



September 19, 2022

City of Commerce City
7887 E 60th Ave.
Commerce City, CO 80022-4199
kkeeley@c3gov.com
Attention: Ken Keeley Finance Dept.

The Metropolitan Football Stadium District (MFSD) is contacting you regarding the recent sale of the Denver Broncos Football Club.

As you may be aware the franchise has recently transferred to new ownership which triggers components of both the original legislation which created the MFSD and the Lease and Management Agreement which ties the franchise to the taxpayer owned facility, Empower Field at Mile High and subsequently to the counties, cities, and towns within our seven-county metro Denver boundary.

The Metropolitan Football Stadium District Act (the "Act"), and Article 33 of the Lease and Management Agreement between the MFSD and PDB Sports LTD (PDB), Bronco's ownership, entitles the MFSD to a one time "Sharing Amount" in connection with the sale of the franchise.

The "Sharing Amount" of the \$4.65 billion sale of the Broncos franchise as determined by the MFSD board, is \$41,037,951, which has been duly paid to the MFSD. (Exhibit A attached). The MFSD Board has elected to distribute these proceeds proportionately to the counties, cities, and towns in which the tax was collected. Your jurisdiction is one of many which make up the MFSD in which the tax was charged at one tenth of one percent sales tax from implementation in January of 2001 and ending 2011. After consulting with the Colorado Department of Revenue it was determined your proportionate percentage of Sales Tax revenue collected was 1.494865%. Therefore, your portion of the "Sharing Amount" of \$41,037,951 is \$613,461.97.

Provisions in the Act and the subsequent Lease and Management Agreement require the funds to be used for "YOUTH ACTIVITIY PROGRAMS." It is our intent that approximately one year from the allocation of funds, the MFSD will request an accounting of how the funds have benefitted Youth Activities Programs in your community. We have received numerous media inquiries

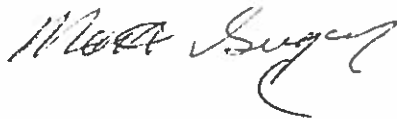
regarding which Youth Activities programs will benefit from these proceeds and we look forward to hearing about all these great opportunities.

Sincerely,

Raymond T. Baker, Chair MFSD

Handwritten signature of Raymond T. Baker in black ink.

Matt Sugar, Director of Stadium Affairs

Handwritten signature of Matt Sugar in black ink.

Enclosures: Check, Resolution 2205, Exhibit A Sharing Amount

(The MFSD Act and the Lease and Management can be found at www.mfsd.com)

**METROPOLITAN FOOTBALL STADIUM DISTRICT
RESOLUTION 22- 05**

A. PDB Sports, LTD. ("PDB") and Stadium Management Company, LLC ("Stadium Company") intend to sell their respective partnership interests and limited liability company interests to Belmont Sports, LLC and S. Robson Walton (the "Sale").

B. Under the Metropolitan Football Stadium District Act (the "Act"), and Article 33 of the Lease and Management Agreement dated as of September 3, 1998 between the Metropolitan Football Stadium District (the "District") and PDB, as amended and partially assigned to Stadium Company (the "Lease"), the District is entitled to a "Sharing Amount" in connection with the Sale.

C. Under the Act and Article 33 of the Lease, the Sharing Amount funds are to be used for "youth activity programs".

Therefore, a quorum being present, the following resolution was adopted on a vote of 9 in favor, 0 opposed, with 0 abstentions, on the 5th day of August, 2022.

RESOLVED, the Metropolitan Football Stadium District upon the motion of Jim Harrington, and the second of Rick Sapkin approves:

(a) the Sharing Amount of \$41,037,951 under the Act and Article 33 of the Lease and as set forth in Exhibit A attached hereto and incorporated by reference; and

(b) the distribution of the Sharing Amount funds to the municipalities and counties within the District, based upon their proportionate share of sales and use tax paid under the Act; and

the District hereby authorizes the Chairman, any officers, District staff, or their representatives to disburse the Sharing Amount funds pursuant to, and, and to take such further action as may be necessary to effectuate the purpose of, this resolution.

AUTHENTICATED:



Raymond F. Baker, Chairman



Donald Johnson, Secretary-Treasurer

EXHIBIT A

Sharing Amount

SALE OF FRANCHISE MFSD SHARING AMOUNT CALCULATION
Effective August 10, 2022

Sales Price (<i>Gross Proceeds from Sale</i>)	\$ 4,650,000,000
Franchise Debt	(247,076,305)
Capital Contributions (<i>with 6% imputed annual return</i>)	<u>(2,351,026,144)</u>
Net Profit	2,051,897,551
Sharing Rate	<u>2%</u>
Sharing Amount	<u>\$ 41,037,951</u>
