code	Federal employer identification number 16 6002558
Transferee/grantee) municipal ☐ Individual ☒ Corporation ☐ Partnership ☐ Other	Name *(if individual; last, first, middle initial)* City of Buffalo	Social security number
	Mailing address City Hall, Buffalo, New York 14202 ZIP code	Federal employer identification number 16 6002533

Location and description of property conveyed

Tax map designation			Address	City/Village	Town	County
Section	Block	Lot				
			Crossroads Arena	Buffalo		Erie

Type of property conveyed *(check applicable box)*

1 ☐ 1 - 3 family house
2 ☐ Residential cooperative
3 ☐ Residential condominium
4 ☐ Vacant land
5 ☐ Commercial/Industrial
6 ☐ Apartment building
7 ☐ Office building
8 ☒ Other sports arena

Date of conveyance: 5 (month) 10 (day) 95 (year)

Percentage of real property conveyed which is residential real property 0 % *(see instructions)*

Condition of conveyance *(check all that apply)*

- ☐ Conveyance of fee interest
- ☐ Acquisition of a controlling interest (state percentage acquired _____ %)
- ☐ Transfer of a controlling interest (state percentage transferred _____ %)
- ☐ Conveyance to cooperative housing corporation
- ☐ Conveyance pursuant to or in lieu of foreclosure or enforcement of security interest *(attach Form TP-584.1, Schedule E)*
- f. ☐ Conveyance which consists of a mere change of identity or form of ownership or organization *(attach Form TP-584.1, Schedule F)*
- g. ☐ Conveyance for which credit for tax previously paid will be claimed *(attach Form TP-584.1, Schedule G)*
- h. ☐ Conveyance of cooperative apartment(s)
- i. ☐ Syndication
- j. ☐ Conveyance of air rights or development rights
- k. ☐ Contract assignment
- l. ☐ Option assignment or surrender
- m. ☐ Leasehold assignment or surrender
- n. ☒ Leasehold grant
- o. ☐ Conveyance of an easement
- p. ☐ Conveyance for which exemption from transfer tax is claimed (complete Schedule C, Part III)
- q. ☐ Conveyance of property partly within and partly without the state
- r. ☐ Other *(describe)* _____

Schedule B - Real Property Transfer Gains Tax Affidavit (Article 31-B of the Tax Law)

☐ **Check this box if a *Tentative Assessment and Return* is being filed with respect to your current transfer, and proceed to Schedule C without completing the following affidavit. Also, enter the assessment number shown on the *Tentative Assessment*:** _____.

I (we) certify that: *(check appropriate box)*

☐ The transfer of real property consists of the execution of a contract to sell real property without the use or occupancy of such property or the granting of an option to purchase real property without the use or occupancy of such property.

☒ The transfer is a transfer of real property where the consideration is less than $500,000, and the transfer is neither (A) pursuant to a cooperative or condominium plan, nor (B) a partial or successive transfer (i.e., a transfer that is one of a series of transfers of contiguous or adjacent interests in real property e.g., subdivided parcels).

☐ The transfer is a transfer of real property by tenants in common, joint tenants or tenants by the entirety where the aggregate consideration is less than $500,000. (All such transferors must sign this form.)

☐ The conveyance is not a transfer of real property within the meaning of section 1440.7 of Article 31-B of the Tax Law. (Attach documents supporting such claim, and sign on back as required.)

☐ The transfer of real property consists of premises wholly occupied and used by the transferor **exclusively** as his residence, including a cooperative apartment or condominium occupied by the transferor exclusively as a residence. **(This exemption may only be claimed and attested to by a transferor that is an individual, estate or trust.)**

☐ Transferor is the state of New York, or any of its agencies, instrumentalities, political subdivisions, or public corporations, including a public corporation created pursuant to an agreement or compact with another state or Canada.

☐ Transferor is the United Nations or any other international organization of which the United States is a member, the United States of America or any of its agencies or instrumentalities.

Schedule C - Real Estate Transfer Tax Return (Article 31 of the Tax Law)

Part I - Computation of Tax Due

Enter amount of consideration for conveyance *(if you are claiming a total exemption from tax, enter consideration and proceed to Part III)*	1	1 00
Continuing lien deduction *(see instructions if property is taken subject to mortgage or lien)*	2	( )
Taxable consideration *(subtract line 2 from line 1)*	3	
Tax due: $2 for each $500, or fractional part thereof, of consideration on line 3	4	
Amount of credit claimed *(see instructions and attach Form TP-584.1, Schedule G)*	5	( )
Total tax due* *(subtract line 5 from line 4)*	6	

Part II - Computation of Additional Tax Due on the Conveyance of Residential Real Property for $1 Million or More

Enter amount of consideration for conveyance (from Part I, line 1)	1	
Taxable consideration *(multiply line 1 by the percentage of the premises which is residential real property; see instructions)*	2	
Total additional transfer tax due* *(1% of line 2)*	3	

Please make check(s) payable to the county clerk where the recording is to take place or if the recording is to take place in New York City, make check(s) payable to the ***NYC Department of Finance***. If no recording is required, send your check(s) made payable to the ***Department of Taxation and Finance***, directly to the NYS Tax Department, TTTB-Transfer Tax, P O Box 5045, Albany NY 12205-5045.

For recording officer's use	Amount received ▶	Part I $ / Part II $	Date received	Transaction number

Schedule C - (continued)

Part III - Explanation of Exemption Claimed in Part I, line 1 *(check any boxes that apply)*

The conveyance of real property is exempt from the real estate transfer tax for the following reason:

a. Conveyance is to the United Nations, the United States of America, the state of New York or any of their instrumentalities, agencies or political subdivisions (or any public corporation, including a public corporation created pursuant to agreement or compact with another state or Canada) ..... a ☐

b. Conveyance is to secure a debt or other obligation ..... b ☐

c. Conveyance is without additional consideration to confirm, correct, modify or supplement a prior conveyance ..... c ☐

d. Conveyance of real property is without consideration and not in connection with a sale, including conveyances conveying realty as bona fide gifts ..... d ☐

e. Conveyance is given in connection with a tax sale ..... e ☐

f. Conveyance is a mere change of identity or form of ownership or organization where there is no change in beneficial ownership. (This exemption cannot be claimed for a conveyance to a cooperative housing corporation of real property comprising the cooperative dwelling or dwellings.) ..... f ☐

g. Conveyance consists of deed of partition ..... g ☐

h. Conveyance is given pursuant to the federal bankruptcy act ..... h ☐

i. Conveyance consists of the execution of a contract to sell real property without the use or occupancy of such property or the granting of an option to purchase real property without the use or occupancy of such property ..... i ☐

j. Conveyance of an option or contract to purchase real property with the use or occupancy of such property where the consideration is less than $200,000 and such property was used solely by the grantor as his personal residence and consists of a 1-, 2-, or 3-family house, a residential individual condominium unit, or the sale of stock in a cooperative housing corporation in connection with the grant or transfer of a proprietary leasehold covering an individual residential cooperative unit ..... j ☐

k. Conveyance is not a conveyance within the meaning of section 1401(e) of Article 31 of the Tax Law *(attach documents supporting such claim)* ..... k ☐

l. Other *(attach explanation)* ..... l ☐

Schedule D - Credit Line Mortgage Certificate (Article 11 of the Tax Law)

Complete the following only if the interest being transferred is a fee simple interest.

I (we) certify that: *(check appropriate box)*

1 ☐ The real property being sold or transferred is not principally improved nor will it be improved by a one- to six-family owner-occupied residence or dwelling.

2 ☐ The real property being sold or transferred is not subject to an outstanding credit line mortgage.

3 ☐ The real property being sold or transferred is subject to an outstanding credit line mortgage. However, an exemption from the is claimed for the following reason.

- ☐ The transfer of real property is a transfer of a fee simple interest to a person or persons who held a fee simple interest the real property (whether as a joint tenant, a tenant in common or otherwise) immediately prior to the transfer.
- ☐ The transfer of real property is (A) to a person or persons related by blood, marriage or adoption to the original obligor to one or more of the original obligors or (B) to a person or entity where a majority of the beneficial interest in such rea property after the transfer is held by the transferor or such related person or persons.
- ☐ The transfer of real property is a transfer to a trustee in bankruptcy, a receiver, assignee or other officer of a court.
- ☐ Other (attach detailed explanation).

4 ☐ The real property being transferred is presently subject to an outstanding credit line mortgage. However, no tax is due for the following reason:

- ☐ A certificate of discharge of the credit line mortgage is being offered at the time of recording the deed.
- ☐ A check has been drawn payable for transmission to the credit line mortgagee or his agent for the balance due, and a satisfaction of such mortgage will be recorded as soon as it is available.

5 ☐ The real property being transferred is subject to an outstanding credit line mortgage on record at _____ (insert liber and page or reel or other identification of the mortgage). The maximum principal amount expressed in the mortg is _____. No exemption from tax is claimed and the tax of _____ is being paid herewith. *(Make check payable to county clerk where deed will be recorded or, if the recording is to take place in New York City, make check payable to the **NYC Department of Finance**.)*

Signature and Affirmation (both the transferor(s)/grantor(s) and transferee(s)/grantee(s) must sign).

The undersigned, being duly sworn, depose and say under penalty of perjury that the above return, including any affidavit, certificate schedule or attachment, has been examined by the undersigned, and is, to the best of his/her knowledge, true and complete and ma in good faith pursuant to Articles 11, 31 and 31-B of the New York State Tax Law.

COUNTY OF ERIE	County Executive	CITY OF BUFFALO	
Transferor/grantor	Title	Transferee/grantee	Title

Subscribed to and sworn before me
this 22nd day of May, 19 95.
Whitney K. Reed
State of New York
County of Erie

WHITNEY K. REED
Notary Public, State of New York
No. 01RE5002610
Qualified in Monroe County
Certificate Filed in Ontario County
Commission Expires Oct. 5, 19 96

Subscribed to and sworn before me
this 22 day of May, 19 95.
Joanne Cavalieri
JOANNE CAVALIERI
State of New York
County of Erie

Notary Public, State of New Y
Qualified in Erie County
My Commission Expires Jan. 31,

Reminder: Did you complete all of the required information in Schedules A and B? Were you required to complete Schedules C and D? If you checked e, f and g in Schedule A, did you complete TP-584.1? Have you attached your check(s) made payable to the county clerk or city register where recording will take place or, if the recording is in New York City, to the *NYC Department of Finance*? If no recording is required, send your check(s), made payable to the *Department of Taxation and Finance*, directly to the NYS Tax Department, TTTB-Transfer Tax, P O Box 5045, Albany NY 12205-0545.

TP-584 (8/94)

New York State Department of Taxation and Finance

Combined Real Property Transfer Gains Tax Affidavit Real Estate Transfer Tax Return Credit Line Mortgage Certificate

For department use only

See instructions (TP-584-I) before completing this form. Please print or type.

Schedule A - Information Relating to Conveyance

(Transferor/grantor) municipal	Name *(if individual; last, first, middle initial)*: City of Buffalo	Social security number
☐ Individual ☒ Corporation ☐ Partnership ☐ Other	Mailing address: City Hall, Buffalo, New York 14202 ZIP code	Federal employer identification number: 16 | 6002533
(Transferee/grantee) municipal	Name *(if individual; last, first, middle initial)*: County of Erie	Social security number
☐ Individual ☒ Corporation ☐ Partnership ☐ Other	Mailing address: 95 Franklin Street, Buffalo, New York 14202 ZIP code	Federal employer identification number: 16 | 6002558

Location and description of property conveyed

Tax map designation			Address	City/Village	Town	County
Section	Block	Lot				
			Crossroads Arena	Buffalo		Erie

Type of property conveyed *(check applicable box)*

1 ☐ 1 - 3 family house
2 ☐ Residential cooperative
3 ☐ Residential condominium
4 ☐ Vacant land
5 ☐ Commercial/Industrial
6 ☐ Apartment building
7 ☐ Office building
8 ☒ Other sports arena

Date of conveyance: 5 (month) \| 10 (day) \| 95 (year)

Percentage of real property conveyed which is residential real property 0 % *(see instructions)*

Condition of conveyance *(check all that apply)*

a. ☐ Conveyance of fee interest
b. ☐ Acquisition of a controlling interest (state percentage acquired _____ %)
c. ☐ Transfer of a controlling interest (state percentage transferred _____ %)
d. ☐ Conveyance to cooperative housing corporation
e. ☐ Conveyance pursuant to or in lieu of foreclosure or enforcement of security interest *(attach Form TP-584.1, Schedule E)*
f. ☐ Conveyance which consists of a mere change of identity or form of ownership or organization *(attach Form TP-584.1, Schedule F)*
g. ☐ Conveyance for which credit for tax previously paid will be claimed *(attach Form TP-584.1, Schedule G)*
h. ☐ Conveyance of cooperative apartment(s)
i. ☐ Syndication
j. ☐ Conveyance of air rights or development rights
k. ☐ Contract assignment
l. ☐ Option assignment or surrender
m. ☐ Leasehold assignment or surrender
n. ☒ Leasehold grant
o. ☐ Conveyance of an easement
p. ☐ Conveyance for which exemption from transfer tax is claimed (complete Schedule C, Part III)
q. ☐ Conveyance of property partly within and partly without the state
r. ☐ Other *(describe)* _____

Schedule B - Real Property Transfer Gains Tax Affidavit (Article 31-B of the Tax Law)

☐ **Check this box if a *Tentative Assessment and Return* is being filed with respect to your current transfer, and proceed to Schedule C without completing the following affidavit. Also, enter the assessment number shown on the *Tentative Assessment*:** _____.

(we) certify that: *(check appropriate box)*

☐ The transfer of real property consists of the execution of a contract to sell real property without the use or occupancy of such property or the granting of an option to purchase real property without the use or occupancy of such property.

☒ The transfer is a transfer of real property where the consideration is less than $500,000, and the transfer is neither (A) pursuant to a cooperative or condominium plan, nor (B) a partial or successive transfer (i.e., a transfer that is one of a series of transfers of contiguous or adjacent interests in real property e.g., subdivided parcels).

☐ The transfer is a transfer of real property by tenants in common, joint tenants or tenants by the entirety where the aggregate consideration is less than $500,000. (All such transferors must sign this form.)

☐ The conveyance is not a transfer of real property within the meaning of section 1440.7 of Article 31-B of the Tax Law. (Attach documents supporting such claim, and sign on back as required.)

☐ The transfer of real property consists of premises wholly occupied and used by the transferor **exclusively** as his residence, including a cooperative apartment or condominium occupied by the transferor exclusively as a residence. **(This exemption may only be claimed and attested to by a transferor that is an individual, estate or trust.)**

☐ Transferor is the state of New York, or any of its agencies, instrumentalities, political subdivisions, or public corporations, including a public corporation created pursuant to an agreement or compact with another state or Canada.

☐ Transferor is the United Nations or any other international organization of which the United States is a member, the United States of America or any of its agencies or instrumentalities.

Schedule C - Real Estate Transfer Tax Return (Article 31 of the Tax Law)

Part I - Computation of Tax Due

Enter amount of consideration for conveyance *(if you are claiming a total exemption from tax, enter consideration and proceed to Part III)*	1	1 00
2 Continuing lien deduction *(see instructions if property is taken subject to mortgage or lien)*	2	( )
3 Taxable consideration *(subtract line 2 from line 1)*	3	
4 Tax due: $2 for each $500, or fractional part thereof, of consideration on line 3	4	
5 Amount of credit claimed *(see instructions and attach Form TP-584.1, Schedule G)*	5	( )
6 Total tax due* *(subtract line 5 from line 4)*	6	

Part II - Computation of Additional Tax Due on the Conveyance of Residential Real Property for $1 Million or More

1 Enter amount of consideration for conveyance (from Part I, line 1)	1	
2 Taxable consideration *(multiply line 1 by the percentage of the premises which is residential real property; see instructions)*	2	
3 Total additional transfer tax due* *(1% of line 2)*	3	

*Please make check(s) payable to the county clerk where the recording is to take place or if the recording is to take place in New York City, make check(s) payable to the ***NYC Department of Finance***. If no recording is required, send your check(s) made payable to the ***Department of Taxation and Finance***, directly to the NYS Tax Department, TTTB-Transfer Tax, P O Box 5045, Albany NY 12205-5045.

For recording officer's use	Amount received ▶	Part I $ / Part II $	Date received	Transaction number

Schedule C - (continued)

Part III - Explanation of Exemption Claimed in Part I, line 1 *(check any boxes that apply)*

The conveyance of real property is exempt from the real estate transfer tax for the following reason:

a. Conveyance is to the United Nations, the United States of America, the state of New York or any of their instrumentalities, agencies or political subdivisions (or any public corporation, including a public corporation created pursuant to agreement or compact with another state or Canada) ..... a ☐

b. Conveyance is to secure a debt or other obligation ..... b ☐

c. Conveyance is without additional consideration to confirm, correct, modify or supplement a prior conveyance ..... c ☐

d. Conveyance of real property is without consideration and not in connection with a sale, including conveyances conveying realty as bona fide gifts ..... d ☐

e. Conveyance is given in connection with a tax sale ..... e ☐

f. Conveyance is a mere change of identity or form of ownership or organization where there is no change in beneficial ownership. (This exemption cannot be claimed for a conveyance to a cooperative housing corporation of real property comprising the cooperative dwelling or dwellings.) ..... f ☐

g. Conveyance consists of deed of partition ..... g ☐

h. Conveyance is given pursuant to the federal bankruptcy act ..... h ☐

i. Conveyance consists of the execution of a contract to sell real property without the use or occupancy of such property or the granting of an option to purchase real property without the use or occupancy of such property ..... i ☐

j. Conveyance of an option or contract to purchase real property with the use or occupancy of such property where the consideration is less than $200,000 and such property was used solely by the grantor as his personal residence and consists of a 1-, 2-, or 3-family house, a residential individual condominium unit, or the sale of stock in a cooperative housing corporation in connection with the grant or transfer of a proprietary leasehold covering an individual residential cooperative unit ..... j ☐

k. Conveyance is not a conveyance within the meaning of section 1401(e) of Article 31 of the Tax Law *(attach documents supporting such claim)* ..... k ☐

l. Other *(attach explanation)* ..... l ☐

Schedule D - Credit Line Mortgage Certificate (Article 11 of the Tax Law)

Complete the following only if the interest being transferred is a fee simple interest.

I (we) certify that: *(check appropriate box)*

1 ☐ The real property being sold or transferred is not principally improved nor will it be improved by a one- to six-family owner-occupied residence or dwelling.

2 ☐ The real property being sold or transferred is not subject to an outstanding credit line mortgage.

3 ☐ The real property being sold or transferred is subject to an outstanding credit line mortgage. However, an exemption from th is claimed for the following reason.

☐ The transfer of real property is a transfer of a fee simple interest to a person or persons who held a fee simple interes the real property (whether as a joint tenant, a tenant in common or otherwise) immediately prior to the transfer.

☐ The transfer of real property is (A) to a person or persons related by blood, marriage or adoption to the original obligo to one or more of the original obligors or (B) to a person or entity where a majority of the beneficial interest in such re property after the transfer is held by the transferor or such related person or persons.

☐ The transfer of real property is a transfer to a trustee in bankruptcy, a receiver, assignee or other officer of a court.

☐ Other (attach detailed explanation).

4 ☐ The real property being transferred is presently subject to an outstanding credit line mortgage. However, no tax is due for tl following reason:

☐ A certificate of discharge of the credit line mortgage is being offered at the time of recording the deed.

☐ A check has been drawn payable for transmission to the credit line mortgagee or his agent for the balance due, and satisfaction of such mortgage will be recorded as soon as it is available.

5 ☐ The real property being transferred is subject to an outstanding credit line mortgage on record at _____ (insert liber and page or reel or other identification of the mortgage). The maximum principal amount expressed in the mor is _____. No exemption from tax is claimed and the tax of _____ is being paid herewith. *(Make check payable to county clerk where deed will be recorded or, if the recording is to take place New York City, make check payable to the NYC Department of Finance.)*

Signature and Affirmation (both the transferor(s)/grantor(s) and transferee(s)/grantee(s) must sign

The undersigned, being duly sworn, depose and say under penalty of perjury that the above return, including any affidavit, certifica schedule or attachment, has been examined by the undersigned, and is, to the best of his/her knowledge, true and complete and n in good faith pursuant to Articles 11, 31 and 31-B of the New York State Tax Law.

CITY OF BUFFALO — Transferor/grantor — Title

COUNTY OF ERIE — Transferee/grantee — County Executive — Title

Subscribed to and sworn before me this 22 day of May, 19 95.

Joanne Cavalieri

State of New York — County of Erie

JOANNE CAVALIERI
Notary Public, State of New York
Qualified in Erie County
My Commission Expires Jan. 31, 1997

Subscribed to and sworn before me this 22nd day of May, 19 95.

Whitney K. Reed

State of New York — County of Erie

WHITNEY K. REED
Notary Public, State of New York
No. 01RE5002610
Qualified in Monroe County
Certificate Filed in Ontario County
Commission Expires Oct. 5, 19 14

Reminder: Did you complete all of the required information in Schedules A and B? Were you required to complete Schedules C and D? If you checked e, f and g in Schedule A, did you complete TP-584.1? Have you attached your check(s) made payable to the cou clerk or city register where recording will take place or, if the recording is in New York City, to the *NYC Department of Finance*? no recording is required, send your check(s), made payable to the *Department of Taxation and Finance*, directly to the NYS Tax Department, TTTB-Transfer Tax, P O Box 5045, Albany NY 12205-0545.

TP-584 (8/94)

New York State Department of Taxation and Finance

Combined Real Property Transfer Gains Tax Affidavit Real Estate Transfer Tax Return Credit Line Mortgage Certificate

For department use only

See instructions (TP-584-I) before completing this form. Please print or type.

Schedule A - Information Relating to Conveyance

(Transferor/grantor) ☐Individual ☐Corporation ☐Partnership ☒Other	Name *(if individual; last, first, middle initial)* CROSSROADS ARENA LLC	Social security number
	Mailing address ZIP code 140 Main Street, Buffalo, NY 14202	Federal employer identification number 16- 1470264
(Transferee/grantee) ☐Individual ☐Corporation ☐Partnership ☒Other	Name *(if individual; last, first, middle initial)* NIAGARA FRONTIER HOCKEY LP	Social security number
	Mailing address ZIP code 140 Main Street, Buffalo, NY 14202	Federal employer identification number 16- 1319289

Location and description of property conveyed

Tax map designation			Address	City/Village	Town	County
Section	Block	Lot				
SEE SCHEDULE "A"			SEE SCHEDULE "A"	Buffalo		Erie

Type of property conveyed *(check applicable box)*

1 ☐ 1 - 3 family house
2 ☐ Residential cooperative
3 ☐ Residential condominium
4 ☐ Vacant land
5 ☒ Commercial/Industrial
6 ☐ Apartment building
7 ☐ Office building
8 ☒ Other Sports Arena

Date of conveyance: 5 (month) / (day) / 95 (year)

Percentage of real property conveyed which is residential real property zero % *(see instructions)*

Condition of conveyance *(check all that apply)*

a. ☐ Conveyance of fee interest
b. ☐ Acquisition of a controlling interest (state *percentage acquired* _____ %)
c. ☐ Transfer of a controlling interest (state percentage transferred _____ %)
d. ☐ Conveyance to cooperative housing corporation
e. ☐ Conveyance pursuant to or in lieu of foreclosure or enforcement of security interest *(attach Form TP-584.1, Schedule E)*
f. ☐ Conveyance which consists of a mere change of identity or form of ownership or organization *(attach Form TP-584.1, Schedule F)*
g. ☐ Conveyance for which credit for tax previously paid will be claimed *(attach Form TP-584.1, Schedule G)*
h. ☐ Conveyance of cooperative apartment(s)
i. ☐ Syndication
j. ☐ Conveyance of air rights or development rights
k. ☐ Contract assignment
l. ☐ Option assignment or surrender
m. ☒ Leasehold assignment or surrender
n. ☐ Leasehold grant
o. ☐ Conveyance of an easement
p. ☐ Conveyance for which exemption from transfer tax is claimed (complete Schedule C, Part III)
q. ☐ Conveyance of property partly within and partly without the state
r. ☐ Other *(describe)* _____

Schedule B - Real Property Transfer Gains Tax Affidavit (Article 31-B of the Tax Law)

☐ **Check this box if a *Tentative Assessment and Return* is being filed with respect to your current transfer, and proceed to Schedule C without completing the following affidavit. Also, enter the assessment number shown on the *Tentative Assessment*:** _____.

I (we) certify that: *(check appropriate box)*

1 ☐ The transfer of real property consists of the execution of a contract to sell real property without the use or occupancy of such property or the granting of an option to purchase real property without the use or occupancy of such property.

2 ☐ The transfer is a transfer of real property where the consideration is less than $500,000, and the transfer is neither (A) pursuant to a cooperative or condominium plan, nor (B) a partial or successive transfer (i.e., a transfer that is one of a series of transfers of contiguous or adjacent interests in real property e.g., subdivided parcels).

3 ☐ The transfer is a transfer of real property by tenants in common, joint tenants or tenants by the entirety where the aggregate consideration is less than $500,000. (All such transferors must sign this form.)

4 ☒ The conveyance is not a transfer of real property within the meaning of section 1440.7 of Article 31-B of the Tax Law. (Attach documents supporting such claim, and sign on back as required.)

5 ☐ The transfer of real property consists of premises wholly occupied and used by the transferor **exclusively** as his residence, including a cooperative apartment or condominium occupied by the transferor exclusively as a residence. **(This exemption may only be claimed and attested to by a transferor that is an individual, estate or trust.)**

6 ☐ Transferor is the state of New York, or any of its agencies, instrumentalities, political subdivisions, or public corporations, including a public corporation created pursuant to an agreement or compact with another state or Canada.

7 ☐ Transferor is the United Nations or any other international organization of which the United States is a member, the United States of America or any of its agencies or instrumentalities.

Schedule C - Real Estate Transfer Tax Return (Article 31 of the Tax Law)

Part I - Computation of Tax Due

Enter amount of consideration for conveyance *(if you are claiming a total exemption from tax, enter consideration and proceed to Part III)*	1	0
Continuing lien deduction *(see instructions if property is taken subject to mortgage or lien)*	2	
Taxable consideration *(subtract line 2 from line 1)*	3	
Tax due: $2 for each $500, or fractional part thereof, of consideration on line 3	4	
Amount of credit claimed *(see instructions and attach Form TP-584.1, Schedule G)*	5	
Total tax due* *(subtract line 5 from line 4)*	6	

Part II - Computation of Additional Tax Due on the Conveyance of Residential Real Property for $1 Million or More

Enter amount of consideration for conveyance (from Part I, line 1)	1	
Taxable consideration *(multiply line 1 by the percentage of the premises which is residential real property; see instructions)*	2	
Total additional transfer tax due* *(1% of line 2)*	3	

Please make check(s) payable to the county clerk where the recording is to take place or if the recording is to take place in New York City, make check(s) payable to the ***NYC Department of Finance***. If no recording is required, send your check(s) made payable to the ***Department of Taxation and Finance***, directly to the NYS Tax Department, TTTB-Transfer Tax, P O Box 5045, Albany NY 12205-5045.

For recording officer's use	Amount received ▶	Date received	Transaction number
	Part I $ Part II $		

Schedule C - (continued)

Part III - Explanation of Exemption Claimed in Part I, line 1 *(check any boxes that apply)*

The conveyance of real property is exempt from the real estate transfer tax for the following reason:

a. Conveyance is to the United Nations, the United States of America, the state of New York or any of their instrumentalities, agencies or political subdivisions (or any public corporation, including a public corporation created pursuant to agreement or compact with another state or Canada) ..... a

b. Conveyance is to secure a debt or other obligation ..... b

c. Conveyance is without additional consideration to confirm, correct, modify or supplement a prior conveyance c

d. Conveyance of real property is without consideration and not in connection with a sale, including conveyances conveying realty as bona fide gifts ..... d

e. Conveyance is given in connection with a tax sale ..... e

f. Conveyance is a mere change of identity or form of ownership or organization where there is no change in beneficial ownership. (This exemption cannot be claimed for a conveyance to a cooperative housing corporation of real property comprising the cooperative dwelling or dwellings.) ..... f

g. Conveyance consists of deed of partition ..... g

h. Conveyance is given pursuant to the federal bankruptcy act ..... h

i. Conveyance consists of the execution of a contract to sell real property without the use or occupancy of such property or the granting of an option to purchase real property without the use or occupancy of such property i

j. Conveyance of an option or contract to purchase real property with the use or occupancy of such property where the consideration is less than $200,000 and such property was used solely by the grantor as his personal residence and consists of a 1-, 2-, or 3-family house, a residential individual condominium unit, or the sale of stock in a cooperative housing corporation in connection with the grant or transfer of a proprietary leasehold covering an individual residential cooperative unit ..... j

k. Conveyance is not a conveyance within the meaning of section 1401(e) of Article 31 of the Tax Law *(attach documents supporting such claim)* ..... k

l. Other *(attach explanation)* l

Schedule D - Credit Line Mortgage Certificate (Article 11 of the Tax Law)

Complete the following only if the interest being transferred is a fee simple interest.

I (we) certify that: *(check appropriate box)*

1 ☒ The real property being sold or transferred is not principally improved nor will it be improved by a one- to six-family owner-occupied residence or dwelling.

2 ☒ The real property being sold or transferred is not subject to an outstanding credit line mortgage.

3 ☐ The real property being sold or transferred is subject to an outstanding credit line mortgage. However, an exemption from is claimed for the following reason.

- ☐ The transfer of real property is a transfer of a fee simple interest to a person or persons who held a fee simple inter the real property (whether as a joint tenant, a tenant in common or otherwise) immediately prior to the transfer.
- ☐ The transfer of real property is (A) to a person or persons related by blood, marriage or adoption to the original oblig to one or more of the original obligors or (B) to a person or entity where a majority of the beneficial interest in such property after the transfer is held by the transferor or such related person or persons.
- ☐ The transfer of real property is a transfer to a trustee in bankruptcy, a receiver, assignee or other officer of a court.
- ☐ Other (attach detailed explanation).

4 ☐ The real property being transferred is presently subject to an outstanding credit line mortgage. However, no tax is due for following reason:

- ☐ A certificate of discharge of the credit line mortgage is being offered at the time of recording the deed.
- ☐ A check has been drawn payable for transmission to the credit line mortgagee or his agent for the balance due, and satisfaction of such mortgage will be recorded as soon as it is available.

5 ☐ The real property being transferred is subject to an outstanding credit line mortgage on record at _____ (insert liber and page or reel or other identification of the mortgage). The maximum principal amount expressed in the mo is _____. No exemption from tax is claimed and the tax of _____ being paid herewith. *(Make check payable to county clerk where deed will be recorded or, if the recording is to take place New York City, make check payable to the* ***NYC Department of Finance.****)*

Signature and Affirmation (both the transferor(s)/grantor(s) and transferee(s)/grantee(s) must sig

The undersigned, being duly sworn, depose and say under penalty of perjury that the above return, including any affidavit, certific schedule or attachment, has been examined by the undersigned, and is, to the best of his/her knowledge, true and complete and in good faith pursuant to Articles 11, 31 and 31-B of the New York State Tax Law.

Transferor/grantor	Title	Transferee/grantee	Title
CROSSROADS ARENA LLC BY ARENA, INC.	Executive Vice Pres	NIAGARA FRONTIER HOCKEY, L.P. BY NIAGARA FRONTIER HOCKEY M	
By:		MENT CORP. By:	VP Finan

Subscribed to and sworn before me this 1st day of June, 19 95.

Helen A Drew

State of New York
County of Erie

HELEN A DREW
Notary Public, State of New York
Qualified in Erie County
Commission Expires Mar 21, 96

Subscribed to and sworn before me this 1st day of June, 19 95

State of New York
County of Erie

JANET M. NOWAKOWSKI
Notary Public, State of New York
Qualified in Erie County
My Commission Expires October 31,

Reminder: Did you complete all of the required information in Schedules A and B? Were you required to complete Schedules C and D? If you checked e, f and g in Schedule A, did you complete TP-584.1? Have you attached your check(s) made payable to the cou clerk or city register where recording will take place or, if the recording is in New York City, to the *NYC Department of Finance*? no recording is required, send your check(s), made payable to the *Department of Taxation and Finance*, directly to the NYS Tax Department, TTTB-Transfer Tax, P O Box 5045, Albany NY 12205-0545.

SCHEDULE "A"

(Main)

Tax Map Designation	Address
111.17-13-1.1	24 Washington
122.05-2-1	65 Washington
122.05-2-2.1	65 Washington
122.05-2-4	35 Washington
122.05-2-5	27 Washington
122.05-2-6	25 Washington
122.05-2-7	16 Indiana
122.05-2-8	18 South Park
122.05-2-9	49 Washington
122.05-2-10	33 Perry
122.05-3-1	51 Perry
122.05-3-2	34 Illinois
122.05-3-3	72-76 South Park
122.05-3-4	70 South Park
122.05-3-5	68 South Park
122.05-3-6	66 South Park
122.05-3-7	62 South Park
122.05-3-8	72 Indiana
122.05-5-1	25 Mississippi
122.05-6-1	125 Perry
122.05-6-2.1	15 Main

TP-584 (6/89)

New York State Department of Taxation and Finance

New York State

Combined Real Property Transfer Gains Tax Affidavit Real Estate Transfer Tax Return Credit Line Mortgage Certificate

For department use only

See instructions (TP-584-I) before completing this form. Please print or type.

Schedule A - Information Relating to Conveyance

	Name (If individual; last, first, middle initial)	Social security number
(Transferor/grantor)	Erie County Industrial Development Agency	
☐Individual ☐Corporation ☐Partnership ☒Other	Mailing address: Suite 300, Liberty Bldg., Buffalo, NY 14202 ZIP code	Federal employer identification number: 16 1090858
(Transferee/grantee)	Name (If individual; last, first, middle initial): Crossroads Arena LLC	Social security number
☐Individual ☐Corporation ☐Partnership ☒Other	Mailing address: 140 Main Street, Buffalo, NY 14202 ZIP code	Federal employer identification number: 16 1470264

Location and description of property conveyed

Tax map designation	Address	City/Village	Town	County
see attached	Schedule 1	Buffalo		Erie

Type of property conveyed (Check applicable box)

1 ☐ 1 - 3 family house
2 ☐ Residential cooperative
3 ☐ Residential condominium
4 ☐ Vacant land
5 ☐ Commercial/Industrial
6 ☐ Apartment building
7 ☐ Office building
8 ☒ Other Sports arena

Date of conveyance: 06 (month) 02 (day) 95 (year)

Percentage of real property conveyed which is residential real property 0 % *(see instructions)*

Condition of conveyance (Check all that apply)

a. ☐ Conveyance of fee interest
b. ☐ Acquisition of a controlling interest (state percentage acquired _____ %)
c. ☐ Transfer of a controlling interest (state percentage transferred _____ %)
d. ☐ Conveyance to cooperative housing corporation
e. ☐ Conveyance pursuant to or in lieu of foreclosure *(Attach Form TP-584.1, Schedule E)*
f. ☐ Conveyance which consists of a mere change of identity or form of ownership or organization *(Attach Form TP-584.1, Schedule F)*
g. ☐ Conveyance for which credit for tax previously paid will be claimed *(Attach Form TP-584.1, Schedule G)*
h. ☐ Conveyance of cooperative apartment(s)
i. ☐ Syndication
j. ☐ Conveyance of air rights or development rights
k. ☐ Contract assignment
l. ☐ Option assignment or surrender
m. ☐ Leasehold assignment or surrender
n. ☒ Leasehold grant
o. ☐ Conveyance of an easement
p. ☐ Conveyance for which exemption from transfer tax is claimed. (Complete Schedule C, Part III)
q. ☐ Conveyance of property partly within and partly without the state
r. ☐ Other *(Describe)* _____

Schedule B - Real Property Transfer Gains Tax Affidavit (Article 31-B of the Tax Law)

☐ **Check this box if a Tentative Assessment and Return is being filed with respect to your current transfer, and proceed to Schedule C without completing the following affidavit. Also, enter the assessment number shown on the Tentative Assessment:** _____.

I (we) certify that: *(check appropriate box)*

1 ☐ The transfer of real property consists of the execution of a contract to sell real property without the use or occupancy of such property or the granting of an option to purchase real property without the use or occupancy of such property.

2 ☐ The transfer is a transfer of real property where the consideration is less than $500,000 and which is neither (A) pursuant to a cooperative or condominium plan, nor (B) a partial or successive transfer pursuant to an agreement or plan to effectuate by partial or successive transfers a transfer which would otherwise be included in the coverage of Article 31-B of the Tax Law.

3 ☐ The transfer is a transfer of real property by tenants in common, joint tenants or tenants by the entirety where the aggregate consideration is less than $500,000. (All such transferors must sign this form.)

4 ☐ The conveyance is not a transfer of real property within the meaning of section 1440.7 of Article 31-B of the Tax Law. (Attach documents supporting such claim, and sign on back as required.)

5 ☐ The transfer of real property consists of premises wholly occupied and used by the transferor **exclusively** as his residence, including a cooperative apartment or condominium occupied by the transferor exclusively as a residence. **(This exemption may only be claimed and attested to by a transferor that is an individual, estate or trust.)**

6 ☒ The governmental entity (transferor) is the State of New York, or any of its agencies, instrumentalities, political subdivisions, or public corporations, including a public corporation created pursuant to an agreement or compact with another state or Canada.

7 ☐ The governmental entity (transferor) is the United Nations or any other international organization of which the United States is a member, the United States of America or any of its agencies or instrumentalities.

Schedule C - Real Estate Transfer Tax Return (Article 31 of the Tax Law)

Part I - Computation of Tax Due

1	Enter amount of consideration for conveyance. *(If you are claiming a total exemption from tax, enter consideration and proceed to Part III)*	1	0 00
2	Continuing lien deduction *(See instructions if property is taken subject to mortgage or lien)*	2	(0 00)
3	Taxable consideration *(Subtract line 2 from line 1)*	3	0 00
4	Tax due: $2 for each $500, or fractional part thereof, of consideration on line 3	4	0 00
5	Amount of credit claimed *(See instructions and attach Form TP-584.1, Schedule G)*	5	(0 00)
6	Total tax due* *(Subtract line 5 from line 4)*	6	0 00

Part II - Computation of Additional Tax Due on the Conveyance of Residential Real Property for $1 Million or More

1	Enter amount of consideration for conveyance (same as amount in Part I, line 1)	1	0 00
2	Taxable consideration *(Multiply line 1 by the percentage of the premises which is residential real property) (see instructions)*	2	0 00
3	Total additional transfer tax due* *(1% of line 2)*	3	0 00

*Please make check(s) payable to the county clerk or city register where the recording is to take place or the Department of Taxation and Finance if payment is being made directly to the Tax Department.

For recording officer's use	Amount received ▶ Part I $ / Part II $	Date received	Transaction number

Schedule C - (continued)

Part III - Explanation of Exemption Claimed in Part I, line 1. *(check any boxes that apply)*

The conveyance of real property is exempt from the real estate transfer tax for the following reason:

a. Conveyance is to the United Nations, the United States of America, the State of New York or any of their instrumentalities, agencies or political subdivisions (or any public corporation, including a public corporation created pursuant to agreement or compact with another state or Canada) ..... a ☐

b. Conveyance is to secure a debt or other obligation ..... b ☐

c. Conveyance is without additional consideration to confirm, correct, modify or supplement a prior conveyance ..... c ☐

d. Conveyance of real property without consideration and otherwise than in connection with a sale, including conveyances conveying realty as bona fide gifts ..... d ☐

e. Conveyance is given in connection with a tax sale ..... e ☐

f. Conveyance is a mere change of identity or form of ownership or organization where there is no change in beneficial ownership. (This exemption cannot be claimed for a conveyance to a cooperative housing corporation of real property comprising the cooperative dwelling or dwellings.) ..... f ☐

g. Conveyance consists of deed of partition ..... g ☐

h. Conveyance is given pursuant to the federal bankruptcy act ..... h ☐

i. Conveyance consists of the execution of a contract to sell real property without the use or occupancy of such property or the granting of an option to purchase real property without the use or occupancy of such property ..... i ☐

j. Conveyance of an option or contract to purchase real property with the use or occupancy of such property where the consideration is less than $200,000 and such property was used solely by the grantor as his personal residence and consists of a 1, 2, or 3 family house, a residential individual condominium unit, or the sale of stock in a cooperative housing corporation in connection with the grant or transfer of a proprietary leasehold covering an individual residential cooperative unit ..... j ☐

k. Other *(attach explanation)* ... Transferor is an Industrial Development Agency ..... k ☒

Schedule D - Credit Line Mortgage Certificate (Article 11 of the Tax Law)

Complete the following only if the interest being transferred is a fee simple interest.

I (we) certify that: *(Check appropriate box)*

1 ☐ The real property being sold or transferred is not principally improved nor will it be improved by a one-to six-family owner-occupied residence or dwelling.

2 ☒ The real property being sold or transferred is not subject to an outstanding credit line mortgage.

3 ☐ The real property being sold or transferred is subject to an outstanding credit line mortgage. However, an exemption from the tax is claimed for the following reason:

- ☐ The transfer of real property is a transfer of a fee simple interest to a person or persons who held a fee simple interest in the real property (whether as a joint tenant, a tenant in common or otherwise) immediately prior to the transfer;
- ☐ The transfer of real property is (A) to a person or persons related by blood, marriage or adoption to the original obligor or to one or more of the original obligors or (B) to a person or entity where a majority of the beneficial interest in such real property after the transfer is held by the transferor or such related person or persons;
- ☐ The transfer of real property is a transfer to a trustee in bankruptcy, a receiver, assignee or other officer of a court;
- ☐ Other (attach detailed explanation).

4 ☐ The real property being transferred is presently subject to an outstanding credit line mortgage, however, no tax is due for the following reason:

- ☐ A certificate of discharge of the credit line mortgage is being offered at the time of recording the deed; or
- ☐ A check has been drawn payable for transmission to the credit line mortgagee or his agent for the balance due and a satisfaction of such mortgage will be recorded as soon as it is available.

5 ☐ The real property being transferred is subject to an outstanding credit line mortgage on record at _____ (insert liber and page or reel or other identification of the mortgage). The maximum principal amount expressed in the mortgage is _____. No exemption from tax is claimed and the tax of _____ is being paid herewith. *(Make check payable to county clerk or city register where deed will be recorded.)*

Signature and Affirmation (Both the transferor(s)/grantor(s) and transferee(s)/grantee(s) must sign).

The undersigned, being duly sworn, depose and say under penalty of perjury that the above return, including any affidavit, certification, schedule or attachment, has been examined by the undersigned, and is, to the best of his/her knowledge, true and complete and made in good faith pursuant to Articles 11, 31 and 31-B of the New York State Tax Law.

Transferor/grantor	Title	Transferee/grantee	Title
Erie County Industrial Development Agency By: [signature] Ronald W. Coan	Executive Director	Crossroads Arena LLC By: [signature] Lawrence Quinn	

Subscribed to and sworn before me
this 23rd day of May, 19 95.
[signature]
TIMOTHY J. QUINLIVAN, 02QU4991909
Notary Public, State of New York
Qualified in Erie County
My Commission Expires February 10, 1996
State of NY
County of Erie

Subscribed to and sworn before me
this 30th day of May, 19 95.
[signature]
DIANE W. CAPICOTTO
Notary Public, State of New York
Qualified in Niagara County
My Commission Expires May 31, 1995
State of NY
County of Erie

Reminder: Did you complete all of the required information in Schedules A and B? Were you required to complete Schedules C and D? If you checked e, f and g in Schedule A, did you complete TP-584.1? Have you attached your check(s) made payable to the county clerk or city register where recording will take place or the Department of Taxation and Finance if payment is being made directly to the Tax Department?

Schedule 1

To Schedule A of TP-584

Tax Map Designation	Address
111.17-13-1.1	Between Main and Washington Streets
122.05-2-2	Between Washington and Indiana Streets
122.05-2-10	Between Washington and Indiana Streets
122.05-2-9	Between Washington and Indiana Streets
122.05-2-2.1	Between Washington and Indiana Streets
122.05-2-4	Between Washington and Indiana Streets
122.05-2-5	Between Washington and Indiana Streets
122.05-2-6	Between Washington and Indiana Streets
122.05-2-7	Between Washington and Indiana Streets
122.05-2-8	Between Washington and Indiana Streets
122.05-3-1	Between Indiana and Illinois Streets
122.05-3-2	Between Indiana and Illinois Streets
122.05-3-3	Between Indiana and Illinois Streets
122.05-3-4	Between Indiana and Illinois Streets
122.05-3-5	Between Indiana and Illinois Streets
122.05-3-6	Between Indiana and Illinois Streets
122.05-3-7	Between Indiana and Illinois Streets
122.05-3-8	Between Indiana and Illinois Streets
122.05-5-1	25 Mississippi
122.05-6-1	125 Perry
122.05-6-2.2	188 South Park

TP-584 (8/94)

New York State Department of Taxation and Finance

Combined Real Property Transfer Gains Tax Affidavit Real Estate Transfer Tax Return Credit Line Mortgage Certificate

For department use only

See instructions (TP-584-I) before completing this form. Please print or type.

Schedule A - Information Relating to Conveyance

(Transferor/grantor) municipal ☐ Individual ☒ Corporation ☐ Partnership ☐ Other	Name *(if individual; last, first, middle initial)* County of Erie Mailing address ZIP code 95 Franklin Street, Buffalo, New York 14202	Social security number Federal employer identification number 16 | 6002558
(Transferee/grantee) public benefit ☐ Individual ☒ Corporation ☐ Partnership ☐ Other	Name *(if individual; last, first, middle initial)* Erie County Industrial Development Agency Mailing address ZIP code 424 Main Street, Suite 300, Buffalo, New York 14202	Social security number Federal employer identification number 16 | 1090858

Location and description of property conveyed

Tax map designation			Address	City/Village	Town	County
Section	Block	Lot				
			Crossroads Arena	Buffalo		Erie

Type of property conveyed *(check applicable box)*

1 ☐ 1 - 3 family house
2 ☐ Residential cooperative
3 ☐ Residential condominium
4 ☐ Vacant land
5 ☐ Commercial/Industrial
6 ☐ Apartment building
7 ☐ Office building
8 ☒ Other sports arena

Date of conveyance: 5 (month) \| 10 (day) \| 95 (year)

Percentage of real property conveyed which is residential real property 0 % *(see instructions)*

Condition of conveyance *(check all that apply)*

a. ☐ Conveyance of fee interest
b. ☐ Acquisition of a controlling interest (state percentage acquired _____ %)
c. ☐ Transfer of a controlling interest (state percentage transferred _____ %)
d. ☐ Conveyance to cooperative housing corporation
e. ☐ Conveyance pursuant to or in lieu of foreclosure or enforcement of security interest *(attach Form TP-584.1, Schedule E)*
f. ☐ Conveyance which consists of a mere change of identity or form of ownership or organization *(attach Form TP-584.1, Schedule F)*
g. ☐ Conveyance for which credit for tax previously paid will be claimed *(attach Form TP-584.1, Schedule G)*
h. ☐ Conveyance of cooperative apartment(s)
i. ☐ Syndication
j. ☐ Conveyance of air rights or development rights
k. ☐ Contract assignment
l. ☐ Option assignment or surrender
m. ☐ Leasehold assignment or surrender
n. ☒ Leasehold grant
o. ☐ Conveyance of an easement
p. ☐ Conveyance for which exemption from transfer tax is claimed (complete Schedule C, Part III)
q. ☐ Conveyance of property partly within and partly without the state
r. ☐ Other *(describe)* _____

Schedule B - Real Property Transfer Gains Tax Affidavit (Article 31-B of the Tax Law)

☐ **Check this box if a *Tentative Assessment and Return* is being filed with respect to your current transfer, and proceed to Schedule C without completing the following affidavit. Also, enter the assessment number shown on the *Tentative Assessment*:** _____.

I (we) certify that: *(check appropriate box)*

1 ☐ The transfer of real property consists of the execution of a contract to sell real property without the use or occupancy of such property or the granting of an option to purchase real property without the use or occupancy of such property.

2 ☒ The transfer is a transfer of real property where the consideration is less than $500,000, and the transfer is neither (A) pursuant to a cooperative or condominium plan, nor (B) a partial or successive transfer (i.e., a transfer that is one of a series of transfers of contiguous or adjacent interests in real property e.g., subdivided parcels).

3 ☐ The transfer is a transfer of real property by tenants in common, joint tenants or tenants by the entirety where the aggregate consideration is less than $500,000. (All such transferors must sign this form.)

4 ☐ The conveyance is not a transfer of real property within the meaning of section 1440.7 of Article 31-B of the Tax Law. (Attach documents supporting such claim, and sign on back as required.)

5 ☐ The transfer of real property consists of premises wholly occupied and used by the transferor **exclusively** as his residence, including a cooperative apartment or condominium occupied by the transferor exclusively as a residence. **(This exemption may only be claimed and attested to by a transferor that is an individual, estate or trust.)**

6 ☐ Transferor is the state of New York, or any of its agencies, instrumentalities, political subdivisions, or public corporations, including a public corporation created pursuant to an agreement or compact with another state or Canada.

7 ☐ Transferor is the United Nations or any other international organization of which the United States is a member, the United States of America or any of its agencies or instrumentalities.

Schedule C - Real Estate Transfer Tax Return (Article 31 of the Tax Law)

Part I - Computation of Tax Due

Enter amount of consideration for conveyance *(if you are claiming a total exemption from tax, enter consideration and proceed to Part III)*	1	1 00
Continuing lien deduction *(see instructions if property is taken subject to mortgage or lien)*	2	( )
Taxable consideration *(subtract line 2 from line 1)*	3	
Tax due: $2 for each $500, or fractional part thereof, of consideration on line 3	4	
Amount of credit claimed *(see instructions and attach Form TP-584.1, Schedule G)*	5	( )
Total tax due* *(subtract line 5 from line 4)*	6	

Part II - Computation of Additional Tax Due on the Conveyance of Residential Real Property for $1 Million or More

Enter amount of consideration for conveyance (from Part I, line 1)	1	
Taxable consideration *(multiply line 1 by the percentage of the premises which is residential real property; see instructions)*	2	
Total additional transfer tax due* *(1% of line 2)*	3	

Please make check(s) payable to the county clerk where the recording is to take place or if the recording is to take place in New York City make check(s) payable to the ***NYC Department of Finance***. If no recording is required, send your check(s) made payable to the ***Department of Taxation and Finance***, directly to the NYS Tax Department, TTTB-Transfer Tax, P O Box 5045, Albany NY 12205-5045.

Recording officer's use	Amount received ▶ Part I $ / Part II $	Date received	Transaction number

Schedule C - (continued)

Part III - Explanation of Exemption Claimed in Part I, line 1 *(check any boxes that apply)*

The conveyance of real property is exempt from the real estate transfer tax for the following reason:

a. Conveyance is to the United Nations, the United States of America, the state of New York or any of their instrumentalities, agencies or political subdivisions (or any public corporation, including a public corporation created pursuant to agreement or compact with another state or Canada) ..... a ☐

b. Conveyance is to secure a debt or other obligation ..... b ☐

c. Conveyance is without additional consideration to confirm, correct, modify or supplement a prior conveyance ..... c ☐

d. Conveyance of real property is without consideration and not in connection with a sale, including conveyances conveying realty as bona fide gifts ..... d ☐

e. Conveyance is given in connection with a tax sale ..... e ☐

f. Conveyance is a mere change of identity or form of ownership or organization where there is no change in beneficial ownership. (This exemption cannot be claimed for a conveyance to a cooperative housing corporation of real property comprising the cooperative dwelling or dwellings.) ..... f ☐

g. Conveyance consists of deed of partition ..... g ☐

h. Conveyance is given pursuant to the federal bankruptcy act ..... h ☐

i. Conveyance consists of the execution of a contract to sell real property without the use or occupancy of such property or the granting of an option to purchase real property without the use or occupancy of such property ..... i ☐

j. Conveyance of an option or contract to purchase real property with the use or occupancy of such property where the consideration is less than $200,000 and such property was used solely by the grantor as his personal residence and consists of a 1-, 2-, or 3-family house, a residential individual condominium unit, or the sale of stock in a cooperative housing corporation in connection with the grant or transfer of a proprietary leasehold covering an individual residential cooperative unit ..... j ☐

k. Conveyance is not a conveyance within the meaning of section 1401(e) of Article 31 of the Tax Law *(attach documents supporting such claim)* ..... k ☐

l. Other *(attach explanation)* ..... l ☐

Schedule D - Credit Line Mortgage Certificate (Article 11 of the Tax Law)

Complete the following only if the interest being transferred is a fee simple interest.

I (we) certify that: *(check appropriate box)*

1 ☐ The real property being sold or transferred is not principally improved nor will it be improved by a one- to six-family owner-occupied residence or dwelling.

2 ☐ The real property being sold or transferred is not subject to an outstanding credit line mortgage.

3 ☐ The real property being sold or transferred is subject to an outstanding credit line mortgage. However, an exemption from the t is claimed for the following reason.

☐ The transfer of real property is a transfer of a fee simple interest to a person or persons who held a fee simple interest i the real property (whether as a joint tenant, a tenant in common or otherwise) immediately prior to the transfer.

☐ The transfer of real property is (A) to a person or persons related by blood, marriage or adoption to the original obligor o to one or more of the original obligors or (B) to a person or entity where a majority of the beneficial interest in such real property after the transfer is held by the transferor or such related person or persons.

☐ The transfer of real property is a transfer to a trustee in bankruptcy, a receiver, assignee or other officer of a court.

☐ Other (attach detailed explanation).

4 ☐ The real property being transferred is presently subject to an outstanding credit line mortgage. However, no tax is due for the following reason:

☐ A certificate of discharge of the credit line mortgage is being offered at the time of recording the deed.

☐ A check has been drawn payable for transmission to the credit line mortgagee or his agent for the balance due, and a satisfaction of such mortgage will be recorded as soon as it is available.

5 ☐ The real property being transferred is subject to an outstanding credit line mortgage on record at _____ (insert liber and page or reel or other identification of the mortgage). The maximum principal amount expressed in the mortga is _____. No exemption from tax is claimed and the tax of _____ is being paid herewith. *(Make check payable to county clerk where deed will be recorded or, if the recording is to take place in New York City, make check payable to the NYC Department of Finance.)*

Signature and Affirmation (both the transferor(s)/grantor(s) and transferee(s)/grantee(s) must sign).

The undersigned, being duly sworn, depose and say under penalty of perjury that the above return, including any affidavit, certificatio schedule or attachment, has been examined by the undersigned, and is, to the best of his/her knowledge, true and complete and mac in good faith pursuant to Articles 11, 31 and 31-B of the New York State Tax Law.

COUNTY OF ERIE	County Executive	ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY	
Transferor/grantor	Title	Transferee/grantee	Title
[signature]			

Subscribed to and sworn before me this 22nd day of May, 19 95

Whitney K. Reed

State of New York

County of Erie

WHITNEY K. REED
Notary Public, State of New York
No. 01RE5002610
Qualified in Monroe County
Certificate Filed in Ontario County
Commission Expires Oct. 5, 19 96

Subscribed to and sworn before me this _____ day of _____, 19 ____

State of _____

County of _____

Reminder: Did you complete all of the required information in Schedules A and B? Were you required to complete Schedules C a If you checked e, f and g in Schedule A, did you complete TP-584.1? Have you attached your check(s) made payable t clerk or city register where recording will take place or, if the recording is in New York City, to the *NYC Department o* no recording is required, send your check(s), made payable to the *Department of Taxation and Finance*, directly to t Department, TTTB-Transfer Tax, P O Box 5045, Albany NY 12205-0545.

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INDUSTRIAL DEVELOPMENT AGENCIES

APPLICATION FOR REAL PROPERTY TAX EXEMPTION

(Real Property Tax Law, Section 412-a and General Municipal Law, Section 874)

1. INDUSTRIAL DEVELOPMENT AGENCY (IDA)

Name: Erie County Industrial Development Agency
Street: Ste. 300, Liberty Bldg., 424 Main St.
City: Buffalo, NY 14202
Telephone: (716) 856-6525
Contact: Dr. Ronald W.Coan
Title: Executive Director

2. OCCUPANT (IF OTHER THAN IDA)

Name: Crossroads Arena LLC
Street: 140 Main Street
City: Buffalo, NY 14202
Telephone: (716) 856-7300
Contact: Lawrence Quinn
Title: Manager

3. DESCRIPTION OF PARCEL

a. Assessment roll description (tax map no./roll year): see attached Schedule A
b. Street address: see Schedule A
c. City, Town or Village: Buffalo, New York
d. School District: Buffalo
e. County: Erie
f. Current assessment: $137,860.00
g. Deed to IDA (date recorded; liber and page): Sublease

4. GENERAL DESCRIPTION OF PROPERTY (if necessary, attach plans or specifications)

a. Brief description (include property use): Multipurpose, state of the art sports, retail and entertainment complex with parking.
b. Type of construction: steel and masonry.
c. Square footage: 700,000+/- sq ft
d. Total cost: $122,500,000.00
e. Date construction commenced: November, 1994
f. Projected expiration of exemption (i. e. date when property is no longer possessed, controlled, supervised or under the jurisdiction of IDA): 30 yr. lease with options for additional 18 yrs.

5. SUMMARIZE AGREEMENT (IF ANY) AND METHOD TO BE USED FOR PAYMENTS TO BE MADE TO MUNICIPALITY REGARDLESS OF STATUTORY EXEMPTION

(attach copy of the agreement or extract of the terms relating to the project).

a. Formula for payment: None. See attached lease provisions.

b. Projected expiration date of agreement: not applicable.

Schedule A

Tax Map Designation	Roll Year	Address
111.17-13-1.1	1995	Between Main and Washington Streets
122.05-2-2	1995	Between Washington and Indiana Streets
122.05-2-10	1995	Between Washington and Indiana Streets
122.05-2-9	1995	Between Washington and Indiana Streets
122.05-2-2.1	1995	Between Washington and Indiana Streets
122.05-2-4	1995	Between Washington and Indiana Streets
122.05-2-5	1995	Between Washington and Indiana Streets
122.05-2-6	1995	Between Washington and Indiana Streets
122.05-2-7	1995	Between Washington and Indiana Streets
122.05-2-8	1995	Between Washington and Indiana Streets
122.05-3-1	1995	Between Indiana and Illinois Streets
122.05-3-2	1995	Between Indiana and Illinois Streets
122.05-3-3	1995	Between Indiana and Illinois Streets
122.05-3-4	1995	Between Indiana and Illinois Streets
122.05-3-5	1995	Between Indiana and Illinois Streets
122.05-3-6	1995	Between Indiana and Illinois Streets
122.05-3-7	1995	Between Indiana and Illinois Streets
122.05-3-8	1995	Between Indiana and Illinois Streets
122.05-5-1	1995	25 Mississippi
122.05-6-1	1995	125 Perry
122.05-6-2.2	1995	88 South Park

Schedule B

All parcels except SBL nos. 122.05-5-1, 122.05-6-1 and 122.05-6-2.2 were previously conveyed either by deed or condemnation proceedings into the City of Buffalo Urban Renewal Agency ("BURA") and were therefore exempt from real property taxes as an agency of the City of Buffalo. The above three referenced parcels have just been conveyed to BURA.

All property is to be owned by BURA. The Erie County Industrial Development Agency ("ECIDA") is taking a subleasehold interest and leasing its interest to Crossroads Arena LLC as set forth in Question 3. above.

ARTICLE VII

AGENCY ADMINISTRATIVE FEE

7.1 Payment of Administrative Fee. The Company shall pay to the Agency an administrative fee hereunder of $75,000.00, payable upon execution of this Agreement.

ARTICLE VIII

PILOT AND TAXES

8.1 Real Estate Taxes/Payments in Lieu of Taxes.

(a) Pursuant to the agreement of the City and the County, as set forth on Schedule 1, no payments in lieu of Real Estate Taxes shall be required to be made by the Company during the term of this Agreement, except as otherwise set forth herein. Subject to the completion and filing of the Application for Tax Exemption by the Taxable Status Date and the approval of the Application for Tax Exemption by the Assessor, the Premises shall be exempt from Real Estate Taxes and Buffalo Place special district charges commencing with the 1996-97 tax fiscal year of the City and the 1997 tax fiscal year of the County, and the Company shall be required to make payments in lieu of Buffalo Place special district charges in such amounts and according to such terms as are more fully set forth in Schedule 1.

(b) The Agency shall promptly forward to the Company in writing any notice, bill or other statement received by the Agency concerning any Real Estate Tax or Buffalo Place special district charges. The Company may, at its expense and in its own name, in good faith and with due diligence, contest (i) the denial of an exemption from Real Estate Taxes or Buffalo Place special district charges based upon the Application for Tax Exemption, and (ii) any Real Estate Taxes or Buffalo Place special district charges payable by reason of such denial, and shall give notice of such contest to the Agency. In the event of such contest, the Company may permit the Real Estate Taxes or Buffalo Place special district charges so contested to remain unpaid during the period of such contest unless (i) the failure to pay will subject the Premises to loss, forfeiture or sale prior to completion of the contest, or (ii) the Agency would be in any danger of any civil or any criminal liability, other than normal accrual of interest, whereupon such Real Estate Taxes or Buffalo Place special district charges shall be paid forthwith by the Company without prejudice to its contest.

(c) Intentionally omitted.

(d) The Company shall have the right to (i) obtain reductions in the assessed valuation of the Premises or to obtain exemptions and discounts, if any, which would be afforded to a private owner of the Premises, and (ii) to seek to obtain refunds of any such payments made.

(e) In the event the Premises is not being used in accordance with the Act or this Agreement, or if an Event of Default occurs, then the Company shall, except as otherwise provided in the Financing Participants Agreement, make payments in lieu of Real Estate Taxes and Buffalo Place special district charges on the Premises in such amounts as would be payable as Real Estate Taxes and Buffalo Place special district charges levied on the Premises if the Premises were owned by the Company. The applicable tax assessment and tax levy rates shall be those in effect in the records of the appropriate taxing authorities. The period for the payments required by this paragraph shall commence on the date the Agency determines (a) that the use of the Premises under the Act or this Agreement is not being complied with, or (b) that an Event of Default has occurred and is continuing. In addition, the Company shall pay to the appropriate taxing authority or authorities (i) a late payment penalty equal to five (5%) percent of the delinquent amount, and (ii) for each month, or part thereof, that the payment is delinquent beyond the first month, interest on the total amount due plus the late payment penalty, equal to one (1%) percent per month until such delinquent payment is made in full. The Agency and the Company hereby acknowledge the right of the City and the County as beneficiaries of this Agreement, to pursue any appropriate remedies, including an action in the courts, to recover directly from the Company any amounts so in default. The Company shall promptly notify the Agency of any action brought, or other measure taken, by a taxing authority to recover such amounts. It is understood that the right of any taxing authority herein acknowledged is in addition to, and shall not impair, the Agency's own rights arising from a breach of this Agreement. Should the Agency or the City or the County commence any action or proceeding to enforce their rights or remedies under this Agreement, such parties shall be entitled to recover from the Company the amount due, the late payment penalty, interest, expenses, costs and disbursements, together with the reasonable attorneys' fees necessary to prosecute such action or proceeding.

(f) Notwithstanding the provisions of Section 8.1(a)-(e), the Company shall pay all Real Estate Taxes in accordance with the terms and provisions of the Land Disposition Agreement, the Financing Participants Agreement and the Operating Agreement.

8.2 Impositions.

(a) Intentionally omitted.

(b) The Agency and the Company acknowledge that pursuant to Section 9.01 of the Operating Agreement and Section 9 of the Financing Participants Agreement, the City and the County have agreed not to impose certain Impositions affecting the Premises. The Company shall pay all Impositions legally imposed, whether billed in the name of the Company, the Agency, the City, the County or BURA, or in the name of any other occupant. The obligation of the Company to pay such Impositions calculated to and including the date of termination of this Agreement and the Prior Leases even though such Impositions may not yet be due by such date, shall survive termination of this Agreement or the Prior Leases. Nothing herein contained shall be deemed to obligate the Company to pay (a) Buffalo Place special district charges, except for payments in lieu of such charges as provided for in Section 8.1 of this Agreement, or (b) any Impositions that the Premises is legally exempt from, pursuant to the applicable provisions of the Operating Agreement, the Financing Participants Agreement or otherwise. The Company shall provide the Agency, BURA, the County or the City with proof of all payments required by this section within sixty (60) days after each payment.

(c) The Agency shall promptly forward to the Company in writing any notice, bill or other statement received by the Agency concerning any Imposition. The Company may, at its expense and in its own name, in good faith and with due diligence, contest any Imposition and shall give notice of such contest to the Agency. In the event of such contest, the Company may permit the Imposition so contested to remain unpaid during the period of such contest unless (i) the failure to pay will subject the Premises to loss, forfeiture or sale prior to completion of the contest, or (ii) the Agency would be in any danger of any civil or any criminal liability, other than normal accrual of interest, whereupon such Imposition shall be paid forthwith by the Company without prejudice to its contest.

8.3 Intentionally omitted.

8.4 Limitation on Sales Tax Exemption.

(a) Any exemption from Sales Taxes from or occasioned by Agency involvement with the Project shall be limited to purchases of Exempt Property and any replacements thereof pursuant to Section 5.2(c) hereof, by or for the Company as agent for the Agency, it being the intent of the parties that no operating expenses of the Company

or the Project and no purchases of equipment or other personal property (other than Exempt Property and replacements thereof pursuant to Section 5.2(c) hereof) shall be subject to an exemption from Sales Taxes because of Agency involvement with the Project. Nothing herein shall be construed as a representation by the Agency that any property included within the definition of Exempt Property or replacements thereof is, in fact, exempt from Sales Taxes.

(b) The Company shall annually file, and shall cause any operator of the Premises to annually file, a statement with the New York State Department of Taxation and Finance, on a form and in a manner as is prescribed by the Commissioner of the New York State Department of Taxation and Finance, of the value of all sales and use tax exemptions claimed by the Company or agents of the Company or any operators of the Premises, including, but not limited to, consultants or subcontractors of such agents or Premises operators, under the authority granted pursuant to this Agreement. Should the Company fail to comply with the foregoing requirement, the Company shall immediately cease to be the agent for the Agency in connection with the Project (such Agency relationship being deemed to be immediately revoked) and shall cease to be an operator of the Premises without any further action of the parties, and the Agency shall be authorized to immediately reassign the Premises to the Company pursuant to Section 16.2(a) of this Agreement.

ARTICLE IX

INSURANCE

9.1 Liability Insurance.

(a) The Company shall maintain all insurance coverages required under the Development and Construction Agreement, the Operating Agreement and the Company/Sabres Lease.

(b) To the extent not contained in the insurance coverages maintained pursuant to the Development and Construction Agreement and the Operating Agreement, the Company shall also maintain the insurance coverages specified in this Section 9.1(b). All such insurance coverages shall be written by insurance companies licensed to do business in the State of New York, and shall cover such risks, loss, damage and liability (including liability to third parties) and for such amounts as are customarily insured against by other enterprises of like size and type as that of the Company, including, without limitation:

DOCUMENT NOT IN BINDER

DOCUMENT IN POSSESSION OF
MARINE MIDLAND BANK
AS AGENT FOR
FINANCING PARTICIPANTS

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