

What the National Football League shared Wednesday about a new stadium loan program:

Below are:

- **Stadium related questions from Press Conference with Commissioner Goodell.**
- **Resolution he mentioned.**

On what new resolution means for San Francisco and Minnesota:

There are several new wrinkles. We'll be happy to give you the resolution. It's several pages. I think it's much improved over the prior G3 program including additional money that will be available based on the private contribution to these projects. They've become more complex and more expensive in these markets and we had to adjust our policy to participate in these projects and support these projects both at the club level and league level. We're the only league I'm aware of to contribute league money as well as local money to these projects. Again I think that's why we have great facilities for our fans.

On urgency about the Minnesota stadium issue from ownership:

I don't sense it just from the ownership group, I sense it from the leaders in Minnesota also who I have been in regular contact with. Everyone wants to find a solution. These projects are more complex. There are a lot of leaders, including the Governor to legislative leaders to business leaders that are working with the Vikings and working with our office to find a solution. I'm confident we are going to get there because of that commitment.

Can you elaborate on the local urgency?

I've been in contact with those individuals and I know they are focusing on solutions. They know the lease is expiring but they want to make sure the Vikings have a suitable stadium going forward. They want to make sure it works in their community. And that's what the Vikings and the NFL want. So I think everyone is working in the same direction.

On Los Angeles being viable to host a team in 2012:

It is a viable market in the sense that we know there are millions of fans in that market who want to see football return there. But we want it to return in a successful way and that requires a stadium. I don't think we'll be in a position to make that decision by 2012 but we'll continue to work with the different alternatives in Los Angeles and hope that we get a solution that will work.

2011 RESOLUTION G-4

Whereas, the stadium construction support program established by 1999 Resolution G-3, as extended by 2003 Resolution JC-1 (the "G-3 Program"), contributed to the completion of 12 stadium projects benefitting 13 clubs; and

Whereas, the G-3 Program reached its pre-established funding capacity in 2006, and since such time no new major stadium projects have been approved; and

Whereas, a new stadium construction support program (the “G-4 Program”) would assist in building new stadiums that would provide many benefits to the League and clubs, including potentially (a) supporting franchise stability and national television contracts, (b) enhancing the in-stadium fan experience, and (c) allowing the League and clubs to remain competitive with other sports and entertainment offerings; and

Whereas, the G-4 Program should take into account certain developments since the institution of the G-4 Program, such as (a) the substantial increase in private contributions to stadium construction costs, (b) the League’s institution of certain stadium financing guidelines, and (c) stadium credits available under the League’s new collective bargaining agreement with the NFLPA; and

Whereas, any amounts made available to a club or its related stadium affiliate under the G-4 Program should require separate member club approval on a case-by-case basis;

Be it *Resolved*:

1. That for any stadium construction project (new stadium or stadium renovation the costs of which will exceed \$50 million) involving a private investment for which an affected club or its affiliated stadium entity (“Developing Club”) makes a binding commitment, either NFL Ventures, an affiliate of NFL Ventures or another entity designated by the Finance Committee (the “League-Level Lender”) shall provide funding (“League-Level Funding”) of up to \$200 million in the aggregate to the Developing Club to support such project based on the amount that the Developing Club has committed or that will be applied to such project (either through the issuance of equity or the application of PSL proceeds or, except as otherwise provided below in respect of the Second Tranche, through debt incurred by the applicable entity) as a private contribution (the “Private Contribution”) as follows:
 - a. For up to \$200 million of project costs for a new stadium and up to \$250 million of project costs for a stadium renovation, the League-Level Lender will advance a loan equal to the lesser of the amount of the Private Contribution to such costs and \$100 million (i.e., stadium renovations shall be subject to a \$50 million deductible to be funded by a Private Contribution) (the “First Tranche”), with such loan to be repaid through waived club seat premium VTS and “Incremental Gate VTS” (defined below) during the first 15 seasons of operations in the new stadium and to otherwise include such terms, including with respect to maturity, interest, repayment and subordination, as the League-Level Lender may determine, provided that the controlling owner of the club will be required to guarantee and pay on a current basis any shortfalls in scheduled repayments due to club seat premium VTS and Incremental Gate VTS falling below the amounts necessary for such repayments;

- b. If there has been a Private Contribution of \$100 million (\$150 million in the case of a stadium renovation) towards the costs referenced in subsection (a) above, then for project costs between \$200 million and \$350 million for a new stadium, and for project costs between \$250 million and \$400 million for a stadium renovation, the League-Level Lender shall provide, in a manner determined by the Finance Committee on a case-by-case basis, an amount equal to 50% of the Private Contribution towards such costs (i.e., the League-Level Lender will provide up to \$50 million of such costs) (the "Second Tranche"), provided that for purposes of such funding, only Private Contributions in the form of proceeds from the issuance of equity or the sale of PSLs shall be counted; and
- c. If there has been a Private Contribution of \$200 million (\$250 million in the case of a stadium renovation) towards the costs referenced in subsections (a) and (b) above, then the League-Level Lender will advance a loan to the Developing Club of up to \$50 million to cover the project costs between \$350 million and \$400 million for a new stadium, and for the project costs between \$400 million and \$450 million for a stadium renovation (the "Third Tranche"), with such loan to be made on such terms, including with respect to maturity, interest rate, repayment and subordination, as the League-Level Lender may determine, provided that any such loan shall be guaranteed by the controlling owner of the club.

For purposes of this resolution, Incremental Gate VTS means the amount by which gate VTS in the new or renovated stadium exceeds the greater of (i) the average of the final three years of gate VTS in the old or pre-renovated stadium and (ii) the gate VTS in the final year of operations in the old or pre-renovated stadium, in each case with the gate VTS in the old or pre-renovated stadium being increased on a cumulative annual basis at a percentage for any year equal to the League-wide year-over-year percentage increase in gate VTS for the then current season compared to the prior year, excluding for purposes of such percentage calculation gate VTS from new or substantially renovated stadiums that are not operational for the full two seasons. Notwithstanding the foregoing, in the event that the final year in the old or pre-renovated stadium is 2010, then for 2011 only, the increase in the actual gate VTS shall be deemed to be 2%.

2. That any stadium renovations less than \$50 million and more than \$10 million shall be eligible for a club seat premium waiver, debt ceiling waiver and/or PSL waiver (in each case subject to separate approval from the membership).
3. That League-Level Funding to a project will, unless the Finance Committee otherwise determines on a case-by-case basis, be made in conjunction with other funding

sources on a pro rata basis (e.g., unless the Finance Committee otherwise determines, if the project is estimated to cost \$1 billion and the League-Level Funding will total \$200 million, then for every \$4 of funding from other sources put into the project, \$1 of League-Level Funding will be put into the project).

4. That League-Level Funding in support of a stadium construction project shall be subject to membership approval on a case-by-case basis following an evaluation of the criteria specified on Attachment A to this Resolution; provided, that no League-Level Funding shall be made to any stadium project if the impact to the member clubs as a result of the Second Tranche League-Level Funding for all projects under the G-4 Program would exceed \$1 million per club per year for a 25-year period ending on March 31, 2037 (such projection to be determined by the Commissioner, in his sole discretion); and provided further, that the Stadium and Finance Committees shall not recommend any League-Level Funding for membership approval unless:
 - a. The club seeking such support shall have provided the relevant League committees with such information as they shall have requested in respect of the project, including without limitation detailed information regarding sources and uses of funds, projections, project scope, compliance with League policies, etc.;
 - b. The controlling owner of the club seeking such support shall have provided guarantees of First Tranche and Third Tranche League-Level Funding (and other affiliated entities shall have provided any additional adjacency or other guarantees required by the Finance Committee on a case-by-case basis);
 - c. The club shall be in compliance, to the Finance and Stadium Committees' satisfaction, with the League's then applicable stadium financing debt guidelines, including, to the extent the Finance Committee deems necessary or appropriate, that the club's owners shall have committed to fund additional equity contributions to the extent necessary to maintain compliance with such guidelines;
 - d. The stadium construction project must be a "public-private partnership";
 - e. The project must not involve any relocation of or change in an affected club's "home territory" (as defined in the Constitution and Bylaws);
 - f. No project proposal may be accepted from any club that, within the year prior to its submission of such proposal, had pending or had supported litigation against the League or any of its clubs or affiliated entities (other than in the context of a proceeding brought before the Commissioner under Article VIII of the Constitution and Bylaws); and

- g. Increases in the visiting team share generated by the new or renovated stadium must meet the standards set forth in the 1994 Club Seat Sharing Exemption Guidelines.
5. That the Commissioner is authorized to make arrangements for the League-Level Lender to borrow from commercial or institutional lenders funds to make League-Level Funding available under the G-4 Program, with the funds to be repaid to such lenders over an appropriate time period (25 years after the inception of the G-4 Program, or such other period as may be determined by the Finance Committee), on such terms as the Commissioner may deem appropriate and as may be approved by the Finance Committee.
6. That the League-Level Lender is authorized to withhold, or the member clubs shall otherwise pay, any amounts from time to time due and owing under the loans referenced in paragraph 5 above and which are not fully covered with respect to the clubs participating in the G-4 Program through application of the amounts referenced in paragraph 1 hereof.
7. That if PSLs are sold (whether by the applicable club, its affiliated stadium entity, a municipal authority or otherwise) with respect to a particular stadium construction project, such PSLs shall be entirely dedicated to the project costs in respect of such project and shall be eligible for an exemption from sharing in accordance with current policies.
8. That any club debt ceiling waiver associated with a stadium construction project (and separately approved by a membership vote) must expire in either (a) no more than 15 years, if such debt is amortized over such time mortgage-style or (b) no more than 25 years, provided that for a 25-year waiver, the Finance Committee shall in its discretion require "step-down" payments providing for amortization that is more rapid than mortgage-style amortization.
9. That if a club (or its affiliated stadium entity) receives League-Level Funding under the G-4 Program and either such club or its affiliated stadium entity (or a controlling interest therein) is thereafter sold other than to a member of the controlling owner's immediate family (as defined in the NFL Constitution and Bylaws) before the final maturity date of the League-Level Funding or the franchise is relocated from such club's "home territory" before such final maturity date, then the selling or relocating party shall repay the League-Level Lender (in the case of a sale, from the sale proceeds at closing) an amount equal to the outstanding principal balance of the League-Level Funding.
10. That definitions and policies with respect to what constitutes project costs and allowable annual consideration (e.g., rent) shall remain consistent with the definitions and policies under the G-3 Program, subject to such modifications, if any, as may be determined by the Finance Committee.

11. That the membership delegates to either of the Finance and Stadium Committees the authorization to: (a) evaluate club projections for stadium projects (e.g., revenues, construction costs and operating expenses); (b) require adjacency or other guarantees; (c) authorize League-Level Lender staff to review and/or to engage third party experts (e.g., investment banks) to review club, affiliate entity and controlling owner financial statements and condition for purposes of evaluating the ability of such parties to meet their guarantee and other obligations under the G-4 Program, which reviews may occur both as part of the approval process for an applicable club's stadium project and at any time thereafter as deemed appropriate by the Finance or Stadium Committees; (d) require owner equity funding obligations to maintain compliance with stadium debt financing guidelines; (e) establish rules relating to funding priority for teams that have previously received stadium construction support from the League-Level Lender or an affiliate; (f) approve step paydown requirements for 25-year debt waivers; (g) establish the identity of the League-Level Lender and the structure of Second Tranche League-Level Funding; (h) establish the timing for funding of League-Level Funding, if other than pro rata as referenced in paragraph 3; (i) determine definitions and policies with respect to what constitutes project costs and allowable annual consideration; and (j) approve the terms of any debt referenced in paragraph 5 herein, and the terms of transactional documentation implementing repayment obligations with respect to League-Level Funding.
12. Notwithstanding the foregoing, the foregoing matters shall also be subject to any requisite approvals of the League-Level Lender, to the extent the League-Level Lender is not the League.

Submitted by Finance and Stadium Committees

Reason and Effect: To approve the terms of the G-4 stadium construction support Program.

<u>VOTE</u>	<u>DISPOSITION</u>
For _____	<input type="checkbox"/> Adopted
Against _____	<input type="checkbox"/> Rejected
Abstain _____	<input type="checkbox"/> Tabled
Absent _____	<input type="checkbox"/> Withdrawn

Attachment A

The criteria to be examined in connection with a club's request that the membership approve the provision of League-Level Funding in respect of a stadium construction project include:

- (1) the necessity of a new or renovated stadium in the market in terms of the suitability, economic competitiveness, and physical condition of the existing facility, the stadium's importance to League franchise stability, the League's concerns regarding its national image and presence, the importance of the affected market to the League's national television ratings, and other League business priorities;
- (2) the specific attributes of the project, including the scope and cost of the project relative to the economics in the market and the League as a whole, the balance of projected shareable and non-shareable revenue streams and the construction costs associated with each;
- (3) the projected impact of the project on player costs under the Collective Bargaining Agreement;
- (4) whether a renovation project is a "qualifying" project (as defined in the 1994 Club Seat Sharing Exemption Guidelines);
- (5) compliance with stadium financing guidelines; and
- (6) such other factors as the Stadium and Finance Committees may deem appropriate.