

09-30-2003



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Form PTO-1594 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005)

U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

Tab settings

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies): Niagara Frontier Hockey, L.P. 9-29-03
Individual(s) Association
General Partnership Limited Partnership
Corporation-State - New York
Other
Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)
Name: Hockey Western New York LLC
Internal
Address:
Street Address: HSBC Arena One Seymour H. Knox Plaza
City: Buffalo State: NY Zip: 14203
Individual(s) citizenship
Association
General Partnership
Limited Partnership
Corporation-State New York
Other
If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)
Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:
Assignment Merger
Security Agreement Change of Name
Other Purchase Agreement
Execution Date: March 13, 2003

4. Application number(s) or registration number(s):
A. Trademark Application No.(s)
B. Trademark Registration No.(s)
(see attached)
Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: Alison Nunez
Internal Address: NHL Enterprise, L.P.
Street Address: 1251 Avenue of the Americas
City: New York State: NY Zip: 10020

6. Total number of applications and registrations involved: 12
7. Total fee (37 CFR 3.41): \$ 315.00
Enclosed
Authorized to be charged to deposit account
8. Deposit account number: 500205
(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.
To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.
Alison Nunez
Name of Person Signing
Signature
September 24, 2003
Date
Total number of pages including cover sheet, attachments, and document: 54









OFFICE OF PATENT RECORDS
2003 SEP 29 11 46 05
FINANCE SECTION

09/30/2003 LMUELLER 00000084 500205 2157377
01 FC:0521 40.00 DA
02 FC:0522 275.00 DA

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patent & Trademarks, Box Assignments
Washington, D.C. 20231

TRADEMARK
REEL: 002834 FRAME: 0661

BUFFALO SABRES U.S. TRADEMARK REGISTRATIONS – to be recorded

TRADEMARK	REGISTRATION NUMBER
 B & Sword Design	2,157,377
 B & Sword Design	2,102,241
	2,100,266
	2,080,092
	1,675,182
	920,397
	2,152,906
	2,206,022
SABRES	1,675,926
SABRES	920,398
SABRESTREET	2,025,545
FANS & FRIENDS	2,197,650

OWNERSHIP CHANGE

Document: PURCHASE AGREEMENT

Dated: Dated March 13, 2003

From: Niagara Frontier Hockey, L.P.  
a New York corporation  
Its General Partner: Patmos, Inc.  
a Delaware corporation

To: Hockey Western New York, LLC  
a New York limited liability company

ASSET PURCHASE AGREEMENT

BY AND AMONG

NIAGARA FRONTIER HOCKEY, L.P.,  
BUFFALO SABRES CONCESSION LLC,  
CROSSROADS ARENA LLC,  
BUFFALO LACROSSE LLC, AND  
NIAGARA FRONTIER BROADCASTING PARTNERSHIP, AS SELLERS

AND

HOCKEY WESTERN NEW YORK LLC, AS PURCHASER

DATED AS OF: MARCH 13, 2003

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DC: 768142-17

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- Exhibit A - Form of Assignment and Assumption Agreement

Exhibit B - Bidding Procedures  
Exhibit C - Form of Bidding Procedures Order  
Exhibit D - Seller Disclosure Letter  
Exhibit E - Form of NHL Consent  
Exhibit F - Escrow Agreement

This ASSET PURCHASE AGREEMENT, dated as of this 13th day of March, 2003, is by and among Niagara Frontier Hockey, L.P. ("NFHLP"), Buffalo Sabres Concession LLC ("BSC"), Crossroads Arena LLC ("CALLC"), Buffalo Lacrosse LLC ("Buffalo Lacrosse"), and Niagara Frontier Broadcasting Partnership ("NFBP," and together with NFHLP, BSC, CALLC and Buffalo Lacrosse, collectively, the "Sellers" and each a "Seller"), and Hockey Western New York LLC ("Purchaser").

WHEREAS, Sellers, among other things, own and operate the Business;

WHEREAS, on January 13, 2003 (the "Filing Date"), Sellers filed the Petitions, commencing the Chapter 11 Case;

WHEREAS, subject to the terms and conditions hereinafter set forth, Purchaser desires to purchase and Sellers desire to sell substantially all of the assets owned by Sellers, including without limitation those relating to the Business;

NOW, THEREFORE, in consideration of the foregoing premises, the mutual covenants, agreements, representations and warranties herein contained, and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

#### ARTICLE I

#### DEFINITIONS.

Section 1.1. Certain Definitions. As used in this Agreement, the following terms shall have the meanings set forth below:

"Adelphia": Adelphia Communications Corporation, a Delaware corporation.

"Adelphia Administrative Agency Agreements": Together, (i) that certain Administrative Agency Agreement (Construction Loan Guaranty), dated as of July 26, 2000, by and between the NHL and Sabres, Inc., (ii) that certain Administrative Agency Agreement (Concession Loan), dated as of July 26, 2000, by and between the NHL and Sabres, Inc., and (iii) that certain Administrative Agency Agreement (Revolving Credit Facility), dated as of July 26, 2000, by and between the NHL and Sabres, Inc., in each case as amended from time to time

"Adelphia Assumed Liabilities": The specific obligations, liabilities and commitments of Sellers under the Broadcast Rights Agreement and other obligations, liabilities and commitments to Adelphia and its Affiliates set forth on Schedule 2.3(b)(i), as such obligations, liabilities and commitments may be increased or reduced through the Closing Date in accordance with the Broadcast Rights Agreement, and which, except with respect to payment of any Cure Amounts, shall be subject to collection in the ordinary course of business and, with respect to those obligations, liabilities and commitments under the Broadcast Rights Agreement, as contemplated under the Broadcast Rights Agreement.



**“Adelphia Subordination Agreement”**: That certain Consent and Subordination Agreement, dated June 21, 2002, by and among Sabres, Inc., Adelphia, the NHL, NFHLP, CALLC, and BSC, as amended from time to time.

**“Affiliate”**: With respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, such other Person, or any officer or director of such Person. For purposes of this definition, the term “control”, as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management policies of such Person, whether through the ownership of voting securities or by contract or otherwise or the ownership of five percent (5%) or more of voting securities of any such Person. With respect to Adelphia, Affiliate shall include Chelsea Communications Corporation, Hyperion, Sabres, Inc., and all other entities which are in the Chapter 11 Cases, Case No. 02-41729 (Req) pending in the United States Bankruptcy Court, Southern District of New York, John Rigas, and any member of his family, or any trust for the benefit of the foregoing.

**“Agreement”**: This Asset Purchase Agreement, as the same may be amended or supplemented from time to time in accordance with the terms hereof.

**“Approval Order”**: An order approving the Transactions in the form and manner specified in Section 2.4.

**“Assignment and Assumption Agreement”**: An Assignment and Assumption Agreement executed by the parties in the form attached hereto as Exhibit A, pursuant to which Purchaser shall assume the Assumed Liabilities on the terms set forth therein.

**“Assumed Contracts”**: Collectively, the Contracts set forth on Schedule 2.1(e) (as such Schedule may be modified or supplemented by written agreement of the parties from time to time), the Post-Signing Contracts to be assumed by Purchaser in accordance with Section 2.8, and the Ticket Sale Contracts.

**“Assumed Leases”**: Collectively, the leases and subleases and real property licenses or sublicenses set forth on Schedule 2.1(e) (as such Schedule may be modified or supplemented by written agreement of the parties from time to time).

**“Assumed Liabilities”**: The obligations and liabilities of Sellers under, relating to or arising out of:

(i) the Assumed Contracts; the Assumed Leases; the Adelphia Assumed Liabilities (subject to the provisions of Section 6.1(j)); and any and all accounts payable and other liabilities arising in respect of any goods or services required to be delivered or performed in connection with the Business following the Closing Date;

(ii) the employee contracts set forth on Schedule 2.1(e), labor and collective bargaining agreements relating to the Business and set forth on Schedule 2.1(e), deferred compensation (including without limitation all unpaid signing, performance, or other bonuses) that exist as of the Closing Date and are payable to or in respect of current and former players, executives and other current and former members of the Sellers’ hockey

exhibitions or operations staff, as set forth on Schedule 2.3(a)(ii), including without limitation those obligations to employees to pay uninsured amounts pursuant to arrangements with Intra Continental Ensurers and under the Workers Compensation and Employers Liability Insurance Policy and Commercial Insurance Coverage Policy for Sellers' hockey operations and obligations in respect of any insurance policies placed through the BWD Group LLC and required to be in place by the NHL;

(iii) (A) the Executory Contracts that, by the terms of such Executory Contracts, have obligations that arise after Closing and are to be observed, paid, discharged, or performed, as the case may be, in each case at any time after the Closing Date, and (B) all Cure Amounts;

(iv) the NHL Unpaid Liability, the NHL Pension Plan Liability and the NHL Agreements, including without limitation any and all unpaid liability of Sellers in respect of the NHL Collective Bargaining Fund and any other assessments made by the NHL in respect of the Hockey Franchise (regardless of whether imposed on the Sellers, their controlling owners, or directly on any the assets of the Sellers held by the NHL);

(v) Sellers' accrued and unpaid liabilities to employees in respect of payroll, vacation, sick and personal time, and pension and 401(k) contributions outstanding in the ordinary course of business and set forth in the aggregate on Schedule 2.3(a)(v) or arising in the ordinary course of business between the date hereof and the Closing Date;

(vi) Sellers' accrued and unpaid liabilities to federal, state, and local governments in respect of payroll, FICA, and employee-related withholding taxes (but for the avoidance of doubt, not including any obligations of Sellers in respect of income, sales and use, or other taxes);

(vii) Sellers' liabilities to the New York State Urban Development Corporation under that certain UDC Note, dated as of May 10, 1995, executed by CALLC in favor of the New York State Urban Development Corporation, together with any associated obligations of CALLC relating to such UDC Note pursuant to any associated documents and instruments executed by CALLC in favor of the New York State Urban Development Corporation in connection therewith;

(viii) any ground rent payable as a CALLC Additional Covenant with respect to the period after the Closing Date under the Land Disposition Agreement;

(ix) any ticket surcharge owed to Erie County and any amounts payable as an operating fee in each case with respect to the time period after the Closing Date under that certain Operating Agreement, dated May 10, 1995, among CALLC, Erie County, the City of Buffalo, Buffalo Urban Renewal Agency, the New York State Urban Development Corporation and the Erie County Industrial Development Agency;

(x) in the event that Purchaser elects to assume them, the Seller 401(k) Plans;

(xi) Sellers' obligations under that certain Non-Relocation Agreement (Public Sector) dated as of May 10, 1995, among NFHLP, Erie County, the City of Buffalo, the

New York State Urban Development Corporation and the other parties signatory thereto;  
and

(xiii) any and all other liabilities of any kind or nature whatsoever arising out of the ownership and/or operation of the Purchased Assets following the Closing.

**"Balance Sheet Date"**: August 31, 2002.

**"Bankruptcy Code"**: Chapter 11 of Title 11 of the United States Bankruptcy Code, as amended.

**"Bankruptcy Court"**: The United States Bankruptcy Court for the Western District of New York.

**"Bidding Procedures"**: The bidding procedures in substantially the form attached hereto as Exhibit B, together with such changes thereon, if any, as shall have been required by the Bankruptcy Court.

**"Bidding Procedures Order"**: An order of the Bankruptcy Court, in substantially the form attached hereto as Exhibit C, approving the Bidding Procedures and the amount, timing and terms of payment of the Break Up Fee as set forth herein.

**"Break Up Fee"**: An amount equal to Two Million Two Hundred Fifty Thousand Dollars (\$2,250,000).

**"Broadcast Rights Agreement"**: That certain letter agreement, dated September 14, 2002, between NFHLP, Adelphia and Parnassos, L.P., together with the related Term Sheet, dated September 14, 2002, including those provisions relating to cable broadcast rights and the related Empire Sports Network advertising sale rights.

**"Business"**: The sports and other related entertainment businesses heretofore conducted by Sellers, consisting primarily of ownership and operation of the Hockey Franchise, the Lacrosse Franchise and operation of an arena (currently known as the HSBC Arena) and related concession, parking and other facilities in Buffalo, New York.

**"Business Day"**: Any day other than a Saturday, a Sunday or a day on which banks in New York City are authorized or obligated by Law to close.

**"Canadian Laws"**: Any law, rule, statute, regulation, order, judgment, decree or treaty of any Government Authority affecting the Canadian Subsidiaries.

**"Canadian Subsidiaries"**: Niagara Frontier Hockey Enterprises Company and 1410656 Ontario Limited.

**"Chapter 11 Case"**: A case for relief for the Sellers under the Bankruptcy Code commenced in the Bankruptcy Court.

**"Closing"**: The consummation of the Transactions on the Closing Date.

**"Closing Date"**: The second Business Day after the conditions set forth in Article VI have been satisfied or waived, or such other date as Purchaser and Sellers may mutually agree.

**"Code"**: The Internal Revenue Code of 1986, as amended.

**"Concession Letters of Credit"**: That certain Letter of Credit, dated August 7, 2000, issued by the Toronto-Dominion Bank in favor of Fleet National Bank in an aggregate principal amount of \$16,586,295, and that certain Letter of Credit, dated September 29, 2000, issued by the Toronto-Dominion Bank in favor of Key Bank, N.A. in an aggregate principal amount of \$11,050,899.

**"Concession Loan"**: That certain Interim & Term Concession Loan Agreement, dated as of May 10, 1995, between BSC, Fleet National Bank and Key Bank, N.A., together with all documents, agreements and instruments relating thereto and executed in connection therewith, all as amended from time to time prior to the date hereof, and as further amended following the date hereof with the consent of Purchaser and, to the extent required, Sportservice Corporation.

**"Concession Loan Consideration"**: The aggregate amount of all principal, interest, fees, costs and expenses outstanding under the Concession Loan as of the Closing Date.

**"Concession Loan Custody Account"**: The CLP Account established under, and as defined in, that certain Agreement, dated December 16, 2002, among BSC, NFHLP, Fleet National Bank and KeyBank National Association.

**"Contracts"**: All agreements, contracts, notes, bonds, instruments, leases, licenses, indentures, mortgages, deeds of trust, plans or commitments to which any Seller is a party.

**"Cure Amounts"**: All cure amounts, if any, required to be paid by Purchaser in accordance with Section 5.3 hereof in order to effectuate, pursuant to the Bankruptcy Code, the assumption by Seller and assignment to Purchaser of the Executory Contracts and other applicable Assumed Contracts pursuant to the Assignment and Assumption Agreement.

**"DIP Financing"**: That certain Financing Agreement, dated as of January 13, 2003, by and among NFHLP, BSC, Buffalo Lacrosse, The Aud Club, Inc., Buffalo Sabres, Inc., Niagara Frontier Broadcasting Partnership, Sabreland Partnership, Western New York Hockey Club Partnership, CALLC, Arena, Inc., the lenders from time to time party thereto, Ableco Finance LLC, as administrative agent and collateral agent, and the Loan Documents (as defined in such Financing Agreement), in each case as amended from time to time provided that no such amendment will increase the maximum principal amount outstanding in excess of Twenty Five Million Dollars \$25,000,000.

**"DIP Financing Consideration"**: The aggregate amount of all principal, interest, fees, costs and expenses outstanding under the DIP Financing as of the Closing Date.

**"DIP Financing Final Draw Account"**: An account to be opened by Sellers and designated as such to Purchaser, into which funds that are drawn under the DIP Financing on or prior to the Closing Date in order to fund the costs and expenses incurred in connection with the administration of the Chapter 11 Cases following the Closing, in an amount up to \$750,000, shall be deposited.

**"Environmental Laws"**: United States Federal, state, and local Laws governing the protection of the environment.

**"ERISA"**: The Employee Retirement Income Security Act of 1974, as amended.

**"Excluded Assets"**: Those assets of Sellers excluded from the Transactions, as described in Section 2.2.

**"Excluded Liabilities"**: Any obligation, liability or commitment of Sellers that is not an Assumed Liability hereunder.

**"Executory Contracts"**: Collectively, the Assumed Contracts and the Assumed Leases that constitute executory contracts or unexpired leases pursuant to the Bankruptcy Code.

**"Final Order"**: An Approval Order that has not been reversed, vacated or stayed, is no longer subject to appeal, certiorari proceeding or other proceeding for review, reargument or rehearing, and as to which no appeal, certiorari proceeding or other proceeding for review, engagement or rehearing has been requested or is then pending and the time to file any such appeal, certiorari proceeding or other proceeding for review, reargument or rehearing has expired. A Final Order shall also consist of an Approval Order as to which an appeal, notice of appeal, motion to amend or make additional findings of fact, motion to alter or amend judgment, motion for rehearing or motion for new trial has been filed, or with respect to which the time period specified in Bankruptcy Rule 6004(g) has not yet expired, but as to which the parties hereto elect to proceed with Closing.

**"Filing Date"**: As set forth in the Recitals.

**"Financial Statements"**: Together, (i) the audited consolidated balance sheet of the Sellers for the fiscal year ended August 31, 2002, and the related consolidated statement of income and cash flows for the fiscal year then ended, and (ii) the unaudited consolidated balance sheet of the Sellers as of January 31, 2003, and the related consolidated statement of income and cash flows for such five-months then ended.

**"GAAP"**: United States generally accepted accounting principles.

**"Government Authority"**: Any Federal, state, provincial, municipal or local government, administrative or legislative body, governmental or regulatory agency or authority, bureau, commission, court, department or other instrumentality or other governmental entity of the United States or any foreign country, as applicable.

**"Governmental Requirements"**: Collectively, (a) consents, approvals, authorizations of, declarations, or filings with, the Bankruptcy Court, and (b) consents,

approvals, authorizations, declarations, or rulings identified in Section 3.3 of the Seller Disclosure Letter.

**“Hockey Franchise”**: The professional hockey franchise granted by the NHL and entitling the holder thereof to own and operate the NHL member hockey club known as the Buffalo Sabres, together with all other rights granted to and obligations conferred on the holder in connection therewith.

**“Intellectual Property”**: All of the following intellectual property rights as they exist in all jurisdictions throughout the world, in each case, to the extent used in the conduct of the Business and owned by, licensed to, or otherwise used by Sellers:

(a) patents, patent applications, and other patent rights (including any divisions, continuations, continuations-in-part, substitutions, or reissues thereof, whether or not patents are issued on any such applications and whether or not any such applications are modified, withdrawn, or resubmitted);

(b) trademarks, service marks, trade dress, trade names, brand names, designs, logos, domain names, or corporate names, whether registered or unregistered, and all registrations and applications for registration thereof;

(c) copyright registrations and applications for registration thereof and non-registered copyrights;

(d) proprietary trade secrets, designs, research, processes, procedures, techniques, methods, know-how, data, mask works, inventions, and other proprietary rights (whether or not patentable or subject to copyright, mask work, or trade secret protection); and

(e) Software.

**“Knowledge”**: With respect to any Person, the knowledge that a director (or similarly-positioned Person) or officer of such Person has or would have reason to have if he or she had performed his or her services and duties in the ordinary course on behalf of such Person in a reasonably diligent manner, but without additional investigation or inquiry beyond that required for the discharge of his or her duties in the ordinary course in a reasonably diligent manner.

**“Lacrosse Franchise”**: The professional lacrosse franchise granted by the National Lacrosse League and entitling the holder thereof to own and operate the National Lacrosse League member lacrosse club known as the Buffalo Bandits, together with all other rights granted to and obligations conferred on the holder in connection therewith.

**“Lacrosse League Agreements”**: (a) the National Lacrosse League Constitution, (b) the National Lacrosse League By-laws, (c) all other existing or future National Lacrosse League rules, regulations, policies and resolutions, and (d) the current and future Collective Bargaining Agreements between the National Lacrosse League and the National Lacrosse League Players’ Association and between the NHL and the National Lacrosse League Officials’ Association and agreements and consent decrees presently or hereafter in effect or entered into

between or among the National Lacrosse League, its affiliates and its member clubs or the National Lacrosse League and other persons in furtherance of National Lacrosse League business or interests or as otherwise authorized, directly or indirectly, by the National Lacrosse League Commissioner, or the National Lacrosse League Constitution or the National Lacrosse League Bylaws.

**"Land Disposition Agreement":** That certain Land Disposition Agreement dated as of May 10, 1995 among the Buffalo Urban Renewal Agency and the City of Buffalo and CALLC.

**"Laws":** Any applicable Federal, state or local law, statute, ordinance, rule, regulation, order, judgment, injunction or decree of any Government Authority, including Environmental Laws.

**"Liens":** All claims, security and other interests, mortgages, pledges, encumbrances and other liens.

**"Material Adverse Change":** A change in or an effect on, as applicable, the Business, taken as a whole, that materially and adversely affects the value of the Purchased Assets, taken as a whole, but shall not include (i) the commencement by Sellers of the Chapter 11 Case, (ii) changes in general economic conditions or in financial markets; (iii) changes arising out of or relating to the solicitation of any customers of the Business by or on behalf of Purchaser or any Affiliates of Purchaser, (iv) any event or change in or relating to any Excluded Assets or liabilities other than Assumed Liabilities, (v) this Agreement or the Transactions or the announcement hereof or thereof, or (vi) any decline in ticket sales for the games played by Hockey Franchise or the Lacrosse Franchise.

**"Naming Rights Agreement":** That certain Naming Rights Agreement, dated as of May 7, 1996, between CALLC and Marine Midland Bank, as amended by that certain Amendment to Naming Rights Agreement, dated as of May 7, 1997, between CALLC and Marine Midland Bank, that certain Amendment No. 2 to Naming Rights Agreement, dated as of March 17, 2000, between CALLC and HSBC Bank, USA f/k/a Marine Midland Bank, and as amended from time to time prior to the date hereof, and as further amended following the date hereof with the consent of Purchaser.

**"NHL":** The National Hockey League, a not-for-profit unincorporated association.

**"NHL Agreements":** (a) the NHL Constitution, (b) the NHL By-laws, (c) all other existing or future NHL rules, regulations, policies and resolutions, (d) the current and future Collective Bargaining Agreements between the NHL and the National Hockey League Players' Association and between the NHL and the National Hockey League Officials' Association and agreements and consent decrees presently or hereafter in effect or entered into between or among the NHL, its affiliates and its member clubs or the NHL and other Persons in furtherance of NHL business or interests or as otherwise authorized, directly or indirectly, by the NHL Board of Governors, the NHL Commissioner, or the NHL Constitution or the NHL Bylaws, and (e) the

NHL Commissioner's interpretation of, and the custom and practice under, any of the foregoing, all as may be amended from time to time.

**"NHL Club Pension Plan"**: Collectively, the National Hockey League Players' Pension Plan and the National Hockey League Pension Plan for Players of United States Member Clubs.

**"NHL Consent"**: The consent of the NHL to the consummation of the Transactions, in substantially the form of Exhibit E hereto.

**"NHL Letter of Credit"**: A Ten Million Dollar (\$10,000,000) letter of credit, in form and substance satisfactory to the NHL, in satisfaction of the Hockey Franchise's obligations under the NHL Collective Bargaining Fund.

**"NHL Pension Plan Liability"**: Any and all accrued and unpaid liabilities of Sellers under the NHL Club Pension Plan, as set forth in further detail on Schedule 2.3(a)(iv) (which schedule identifies the items and the amounts of the NHL Pension Plan Liability as of February 27, 2003) and/or as arising in the ordinary course of business between such date and the Closing Date.

**"NHL Unpaid Liability"**: Any and all accrued and unpaid liabilities of Sellers under the NHL Agreements as of the Closing Date in respect of the Hockey Franchise (regardless of whether imposed on the Sellers, their controlling owners, or directly on any the assets of the Sellers held by the NHL), as set forth in further detail on Schedule 2.3(a)(iv) (which schedule identifies the items and the amounts of the NHL Unpaid Liability as of February 27, 2003) and/or as arising in the ordinary course of business between such date and the Closing Date, together with the obligation to deliver the NHL Letter of Credit to the NHL and to effect the payment of any and all professional fees incurred by the NHL on behalf of the Hockey Franchise and remaining unpaid as of the Closing Date.

**"Owned Real Property"**: Each parcel of real property and any interest therein owned by Sellers, together with any structures, improvements, easements and other rights on or appurtenant thereto owned by Sellers.

**"Permitted Liens"**: Those liens listed on Schedule 2.4(b) hereto.

**"Person"**: An individual, a corporation, a partnership, a limited liability company, an association, a trust or other entity, organization or Government Authority.

**"Petitions"**: The voluntary petitions for relief filed by Sellers pursuant to the Bankruptcy Code to commence the Chapter 11 Case.

**"Post-Signing Contracts"**: Contracts entered into by Sellers after the date of this Agreement and prior to the Closing.

**"Pre-Petition Payables"**: The accounts payable and other liabilities in respect of any goods or services delivered or performed in connection with the Business on or prior to the Filing Date, as set forth on Schedule 2.3(a)(i); provided, that (a) the Pre-Petition Payables shall



exclude any obligation, liability or commitment of Sellers to Adelpia or any Affiliate thereof, including without limitation any obligation, liability or commitment arising out of (x) any Adelpia Assumed Liabilities, (y) any unsecured or secured indebtedness of any Seller in favor of Adelpia or any Affiliate thereof, or (z) any indebtedness under (A) that certain Building Loan Contract, dated as of May 10, 1995, among CALLC, Marine Midland Bank and Key Bank of New York, and (B) that certain Amended and Restated Credit Agreement, dated as of February 28, 1997, by and among NFHLP and Fleet National Bank, in each case as amended and assigned to an Affiliate of Adelpia; and (b) with respect to obligations, liabilities or commitments under the Land Disposition Agreement, Pre-Petition Payables shall exclude any ground rent payable as a CALLC Additional Covenant with respect to the period before the Closing Date (provided that if the Closing Date does not occur on the first day of a calendar quarter, the ground rent for such quarter shall be pro rated).

**"Property Taxes"**: All real and personal property Taxes and other ad valorem Taxes and assessments on Purchased Assets.

**"Purchase Consideration"**: Each and all of the following:

(a) the DIP Financing Consideration, which shall include a draw on or prior to the Closing Date sufficient to fund the DIP Financing Final Draw Account for purposes of paying the costs and expenses incurred in connection with the administration of the Chapter 11 Cases following the Closing;

(b) the Concession Loan Consideration, in the event that Purchaser elects not to assume the Concession Loan pursuant to Section 5.15;

(c) the Cure Amounts;

(d) an amount in cash sufficient to satisfy in full the Pre-Petition Payables;

(e) an amount in cash sufficient to satisfy in full the Rejected Contract Claims;

(f) the Seller 401(k) Plan Termination Amount in respect of any Seller 401(k) Plans that Purchaser elects not to assume as provided in Section 5.12(b) hereof, and

(g) assumption by Purchaser of the Assumed Liabilities (including without limitation the obligation to deliver to the NHL a \$10,000,000 letter of credit as required pursuant to the NHL Agreements in order to fund the Hockey Franchise's contribution to the NHL Collective Bargaining Fund), in accordance with the terms of the Assignment and Assumption Agreement.

**"Purchased Assets"**: All of the properties, rights and claims of Sellers (except for the Excluded Assets), wherever located, whether tangible or intangible, as the same shall exist at Closing, as more fully set forth in Section 2.1 hereof.

**"Purchaser"**: As defined in the preamble to this Agreement.

**"Rejected Contracts"**: As defined in Section 2.9(b).

**"Rejected Contract Claims"**: Any and all liabilities due and owing under or in respect of any Rejected Contracts following Sellers' rejection of such Contracts in the Chapter 11 Cases in accordance with Section 2.9(b).

**"Rigas Proxies"**: (i) the Patmos, Inc. Irrevocable Proxy, dated as of June 20, 2002, granted by John J. Rigas to the NHL Commissioner, (ii) the Patmos, Inc. Irrevocable Proxy, dated as of June 20, 2002, granted by Michael J. Rigas to the NHL Commissioner, (iii) the Patmos, Inc. Irrevocable Proxy, dated as of June 20, 2002, granted by Timothy J. Rigas to the NHL Commissioner, (iv) the Patmos, Inc. Irrevocable Proxy, dated as of June 20, 2002, granted by James P. Rigas to the NHL Commissioner, (v) the Niagara Frontier Hockey, L.P. Irrevocable Proxy, dated as of June 20, 2002, granted by John J. Rigas to the NHL Commissioner, and (vi) the Patmos, Inc. Voting and Execution Proxy, dated as of January 10, 2003, granted by Patmos, Inc. to Craig Harnett and William Daly.

**"Seller"** and **"Sellers"**: As defined in the preamble to this Agreement.

**"Seller Debt Consents"**: Together, (i) that certain letter agreement, dated May 10, 1995, among the NHL, NFHLP, BSC, CALLC, Sportservice Corporation, New York Sportservice, Inc., Shawmut Bank, N.A., Fleet Bank of New York, Marine Midland Bank, Key Bank of New York, Buffalo Urban Renewal Agency, City of Buffalo, County of Erie, Erie County Industrial Development Agency and New York State Urban Development, as amended March 7, 1997, March 22, 2000, December 19, 2002 and February 7, 2003, and (ii) that certain letter agreement, dated as of January 13, 2003, by and among the NHL, Ableco Finance LLC, NFHLP, CALLC, BSC and the other parties signatory thereto, in each case as amended from time to time.

**"Seller Disclosure Letter"**: The schedule delivered by Sellers to Purchaser dated as of the date hereof and attached hereto as Exhibit D (which schedule contains appropriate references to identify the representations and warranties herein to which the information in such schedule relates).

**"Seller NHL Agreements"**: The following agreements by and between the NHL and the Sellers and/or certain of their affiliates: (i) the Seller Transfer Consents, (ii) the Seller Debt Consents, (iii) the Adelpia Administrative Agency Agreements, (iv) the Rigas Proxies, and (v) the Adelpia Subordination Agreement, in each case as amended from time to time.

**"Seller Plans"**: Each "employee benefit plan" as defined in Section 3(3) of ERISA that is sponsored, maintained, or contributed to or required to be contributed to by any Seller or to which such Seller is party, for the benefit of any employee of Sellers engaged in the Business.

**"Seller 401(k) Plan Termination Amount"**: In respect of any Seller 401(k) Plan that Purchaser elects not assume as provided in Section 5.12(b) hereof, an amount equal to the total of all fees, costs and expenses necessary for Sellers to effect the termination of such Seller 401(k) Plans promptly following the Closing Date in accordance with applicable law.

**"Seller 401(k) Plans"**: The following Seller Plans to which NFHLP is a party: Rochester American Players' Pension Plan, effective January 1, 1994, as amended; Buffalo

Sabres Players' Pension Plan, effective January 1, 1993, as amended; Strong Retirement Plan Services Nonstandardized 401(k) Plan, signed by NFHLP December 17, 2002; and 401(k) Profit Sharing Plan and Trust dated August 1994.

**"Seller Transfer Consents":** Together, (i) that certain Consent Agreement, dated July 26, 2000, among the NHL, NFHLP, Niagara Frontier Hockey Management Corporation, Robert O. Swados, the Estate of Northrup R. Knox, the Estate of Seymour H. Knox, III, John Rigas, Michael Rigas, Timothy Rigas, James Rigas, Patmos, Inc., Adelphia and Sabres, Inc., and (ii) that certain LP Consent Agreement, dated July 26, 2000, among the NHL, NFHLP, each of NFHLP's limited partners, Niagara Frontier Hockey Management Corporation, Robert O. Swados, the Estate of Northrup R. Knox, the Estate of Seymour H. Knox, III, John Rigas, Michael Rigas, Timothy Rigas, James Rigas, Patmos, Inc., Adelphia and Sabres, Inc., in each case as amended from time to time

**"Software":** Collectively, computer software programs, including, without limitation, all source codes, object codes, and material documentation related thereto.

**"Straddle Period Property Taxes":** Property Taxes that relate to a period beginning prior to the Closing and ending on or after the Closing Date.

**"Tax":** Any federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs, ad valorem, duties, capital stock, franchise, profits, withholding, social security, unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not.

**"Tax Return":** Any return, declaration, report, claim for refund, or information return or statement relating to Taxes required to be filed with any Government Authority, including any schedule or attachment thereto, and including any amendment thereof

**"Ticket Sale Contracts":** Ticket sale contracts and other contracts for the sale of tickets to Hockey Franchise or Lacrosse Franchise games or other entertainment events at the HSBC Arena entered into in the ordinary course of business on standard terms and conditions.

**"Transactions":** The purchase and sale of the Purchased Assets and the assumption of the Assumed Liabilities and other related agreements provided for in this Agreement.

## ARTICLE II

### PURCHASE AND SALE OF ASSETS

Section 2.1. **Purchase and Sale.** Subject to the terms and conditions of this Agreement, at the Closing, Sellers shall sell, convey, transfer, assign and deliver to Purchaser, and Purchaser shall purchase, acquire, accept and assume from Sellers, all of Sellers' right, title and interest, as of the Closing, in and to all of the Purchased Assets, which Purchased Assets

shall include the following (but, for the avoidance of doubt, shall not include the Excluded Assets):

(a) Owned Real Property, leaseholds and subleaseholds, improvements, fixtures and fittings, and easements, rights-appurtenants (such as appurtenant rights in and to public right-of-way, and other streets), as set forth on Schedule 2.1(a);

(b) tangible personal property (such as machinery, equipment, inventories of materials, supplies, merchandise, manufactured and purchased parts, furniture, automobiles, trucks, zambonis, tractors, trailers, tools, uniforms, practice gear, medical supplies and other equipment);

(c) Intellectual Property, goodwill associated therewith, licenses and sublicenses granted and obtained with respect thereto, and rights thereunder, remedies against infringements thereof, and rights to protection of interests therein under the laws of all jurisdictions including without limitation all Intellectual Property listed on Schedule 2.1(c);

(d) the Assumed Leases, together with all rights thereunder;

(e) the Assumed Contracts, together with all rights thereunder;

(f) notes and related deposits, and any liens, security interests or other collateral held for the benefit of the Sellers in relation to any third party obligations owing to Sellers;

(g) claims, deposits, warranties, prepayments, refunds, causes of action, choses in action, rights of recovery, rights of set off, and rights of recoupment (including any such item relating to the payment of Taxes) arising under the Assumed Contracts or the Assumed Leases or otherwise in respect of the Purchased Assets;

(h) franchises, approvals, permits, licenses, orders, registrations, certificates, variances and similar rights obtained from governments and governmental agencies;

(i) books, records, ledgers, files, documents, correspondence, lists, plats, architectural plans, drawings, engineering reports, specifications, creative materials, advertising and promotional materials, studies, reports and other printed or written materials;

(j) the Hockey Franchise, the NHL membership, and all other interests of Sellers and their Affiliates in the NHL and NHL-affiliated Persons, together with any funds or other property currently being held in satisfaction of Sellers' obligations in respect of the NHL Collective Bargaining Fund;

(k) the Lacrosse Franchise, the National Lacrosse League membership, and all other interests of Sellers and their Affiliates in the National Lacrosse League and National Lacrosse League-affiliated Persons;

(l) all cash on hand or on deposit with banks or other institutions, cash equivalents and marketable and other securities including amounts on deposit in the restricted

accounts (subject to any restrictions thereon) and accounts in which employee-related withholding and sales tax deposits are held, and other accounts listed on Schedule 2.1(l) and Schedule 6.1(j), including without limitation any funds remaining in the Concession Loan Custody Account, but excluding Sellers' DIP Financing Final Draw Account and any cash contained therein in an amount up to \$750,000;

(m) all prepaid amounts, annuities (including those annuities and life insurance policies set forth on Schedule 2.1(e)), investments, or deposits held for the account of any Seller by the NHL or any third party;

(n) all other rights of Sellers under the NHL Bylaws, NHL Constitution and other NHL Agreements, including without limitation any expansion fees arising or payable on or after the date of this Agreement and any insurance policies placed through the BWD Group LLC and required to be in place by the NHL;

(o) rights of Sellers under the Lacrosse League Agreements;

(p) rights to receive all state or other tax credits, refunds, concessions and subsidies in respect of the conduct of the Business following the Closing Date;

(q) accounts receivable set forth on Schedule 2.1(q), subject to adjustment in the ordinary course of business between the date hereof and the Closing Date;

(r) copies of Sellers' accounting and tax records, books and records, accounting ledgers and other financial records;

(s) any and all refunds arising from cancellation of insurance policies, together with any premium refunds paid in respect thereof; and

(t) all of Sellers' stock and other equity interests in each of the Canadian Subsidiaries.

**Section 2.2. Excluded Assets.** Notwithstanding anything herein to the contrary, Sellers shall retain all of Sellers' right, title and interest in and to the following (collectively, the "Excluded Assets"):

(a) the Seller Plans (other than (i) those plans set forth on Schedule 2.1(e), and (ii) in the event that Purchaser elects to assume them as provided in Section 5.12(b) hereof, the Seller 401(k) Plans), and all rights and assets related thereto;

(b) Sellers' accounting and tax records, minute books, taxpayer identification numbers, books and records, accounting ledgers and other financial records;

(c) except as provided in Section 2.1(e), rights in and claims (and in each case benefits to the extent they arise therefrom) against third parties to the extent such claims are not related in any way to the Purchased Assets or the Assumed Liabilities (including without limitation claims against Adelpia or its controlled Affiliates, other than claims arising under the Broadcast Rights Agreement or otherwise in respect of the Adelpia Assumed Liabilities), and

rights in and claims (and benefits to the extent they arise therefrom) that relate to Excluded Assets or Excluded Liabilities, all deposits and rights arising from prepaid expenses, if any, with respect to Excluded Assets, and any rights of indemnification against any Person under any purchase or other agreement pursuant to which Sellers acquired any portion of the Business;

(d) rights to receive all state or other tax credits and refunds in respect of the conduct of the Business on or prior to the Closing Date;

(e) Sellers' rights under this Agreement;

(f) all insurance policies and contracts of insurance of the Sellers, except for those policies and contracts set forth on Schedule 2.1(e);

(g) rights under any Contract that is not an Assumed Contract or Assumed Lease;

(h) Sellers' DIP Financing Final Draw Account, together with funds therein that are drawn under the DIP Financing on or prior to the Closing Date in order to fund the costs and expenses incurred in connection with the administration of the Chapter 11 Cases following the Closing, in an amount up to \$750,000; and

(i) all rights to receive Tax refunds with respect to any Taxes applicable to the Business or the Purchased Assets, in each case attributable to periods or portions thereof ending on or prior to the Closing Date.

### Section 2.3. Certain Assumed Liabilities.

(a) Subject to the terms and conditions of this Agreement, at the Closing, Purchaser shall assume and agree to pay, perform and discharge the Assumed Liabilities.

(b) Purchaser shall not assume, and shall not be deemed by virtue of the execution and delivery of this Agreement or any document delivered at the Closing pursuant to this Agreement, or as a result of the consummation of the Transactions, to have assumed, any of the Excluded Liabilities. For the avoidance of doubt, the Excluded Liabilities shall include, without limitation:

(i) except with respect to Adelpia Assumed Liabilities, any obligation, liability or commitment of Sellers to Adelpia or any Affiliate thereof, including without limitation any obligation, liability or commitment arising out of (y) any secured or unsecured indebtedness or other obligation or commitment of any Seller, including subordinated notes, in favor of Adelpia or any Affiliate thereof, or (z) any indebtedness under (A) that certain Building Loan Contract, dated as of May 10, 1995, among CALLC, Marine Midland Bank and Key Bank of New York, and (B) that certain Amended and Restated Credit Agreement, dated as of February 28, 1997, by and among NFHLP and Fleet National Bank, in each case as amended and assigned to an Affiliate of Adelpia;

(ii) any obligation, liability or commitment of Sellers to the NHL pursuant to the Seller NHL Agreements, except (A) as set forth in the NHL Consent and the documents executed in connection therewith, (B) for obligations, liabilities or commitments arising under the NHL Agreements as a result of Purchaser's acquisition or ownership of the Hockey Franchise, or (C) those Contracts listed on Schedule 2.1(e) and assumed by Purchaser hereunder;

(iii) any obligation, liability or commitment arising under any Environmental Law and relating to the conduct of the Business on or prior to the Closing Date;

(iv) any obligation, liability or commitment arising out of or relating to participation by any Person in any Seller Plan, other than (i) the Seller Plans listed on Schedule 2.1(e), and (ii) any Seller 401(k) Plans that Purchaser elects to assume as provided in Section 5.12(b) hereof;

(v) any ground rent payable as a CALLC Additional Covenant with respect to the period before the Closing Date under the Land Disposition Agreement; and

(vi) any ticket surcharge owed to Erie County, whether arising prior to the Filing Date or during the Chapter 11 Cases, and any amounts payable as an operating fee with respect to the time period before the Closing Date under that certain Operating Agreement, dated May 10, 1995, among CALLC, Erie County, the City of Buffalo, Buffalo Urban Renewal Agency, the New York State Urban Development Corporation and the Erie County Industrial Development Agency.

Section 2.4. Final Order. Prior to the Closing, the Bankruptcy Court shall have issued a Final Order approving the sale of the Purchased Assets to Purchaser free and clear of all Liens other than Permitted Liens. The Final Order shall be in form and substance reasonably acceptable to Purchaser and Seller, and Purchaser shall have a reasonable opportunity to review and approve the Final Order. The Final Order shall approve the execution of this Agreement by Sellers and the consummation by Sellers of the Transactions and shall provide that: (a) this Agreement and the Transactions are approved; (b) each Seller has good, valid and marketable title to the Purchased Assets and such title shall be transferred to Purchaser free and clear of all Liens, other than Permitted Liens; (c) Purchaser is purchasing the Purchased Assets in "good faith" within the meaning of Section 363(m) of the Bankruptcy Code; (d) the transfer of the Purchased Assets constitutes a transfer for reasonably equivalent value and fair consideration; (e) the sale of the Purchased Assets is in the best interests of each Seller, its creditors and holders of equity interests; (f) the consummation of the Transactions will not subject Purchaser and its successors and assigns, the Purchased Assets or any other assets of Purchaser to any liabilities or obligations of Sellers other than the Assumed Liabilities; and (g) Purchaser is not a successor to Sellers for any purpose. Nothing herein shall preclude the parties from consummating the Transactions if an Approval Order has been entered and has not been stayed and the parties hereto elect to waive the requirement that the Approval Order become a Final Order.

**Section 2.5. Consideration.**

(a) The consideration for the Purchased Assets shall consist of the Purchase Consideration.

(b) At the Closing, Purchaser shall: (i) pay the DIP Financing Consideration to the DIP Financing lenders by wire transfer of immediately available funds to such accounts as may be designated by Sellers; (ii) pay the Cure Amounts, the Rejected Contract Claims and the Pre-Petition Payables by wire transfer of immediately available funds to such accounts as may be designated by Sellers; (iii) if Purchaser elects, pursuant to Section 5.15, not to assume the Concession Loan, pay the Concession Loan Consideration to the Concession Loan lenders by wire transfer of immediately available funds to such accounts as may be designated by Sellers; (iv) cause the lenders under the Concession Loan to deliver to Adelpia or its designee the Concession Loan Letters of Credit, (v) assume the Assumed Liabilities; (vi) if Purchaser elects, pursuant to Section 5.12(b), not to assume the Seller 401(k) Plans, pay to Sellers the Seller 401(k) Plan Termination Amount in respect of such Seller 401(k) Plans; and (vii) deliver the NHL Letter of Credit to the NHL. Such payments shall be made net of the Deposit, which shall be released from escrow and paid to or for the benefit of the Sellers in accordance with the preceding sentence.

**Section 2.6. Closing.** The Closing shall take place at 10:00 a.m., local time, at the offices of Nixon Peabody LLP, 1600 Main Place Tower, Buffalo, New York 14202, or at such other location as Sellers and Purchaser may agree, on the Closing Date.

**Section 2.7. Deliveries at Closing**

(a) **Deliveries by Sellers.** At the Closing, Sellers shall deliver to Purchaser: (i) a duly executed Bill of Sale, in a form mutually agreed by Sellers and Purchaser, and the Assignment and Assumption Agreement, transferring to Purchaser all of Sellers' right, title and interest and to the Purchased Assets, (ii) an assignment of leases, dated as of the Closing Date, with respect to each Executory Contract that is a lease, in a form mutually agreed by Sellers and Purchaser, together with any necessary transfer declarations or other filings, (iii) title to the Owned Real Property by quitclaim deed, together with any necessary transfer declarations or other filings, (iv) certified copies of all orders of the Bankruptcy Court pertaining to the Transactions, including without limitation the Final Order, (v) such other documents, instruments, certificates and writings as reasonably may be requested by Purchaser no later than three (3) Business Days prior to the Closing, and (vi) physical possession and/or control, as appropriate, of the Purchased Assets.

(b) **Deliveries by Purchaser.** At the Closing, Purchaser shall deliver to Sellers or their designees: (i) a duly executed Bill of Sale, in a form mutually agreed by Sellers and Purchaser, and the Assignment and Assumption Agreement; (ii) such other evidence as reasonably may be requested by Sellers that Purchaser has assumed all Assumed Liabilities; (iii) if Purchaser elects, pursuant to Section 5.15, not to assume the Concession Loan (A) evidence reasonably satisfactory to Sellers that the Concession Loan has been satisfied and Sellers have no further obligations thereunder, and (B) written consent from the NHL in respect of any financing entered into in place of, or in order to extinguish, such Concession Loan, (iv) evidence



reasonably satisfactory to Sellers that: (A) the Concession Letters of Credit shall have been released and delivered to Adelphia or its designee, and (B) the obligations of Adelphia and Sabres, Inc. in respect of the Loan Purchase and Sale Agreements relating to the Concession Loan have been terminated or otherwise discharged; (v) a certificate dated the Closing Date and validly executed on behalf of Purchaser to the effect that the conditions set forth in Section 6.2(b) have been satisfied; (vi) a copy of the resolutions of the sole member of Purchaser, or similar enabling document, authorizing the execution, delivery, and performance hereof by Purchaser, and a certificate of its secretary or assistant secretary, dated as of the Closing Date, that such resolutions were duly adopted and are in full force and effect; (vii) the NHL Consent, duly executed by the Purchaser and its principals as contemplated thereby; (viii) the NHL Letter of Credit, which shall be delivered to the NHL; and (ix) such other documents, instruments, certificates and writings as reasonably may be requested by Sellers no later than three (3) Business Days prior to the Closing.

Section 2.8. Post-Signing Contracts. From time to time after the execution of this Agreement by the parties and until the earlier to occur of the Closing and the termination of this Agreement, Sellers shall consult with and give due consideration to Purchaser's views concerning any Post-Signing Contracts that Sellers desire to enter into. Purchaser shall assume at the Closing such Post-Signing Contracts as are entered into in the ordinary course of business (including all Ticket Sale Contracts), together with any additional Post-Signing Contracts that Purchaser shall have agreed to assume no later than five (5) Business Days prior to the Closing Date; provided, however, that Purchaser shall not be required to assume Post-Signing Contracts that have not been approved by Purchaser (other than Ticket Sale Contracts, all of which shall be assumed by Purchaser) in the event, and to the extent, that the liability of Sellers under such unapproved Post-Signing Contracts (other than Ticket Sale Contracts) is in excess of \$80,000 in respect of any such individual unapproved Post-Signing Contract or \$500,000 under such unapproved Post-Signing Contracts in the aggregate (and Purchaser will have the right, no later than five (5) Business Days prior to the Closing Date, to specify which of those unapproved Post-Signing Contracts it will not assume in the event the aggregate liability under such unapproved Post-Signing Contracts (other than Ticket Sale Contracts) exceeds \$500,000 in the aggregate).

Section 2.9. Assumption and Rejection of Executory Contracts.

(a) With respect to each Executory Contract to be assumed by Sellers and assigned to Purchaser on the Closing Date, including without limitation each Post-Signing Contract to be assigned to Purchaser in accordance with Section 2.8 and each Ticket Sale Contract: (i) any and all defaults existing under such Executory Contract shall be cured in accordance with Section 5.3 and adequate assurance of performance thereunder shall be provided by Purchaser to the counterparties thereto, in each case to the extent required for Sellers to assume such Executory Contract in the Chapter 11 Cases; (ii) Sellers shall conditionally assume such Executory Contract in the Chapter 11 Cases pursuant to Section 365 of the Bankruptcy Code; and (iii) Sellers shall assign such Executory Contract to Purchaser pursuant to an order of the Bankruptcy Court (which may be the Final Order). Effective on the Closing Date, Purchaser shall accept and assume the obligations of Sellers under each such Executory Contract.

(b) Sellers may reject in the Chapter 11 Cases each contract that is not either a Purchased Asset or a Post-Signing Contract, if any, that is not to be assumed by Sellers and assigned to Purchaser in accordance with Section 2.8; provided, that, prior to the Closing, before any such rejection Sellers shall consult with Purchaser and afford Purchaser an opportunity at any time prior to the Closing Date to elect to assume such contracts, in which case such contracts shall be deemed to be Assumed Contracts hereunder and Purchaser shall at the Closing assume such contracts (if any) as Assumed Contracts hereunder (collectively, the "Rejected Contracts").

Section 2.10. Deposit.

(a) Simultaneously with Purchaser's execution and delivery of this Agreement, Purchaser shall deliver to the NHL, as escrow agent pursuant to the Escrow Agreement attached hereto as Exhibit F (in such capacity, the "Escrow Agent"), the sum of five million dollars (\$5,000,000). Such amount, together with any interest and earnings thereon (the "Deposit"), shall be non-refundable except as expressly provided herein, and at Closing shall be credited as a partial payment of the Purchase Consideration payable at the Closing. The Deposit shall, at all times prior to its release or return in accordance with the terms of this Agreement, be held by the Escrow Agent in a segregated interest bearing account and in accordance with the terms of this Agreement, and, except for interest collected on the Deposit, no other money or funds shall be commingled in such account.

(b) In the event that (i) Purchaser terminates this Agreement in accordance with Section 7.1(d), or otherwise under Section 7.1 due to the non-fulfillment of any condition provided for in Section 6.1, or (ii) Sellers terminate this Agreement in accordance with Section 7.1(e)(iii), then the Deposit shall be returned immediately and in full to Purchaser. If for any other reason this Agreement is terminated, immediately and automatically upon such termination, the Deposit shall be irrevocably delivered to Sellers.

Section 2.11. Allocation of Purchase Consideration. Sellers and Purchaser shall agree before the Closing on an allocation of the Purchase Consideration in accordance with the principles established under Section 1060 of the Code. The parties agree to be bound by such allocation for all purposes, including for purposes of all Federal, state, local and foreign Tax returns filed by them subsequent to the Closing Date, the determination by Sellers of any gain or loss arising from the transactions contemplated herein and the determination by Purchaser of its Tax basis in the Purchased Assets. Sellers and Purchaser shall each file Internal Revenue Service Form 8594 (and any similar form required by applicable Law) on a timely basis in accordance with Section 1060 of the Code and the Treasury Regulations promulgated thereunder.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF SELLERS

Purchaser specifically acknowledges and agrees to the following with respect to the representations and warranties of Sellers:

A. Purchaser shall have no recourse to any Seller or to any of the officers, directors, employees or agents of any Seller in the event any of the representations and warranties made herein or deemed made are untrue as at any time of expression thereof. The only remedy for a breach of such representations and warranties shall be Purchaser's option, under certain circumstances, not to close in accordance with and subject to the limitations in Sections 6.1(a) and 7.1(d) hereof and, without limiting the foregoing, Purchaser shall have no remedy whatsoever for any such breach after the Closing.

B. Purchaser has conducted its own due diligence investigations of the Business.

C. If information provided in any Section of the Seller Disclosure Letter is applicable to any other Sections, then such information shall be deemed to have been provided with respect to all such Sections.

D. The disclosure of any matter in the Seller Disclosure Letter shall be deemed to be a disclosure for all purposes of this Agreement to which such matter could reasonably be expected to be pertinent, but shall expressly not be deemed to constitute an admission by any Seller or to otherwise imply that any such matter is material for the purposes of this Agreement.

E. None of the representations and warranties contained in this Article III is intended to modify or otherwise affect the definitions of the terms "Purchased Assets," "Assumed Liabilities," "Excluded Assets" or "Excluded Liabilities" as set forth in this Agreement, or the sale and transfer of the Purchased Assets and the Assumed Liabilities hereunder.

On the basis of the foregoing premises and except as disclosed to Purchaser in the Seller Disclosure Letter, Sellers represent and warrant to Purchaser, on their own behalf and on behalf of the Canadian Subsidiaries (provided that, for purposes of the Canadian Subsidiaries, the following representations and warranties and any related definitions shall be deemed amended and modified to refer instead to Canadian Laws), as follows:

**Section 3.1. Organization; Canadian Subsidiaries.**

(a) Except as set forth in Section 3.1 of the Seller Disclosure Letter, each Seller is a corporation, limited partnership or limited liability company validly existing and in good standing under the laws of the jurisdiction of its incorporation and has the power and authority to own, use, and operate its properties and to carry on its business as it is now being conducted or presently proposed to be conducted except where the failure to be so validly existing and in good standing would not reasonably be expected to, individually or in the aggregate, result in a Material Adverse Change in the Business, taken as a whole.

(b) All of the issued and outstanding equity interests in the Canadian Subsidiaries have been duly authorized, are validly issued, fully paid, and nonassessable, and are owned by the Sellers free and clear of any restrictions on transfer (other than restrictions under applicable securities laws). There are no outstanding or authorized options, warrants, purchase rights, subscription rights, conversion rights, exchange rights, or other contracts or commitments that

could require the either Canadian Subsidiary to issue, sell, or otherwise cause to become outstanding any of its capital stock. There are no outstanding or authorized stock appreciation, phantom stock, profit participation, or similar rights with respect to the Canadian Subsidiaries.

**Section 3.2. Authority Relative to this Agreement.** Subject to Bankruptcy Court approval, each Seller has the power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution, delivery, and performance of this Agreement by Sellers and the consummation by Sellers of the Transactions have been duly authorized by all requisite corporate, partnership or company actions. Subject to the entry and effectiveness of the Final Order, this Agreement has been duly and validly executed and delivered by Sellers and (assuming this Agreement constitutes a valid and binding obligation of Purchaser) constitutes a valid and binding agreement of Sellers, enforceable against Sellers in accordance with its terms.

**Section 3.3. Consents and Approvals.** To the Knowledge of Sellers, no material consent, approval, authorization of, or declaration, filing, or registration with, any United States Federal, state or local Government Authority, is required to be made or obtained by Sellers in connection with the execution, delivery, and performance of this Agreement and the consummation of the Transactions, except for the Governmental Requirements.

**Section 3.4. No Violations.** Assuming that the Governmental Requirements will be satisfied, made, or obtained and will remain in full force and affect and the conditions set forth in Article VI will have been satisfied or waived, neither the execution, delivery, or performance of this Agreement by Sellers, nor the consummation by Sellers of the Transactions will (a) conflict with or result in any breach of any provisions of the articles of incorporation, bylaws or other formative documents of any Seller, (b) violate any order, writ, injunction, decree, statute, rule, or regulation applicable to Sellers or to the Purchased Assets, or (c) result in the creation or imposition of any Liens on any Purchased Asset, except in each case for violations, breaches, defaults, terminations, cancellations, accelerations, creations, impositions, suspensions, or revocations that: (i) would not individually or in the aggregate give rise to a Material Adverse Change in the Business, taken as a whole, (ii) are excused by or unenforceable as a result of the commencement or pendency of the Chapter 11 Case or the application of any provision of the Bankruptcy Code, or (iii) are set forth in Section 3.4 of the Seller Disclosure Letter.

**Section 3.5. Financial Statements.** Except as set forth on Section 3.5 of the Seller Disclosure Letter, the Financial Statements, copies of which have been delivered to the Purchaser, fairly present, in all material respects, the consolidated financial condition of the Sellers as at the respective dates thereof and the consolidated results of operations of the Sellers for the fiscal periods ended on such respective dates, all in accordance with GAAP.

**Section 3.6. Absence of Certain Changes.** Except: (a) as set forth in Section 3.6 of the Seller Disclosure Letter, (b) for the commencement or pendency of the Chapter 11 Case and (c) for orders, writs, injunctions, decrees, statutes, rules, or regulations of general applicability to the Business, since the Balance Sheet Date, (x) there has been no event or condition that has given rise to (or is reasonably likely to result in) a Material Adverse Change in the Business, taken as a whole and (y) no Seller has taken any action that, if taken after the date hereof, would violate Section 5.2.

**Section 3.7. Litigation.** Except for the Chapter 11 Case and except as set forth in Section 3.7 of the Seller Disclosure Letter, there is no suit, action, proceeding, or investigation (whether at law or equity, before or by any federal, state, or foreign commission, court, tribunal, board, agency, or instrumentality, or before any arbitrator) pending or, to Seller's Knowledge, threatened in writing against or affecting any Seller, the outcome of which would be reasonably likely, individually or in the aggregate, to have a Material Adverse Change in the Business, taken as a whole, nor is there any judgment, decree, injunction, rule, or order of any court, governmental department, commission, agency, instrumentality, or arbitrator outstanding against any Seller that would be reasonably likely to have a Material Adverse Change in the Business, taken as a whole.

**Section 3.8. No Default.** Except as set forth in Section 3.8 of the Seller Disclosure Letter and except to the extent excused by or unenforceable as a result of the commencement or pendency of the Chapter 11 Case or the application of any provision of the Bankruptcy Code, no Seller is in violation or breach of, or default under (and no event has occurred that with notice or the lapse of time would constitute a violation or breach of, or a default under) any term, condition, or provision of: (a) its articles of incorporation, bylaws or other formative documents, (b) any note, bond, mortgage, deed of trust, security interest, indenture, license, agreement, plan, contract, lease, commitment, or other instrument, or obligation to which such Seller is a party or by which such Seller's properties or assets may be bound or affected, (c) any order, writ, injunction, decree, statute, rule, or regulation applicable to such Seller or to such Seller's properties or assets, or (d) any permit, license, governmental authorization, consent, or approval necessary for such Seller to conduct the Business as currently conducted, except in each case for breaches, defaults, or violations that result from the filing of the Petitions or non-payment of amounts owed prior to the filing of the Petitions and except as would not reasonably be expected to, individually or in the aggregate, result in a Material Adverse Change in the Business, taken as a whole.

**Section 3.9. No Violation of Law.** Except as disclosed in Section 3.9 of the Seller Disclosure Letter and except to the extent excused by or unenforceable as a result of the commencement or pendency of the Chapter 11 Case or the application of any provision of the Bankruptcy Code, to the Knowledge of Sellers, no Seller is in violation of, and no Seller has been given notice or been charged with any violation of, any Law of any Government Authority that would not reasonably be expected to, individually or in the aggregate, result in a Material Adverse Change in the Business, taken as a whole. Except as disclosed in Section 3.9 of the Seller Disclosure Letter or except as would not reasonably be expected to, individually or in the aggregate, result in a Material Adverse Change in the Business, taken as a whole and except for the Chapter 11 Case, no investigation or review by any Government Authority is pending or, to the Knowledge of Sellers, threatened in writing, nor has any Government Authority indicated to Sellers an intention to conduct the same.

**Section 3.10. Accounts Receivable.** Except as set forth in Section 3.10 of the Seller Disclosure Letter, all accounts receivable to be acquired by Purchaser arose in the ordinary course of business.

**Section 3.11. Environmental Matters.** Except as set forth in Section 3.11 of the Seller Disclosure Letter and except as would not reasonably be expected to, individually or in the

aggregate, result in a Material Adverse Change in the Business, taken as a whole, to the Knowledge of Sellers, (a) each Seller is in compliance with all Environmental Laws, (b) no Seller has received any written notice not subsequently resolved with respect to the business of, or any property owned or leased by such Seller from any Government Authority or third party alleging that such Seller or any aspect of the Business is not in compliance with any Environmental Law, and (c) there has been no release of a "hazardous substance," as that term is defined in the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 et seq., in excess of a reportable quantity on any real property that is used in the Business and is included in the Purchased Assets.

Section 3.12. Employee Benefits: Labor Matters.

(a) Section 3.12(a) of the Seller Disclosure Letter contains a true and complete list of each Seller Plan.

(b) Except as set forth in Section 3.12(b) of the Seller Disclosure Letter and to the Knowledge of Sellers, Sellers are in material compliance with, and each Seller Plan is operated in accordance with, the provisions of such Seller Plan, and Sellers are in material compliance with ERISA, the Code and all legal requirements governing each such Seller Plan, including but not limited to rules and regulations promulgated by the Department of Labor, the Pension Benefit Guaranty Corporation and the Department of the Treasury pursuant to the provisions of ERISA and the Code.

(c) Except as set forth in Section 3.12(c) of Seller Disclosure Letter, Sellers are not a party to any collective bargaining agreements and there are no labor unions or other organizations representing, purporting to represent, or attempting to represent, any employee of any Seller.

(d) As of the date of this Agreement there are, and as of the Closing there, will be, no past due liabilities to federal, state, and local governments in respect of payroll, FICA, and employee-related withholding taxes.

Section 3.13. Real Property.

(a) Section 3.13(a) of the Seller Disclosure Letter lists each parcel of Owned Real Property, as well as such parcel's legal description and the address by which it is commonly known. With respect to each Owned Real Property:

(i) the identified owner has good and valid title to such Owned Real Property;

(ii) there are no pending or, to the Knowledge of Sellers, threatened condemnation proceedings, lawsuits, or administrative actions relating to such Owned Real Property;

(iii) Sellers have delivered or made available to Purchaser prior to the execution of this Agreement true and complete copies of all deeds, leases, mortgages, deeds of trust, certificates of occupancy, title insurance policies, title

reports, surveys and similar documents, and all amendments thereof, in the Sellers' possession, with respect to such Owned Real Property;

(iv) except as disclosed in Section 3.13(a)(iv) of the Seller Disclosure Letter, there are no leases, subleases, licenses, concessions, or other agreements, written or oral, granting to any party or parties the right of use or occupancy of any portion of such Owned Real Property;

(v) except as disclosed in Section 3.13(a)(v) of the Seller Disclosure Letter, there are no outstanding options or rights of first refusal to purchase such Owned Real Property, or any portion thereof or interest therein; and

(vi) there are no parties (other than Sellers) in possession of such Owned Real Property, other than tenants under any leases disclosed in Section 3.13(a)(iv) of the Seller Disclosure Letter who are in possession of space to which they are entitled.

(b) Section 3.13(b) of the Seller Disclosure Letter lists each parcel of real property and any interest therein that a Seller, occupies, uses or otherwise has rights to pursuant to a lease, license, occupancy agreement or other agreement, as well as such parcel's legal description and the address by which it is commonly known (each such property or interest, together with any structures, improvements, easements and other rights on or appurtenant thereto). Sellers have delivered or made available to Purchaser a true and complete copy of each such lease, license, occupancy agreement or other agreement.

#### Section 3.14. Title to and Use of Property.

(a) At the Closing, Purchaser will acquire title to all of the Purchased Assets, in each case free and clear of any and all Liens other than Permitted Liens and with respect to Executory Contracts, which shall be subject to Purchaser's obligations under Section 2.9;

(b) Except for any assets that are Excluded Assets, the Purchased Assets include, without limitation, all real property interests and related rights and interests and all personal property of Sellers, both tangible and intangible, materially necessary to conduct the Business as it is currently conducted by Sellers.

Section 3.15. Brokers. No person is entitled to any brokerage, financial advisory, finder's, or similar fee or commission payable in connection with the Transactions based upon arrangements made by or on behalf of Sellers.

Section 3.16. Contracts. Section 3.16 of the Seller Disclosure Letter contains a complete and accurate list of all Contracts that involve payments by any Seller in excess of (i) \$10,000 in the past or next twelve months or (ii) \$125,000 in the aggregate. As of the date of this Agreement, no Seller has received written notice, nor does such Seller otherwise have Knowledge, that any party to the Contracts intends to cancel, terminate, or refuse to renew such Contract or to exercise or decline to exercise any option or right thereunder and each such Contract is valid and binding upon such parties in accordance with its terms except (x) as set

forth in Section 3.16 of the Seller Disclosure Letter, (y) to the extent excused by or unenforceable as a result of the commencement or pendency of the Chapter 11 Case or the application of any provision of the Bankruptcy Code and (z) to the extent that the failure of such Contracts to be valid and binding would not result in a Material Adverse Change in the Business, taken as a whole.

**Section 3.17. Intellectual Property.**

(a) **Intellectual Property Disclosure.** Section 3.17(a) of the Seller Disclosure Letter sets forth all United States and foreign patents and patent applications, trademark and service mark registrations and applications, and copyright registrations and applications owned by each Seller and material licenses under which Sellers are granted rights to intellectual property owned by third parties (excluding all off-the-shelf licensed Software, and all photographs, audiovisual works and sound recordings), specifying as to each owned item, as applicable: (i) the nature of the item, including the title; (ii) the owner of the item; (iii) the jurisdictions in which the item is issued or registered or in which an application for issuance or registration has been filed; and (iv) the issuance, registration, or application numbers and dates.

(b) **Ownership.** Except as would not reasonably be expected to, individually or in the aggregate, result in a Material Adverse Change in the Business, taken as a whole, Sellers will own or have the right to use as of the Closing Date and transfer to Purchaser, free and clear of any and all Liens, all Intellectual Property used in the conduct of the Business.

(c) **Claims.** Except as would not reasonably be expected to, individually or in the aggregate, result in a Material Adverse Change in the Business, taken as a whole, no Seller has been, during the three (3) years preceding the date hereof, a party to any claim or action, nor, to the Knowledge of Sellers, is any claim or action threatened in writing, that challenges the validity, enforceability, Sellers' ownership, or Sellers' right to use, sell, or license any Intellectual Property. Except as would not reasonably be expected to, individually or in the aggregate, result in a Material Adverse Change in the Business, taken as a whole, to the Knowledge of Sellers, no third party is infringing upon any Intellectual Property owned by Sellers.

**Section 3.18. Hockey Franchise Membership in NHL, Etc.**

(a) Sellers have delivered or made available to Purchasers (either at Sellers' offices or at the offices of the NHL) true and correct copies of the NHL Constitution, the NHL Bylaws and the other NHL Agreements.

(b) Except as set forth in Section 3.18 of the Disclosure Letter:

- (i) the Hockey Franchise is in full force and effect and is a member, in good standing, of the NHL;
- (ii) the Hockey Franchise is a party to the NHL Agreements and has all rights of a party thereto;



- (iii) no Seller has violated, nor, to the Knowledge of Sellers, has any party alleged that any Seller has violated, any of the NHL Agreements;
- (iv) NFHLP has made all required capital contributions and other payments pursuant to the NHL Agreements and has paid all other amounts required to be paid to the NHL, its affiliated organizations or its member clubs or others pursuant to the terms of the NHL Agreements;
- (v) all material agreements required to be filed by NFHLP with the NHL in accordance with the NHL's rules and procedures have been filed, and the NHL has not notified any Seller that any of such agreements are not in compliance with the NHL's substantive requirements; and
- (vi) to the Knowledge of Sellers, there is no pending investigation or charge that any event has occurred which would permit the Commissioner of the NHL to impose a fine, suspension, expulsion or disqualification on Sellers or any player or other person employed by Sellers.

**Section 3.19. Lacrosse Franchise Membership in National Lacrosse League, Etc.**

(a) Sellers have delivered or made available to Purchaser true and correct copies of the Lacrosse League Agreements.

(b) Except as set forth in Section 3.19 of the Disclosure Letter:

- (i) the Lacrosse Franchise is in full force and effect and is a member, in good standing, of the National Lacrosse League;
- (ii) the Lacrosse Franchise is a party to the Lacrosse League Agreements and has all rights of a party thereto;
- (iii) no Seller has violated, nor, to the Knowledge of Sellers, has any party alleged that any Seller has violated, any of the Lacrosse League Agreements;
- (iv) Buffalo Lacrosse has made all required capital contributions and other payments pursuant to the Lacrosse League Agreements and has paid all other amounts required to be paid to the National Lacrosse League, its affiliated organizations or its member clubs or others pursuant to the terms of the Lacrosse League Agreements;
- (v) all material agreements required to be filed by Buffalo Lacrosse with the National Lacrosse League in accordance with the National Lacrosse League's rules and procedures have been filed, and the

National Lacrosse League has not notified any Seller that any of such agreements are not in compliance with the National Lacrosse League's substantive requirements; and

- (vi) to the Knowledge of Sellers, there is no pending investigation or charge that any event has occurred which would permit the Commissioner of the National Lacrosse League to impose a fine, suspension, expulsion or disqualification on Sellers or any player or other person employed by Sellers.

Section 3.20. No Other Representations or Warranties.

**EXCEPT FOR THE EXPRESS WARRANTIES IN THIS ARTICLE III, THE PURCHASED ASSETS ARE SOLD AND TRANSFERRED AS-IS WHERE IS WITHOUT ANY REPRESENTATIONS OR WARRANTIES AS TO MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND ALL IMPLIED WARRANTIES ARE EXPRESSLY DISCLAIMED AND EXCLUDED.**

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF PURCHASER

Section 4.1. Organization. Purchaser is a limited liability company validly existing and in good standing under the laws of its jurisdiction of incorporation.

Section 4.2. Authority Relative to This Agreement. Purchaser has the limited liability company power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution, delivery, and performance of this Agreement by Purchaser and the consummation by Purchaser of the Transactions have been duly authorized by all requisite limited liability company actions. This Agreement has been duly and validly executed and delivered by Purchaser and (assuming this Agreement constitutes a valid and binding obligation of Sellers) constitutes a valid and binding agreement of Purchaser, enforceable against Purchaser in accordance with its terms, subject to applicable bankruptcy, reorganization insolvency moratorium, and other laws affecting creditors' rights generally from time to time in effect and to general equitable principles.

Section 4.3. No Violations. Neither the execution, delivery, or performance of this Agreement by the Purchaser, nor the consummation by the Purchaser of the Transactions, nor compliance by Purchaser with any of the provisions hereof, will (a) except for the approval of the Bankruptcy Court, require Purchaser to obtain any consent, approval or action of, or make any filing with or give notice to, any Government Authority or any other Person, (b) conflict with or result in any breach of any provisions of the certificate of incorporation or bylaws of Purchaser, (c) result in a violation or breach of, or constitute (with or without due notice or lapse of time) a default (or give rise to any right of termination, cancellation, acceleration, vesting, payment, exercise, suspension, or revocation) under any of the terms, conditions, or provisions of any note, bond, mortgage, deed of trust, security interest, indenture, license, contract agreement, plan, or other instrument or obligation to which Purchaser is a party or by which Purchaser or

Purchaser's properties or assets may be bound or affected, (d) violate any order, writ, injunction, statute, rule, or regulation applicable to Purchaser or Purchaser's properties or assets, or (e) result in the creation or imposition of any Liens on any asset of Purchaser.

Section 4.4. Consents and Approvals. No consent, approval, or authorization of, or declaration, filing, or registration with, any United States Federal or state Government Authority is required to be made or obtained by Purchaser in connection with the execution, delivery, and performance of this Agreement and the consummation of the Transactions, except for Governmental Requirements.

Section 4.5. Brokers. No Person is entitled to any brokerage, financial advisory, finder's or similar fee or commission payable in connection with the Transactions based upon arrangements made by or on behalf of Purchaser.

Section 4.6. Financing. As of the date hereof Purchaser has, and on the Closing Date Purchaser will have, access to sufficient funds and financial capacity to deliver the Purchase Consideration to or for the benefit of Sellers.

Section 4.7. Disclosure of Information. Purchaser has received, or has been permitted access to, all the information it considers necessary or appropriate for deciding whether to purchase the Purchased Assets and assume the Assumed Liabilities. Purchaser has had an opportunity to ask questions and receive answers from Sellers regarding the Purchased Assets, the Assumed Liabilities and the Business, and to obtain any additional information that Sellers possess that is necessary to verify the information provided by Sellers.

## ARTICLE V

### COVENANTS

Section 5.1. Public Announcements. Purchaser and Sellers agree that, prior to the Closing, they will not issue any press release or respond in writing to any press inquiry with respect to this Agreement or the Transactions without the prior approval of the other parties (which approval will not be unreasonably withheld), except as may be required by applicable Law or the Bankruptcy Court (including without limitation any disclosure contained in pleadings filed with the Bankruptcy Court), and except that the Purchaser (including its owner, officers and authorized representatives) may make oral statements to the press, the general public, and third parties announcing the purchase of the Purchased Assets, future plans for the Buffalo Sabres and the other Purchased Assets and statements intended to increase interest in, and the value of, the Buffalo Sabres and/or the Purchased Assets; provided, that Purchaser (and such owner, officers and authorized representatives) shall consult (in advance whenever practicable) with Sellers regarding the proposed content of such oral statements; provided, however, that Purchaser and Sellers shall not make any public statement regarding any matter relating to the Hockey Franchise's or any other NHL Member Club's personnel, including without limitation players, coaches, managers and other employees without the prior approval of the other parties (which approval will not be unreasonably withheld).

**Section 5.2. Conduct of Business by Sellers Pending the Closing.** Subject to any obligations as a debtor in possession under the Bankruptcy Code and under the DIP Financing, prior to the Closing Date, Sellers shall use commercially reasonable efforts to conduct their businesses in the ordinary course consistent with past practice taking into account the filing of the Petitions, their financial prospects, and their long-term best interests, including, without limitation, meeting all of their post-Petition obligations as they become due and prior to the Closing Date (and Sellers shall be permitted to make draws under the DIP Financing in order to accomplish the same). Prior to the Closing Date, Sellers shall also use commercially reasonable efforts to preserve intact their business organizations, taken as a whole, and relationships with third parties, subject to the terms of this Agreement. Notwithstanding the foregoing, Sellers may determine not to fulfill or maintain certain contractual obligations determined by Sellers to be onerous or financially burdensome to the Business, including without limitation all obligations in respect of Rejected Contracts, which Sellers shall be free to reject in the Chapter 11 Cases in accordance with Section 2.9(b). Except as provided in the Seller Disclosure Letter, otherwise contemplated under this Agreement, ordered by the Bankruptcy Court or required in connection with the DIP Financing, from the date hereof until the Closing Date, without the prior written consent of Purchaser which consent will not be unreasonably withheld or delayed:

(a) no Seller shall adopt or propose any change in its certificate of incorporation or bylaws, partnership agreement or other formative documents, except a change that would not have any adverse effect on the Transactions;

(b) no Seller shall declare, set aside, or pay any dividend or other distribution with respect to any shares of its capital stock or other equity interest, or split, combine, or reclassify any of its capital stock or other equity interests, or repurchase, redeem, or otherwise acquire any shares of its capital stock or other equity interests except in connection with any purely internal reorganization or liquidation transaction in which the assets of one or more Sellers are distributed solely to another Seller that is the parent entity of such Seller;

(c) no Seller shall change any method of accounting or accounting practice currently used by it, except for any change required by GAAP;

(d) no Seller shall establish or increase the benefits under, or promise to establish, modify or increase the benefits under, any Seller Plan or otherwise increase the compensation payable to any directors, officers, or employees of such Seller, except (i) in accordance with existing plans and agreements or consistent with past practice, or establish, adopt or enter into any collective bargaining agreement, (ii) for benefits and compensation payable to any directors, officers, or employees of such Seller established, modified or increased after commencement of the Chapter 11 Case in order to retain such directors, officers, or employees through the pendency of the Chapter 11 Case and (iii) as set forth in the Seller Disclosure Letter hereto; and

(e) no Seller shall agree or commit to do any of the foregoing.

Between the date hereof and the earlier to occur of the Closing Date and the termination of this Agreement, Sellers shall consult with and give due consideration to Purchaser's views concerning the operations of the Sellers, including, without limitation, submissions to the Bankruptcy Court relating to the Purchased Assets, the Assumed Liabilities, or otherwise related

to the Transactions, Hockey Franchise and Lacrosse Franchise player transactions and which contracts to reject, if any, in the Chapter 11 Cases; provided, that, for purposes of clarity, Purchaser acknowledges that Sellers intend to and shall comply with any requirements imposed by the DIP Financing and their other contractual obligations. Sellers agree to give to Purchaser promptly after receipt thereof copies of all notices, correspondence, or communications to or from the Bankruptcy Court.

Section 5.3. Cure of Defaults. Promptly following the date of this Agreement, Sellers shall provide Purchaser a schedule, by Executory Contract, specifying the applicable monetary cure amount that would be required to be paid and the nature of any non-monetary default or breach or other condition that would need to be cured or satisfied in order for Sellers to assume each of the Executory Contracts in the Chapter 11 Cases (other than the Post-Signing Contracts, which are addressed in Section 2.8 above). Subject to the prior approval of the Bankruptcy Court, Purchaser shall, on or prior to the Closing, cure or provide Sellers with the means necessary to cure any and all defaults and breaches under and satisfy (or, with respect to any Assumed Liability or obligation that cannot be rendered non-contingent and liquidated prior to the Closing Date, make effective provision reasonably satisfactory to the Bankruptcy Court for satisfaction from funds of Purchaser) any Assumed Liability or obligation that must be so satisfied so that such Executory Contracts may be assumed by Sellers and assigned to Purchaser in accordance with the provisions of Section 365 of the Bankruptcy Code and this Agreement.

Section 5.4. Bankruptcy Action. Within five (5) Business Days following the date of this Agreement, Sellers will file with the Bankruptcy Court one or more motions, along with appropriate supporting papers and notices, a copy of this Agreement and a form of proposed Final Order, in form and substance reasonably satisfactory to Purchaser, seeking the Bankruptcy Court's approval of this Agreement, Sellers' performance under this Agreement, and the assumption and assignment of the Executory Contracts. Sellers and Purchaser shall use their commercially reasonable efforts to obtain entry of the Final Order.

Section 5.5. Bidding Procedures.

(a) Sellers and Purchaser acknowledge that this Agreement is the culmination of an extensive process undertaken by Sellers to identify and negotiate a transaction with a bidder who was prepared to pay the highest or best purchase price for the assets of Sellers while assuming or otherwise satisfying specified liabilities. Sellers and Purchaser also acknowledge that under the Bankruptcy Code, Sellers must take reasonable steps to demonstrate that they have sought to obtain the highest or best price possible for the Purchased Assets, including, but not limited to, giving notice of the Transactions to creditors and other interested parties as ordered by the Bankruptcy Court, providing information about the Purchased Assets to responsible bidders subject to appropriate confidentiality agreements, entertaining higher or better offers from responsible bidders and, if necessary, conducting an auction. To facilitate the foregoing, Sellers shall, within five (5) Business Days of the date of this Agreement, seek confirmation from the Bankruptcy Court that this Agreement is entitled to "Stalking Horse Bidder" protection under the Bidding Procedures, and shall seek to obtain the Bidding Procedures Order within twenty-one (21) calendar days of the date of this Agreement.

(b) Sellers shall give notice of the Transactions to such Persons in such manner as the Bankruptcy Court shall request, and to such additional Persons as the Purchaser requests.

Section 5.6. Executory Contracts. Within five (5) Business Days after the entry of the Bidding Procedures Order, Sellers shall file with the Bankruptcy Court, and serve on all counterparties to the Executory Contracts, a notice of (a) Sellers' intent to assume and assign to the Purchaser the Executory Contracts in accordance with Section 365 of the Bankruptcy Code and (b) the amount necessary to cure any defaults under such Executory Contracts as described in Section 5.3 hereof.

Section 5.7. Governmental Requirements. As promptly as practicable after the date hereof, Purchaser and Sellers shall file the required applications and notices with the appropriate Government Authorities as are necessary for consummation of the Transactions and shall take all other actions as may be necessary to satisfy any Governmental Requirements. Each party agrees to use its best efforts to satisfy any such Governmental Requirements and the parties agree to cooperate fully with each other and with all Government Authorities and other Persons to satisfy such Governmental Requirements at the earliest practicable date. Purchaser shall pay any applicable filing fee required under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

Section 5.8. Satisfaction of Conditions to Closing. Each of Purchaser, on the one hand, and Sellers, on the other hand, will act in good faith and use commercially reasonable efforts to ensure that all of the conditions to their respective obligations to consummate the Transactions are satisfied on or before the date sixty (60) calendar days following the date of this Agreement and to cause the Closing to occur as contemplated herein. Each of the parties agrees to notify the other promptly upon the waiver or satisfaction of the conditions to such party's obligations to consummate the Transactions. No party hereto shall be entitled to rely on the failure of any condition set forth in Article VI to such party's obligations to close the Transactions, if such failure was the result of such party's breach or other failure to comply with the obligations set forth in this Section 5.8.

Section 5.9. Access. Subject to the terms of any applicable order of the Bankruptcy Court, each Seller will permit representatives of Purchaser (including financing providers) to have reasonable access at all reasonable times, and in a manner so as not to interfere with the normal business operations of the Sellers, to all premises, properties, personnel, books, records, Contracts, and documents pertaining to such Seller and will furnish copies of all such books, records, Contracts and documents and all financial, operating and other data, and other information as Purchaser may reasonably request.

Section 5.10. Notice of Certain Events. Except as previously disclosed in this Agreement or the Seller Disclosure Letter, Sellers and Purchasers shall promptly notify each other of:

(a) any notice from any Person alleging that the consent of such Person is or may be required in connection with the Transactions contemplated by this Agreement;

(b) any notice from any Government Authority in connection with the Transactions contemplated by this Agreement; and

(c) the breach by any Seller or any Purchaser, as applicable, of any representation, warranty, covenant or agreement contained in this Agreement or the occurrence of any event that in any such case would reasonably be expected to result in the failure of any of the conditions set forth in Section 6.1 or Section 6.2, as applicable.

**Section 5.11. Taxes.**

(a) Sellers will be liable for and will pay all Taxes (whether assessed or unassessed) applicable to the Business and the Purchased Assets, in each case attributable to periods (or portions thereof) ending on or prior to the Closing. Purchaser will be liable for and will pay all Taxes (whether assessed or unassessed) applicable to the Business and the Purchased Assets, in each case attributable to periods (or portions thereof) beginning after the Closing Date.

(b) Notwithstanding paragraph (a) above, (i) Sellers will be liable for all Property Taxes that relate to periods ending prior to the Closing Date whether or not due prior to the Closing Date, and (ii) Straddle Period Property Taxes shall be allocated between Purchasers and Sellers based on the number of days in the relevant period prior to the Closing Date and the number of days in the relevant period on or after the Closing Date; provided, that Sellers shall not be responsible for any increased assessments on real or personal property resulting from the Transactions.

(c) Notwithstanding paragraph (a) above, any sales Tax, use Tax, real property transfer or gains Tax, documentary stamp Tax, or similar Tax (collectively, the "Transfer Taxes"), which are not exempted by a Final Order, attributable to the sale or transfer of the Purchased Assets will be paid by Purchaser. Purchaser and Sellers agree to timely sign and deliver such certificates or forms as may be necessary or appropriate to establish an exemption from (or otherwise reduce), or make a report with respect to, such Taxes. Any Tax Return that is required to be filed in connection with Transfer Taxes shall be prepared and filed when due by the party primarily or customarily responsible under the applicable local law for filing such Tax Return, and such party will use its reasonable efforts to provide such Tax Return to the other party at least ten days prior to the date on which it is due.

(d) The Sellers, on the one hand, and Purchasers, on the other hand, will provide reimbursement at the Closing for the portion of any Tax paid by one party which is the responsibility of the other party in accordance with the terms of this Section 5.11. Within a reasonable time prior to the payment of any said Tax, the party paying such Tax will give notice to the other party of the Tax payable and the portion which is the liability of each party, although failure to do so will not relieve the other party from its liability hereunder.

(e) Sellers will promptly after the Closing prepare and file all Tax Returns and other reports required by Law, relating to the operation of the Business prior to the Closing Date.

**Section 5.12. Employment Matters: Seller 401(k) Plans.**

(a) Purchaser shall offer employment to a sufficient number of employees of Sellers, on terms (including without limitation salary and benefits) which are in the aggregate sufficiently similar in value to the terms of such employees' employment with the applicable Seller immediately prior to the Closing Date, so as not to require any Seller to send any notice to any of their respective employees pursuant to the Federal Worker Adjustment Retaining and Notification Act of 1988, as amended. With respect to the Purchased Assets, Purchaser shall not engage in a "plant closing" or "mass layoff," as such terms are defined in Federal Worker Adjustment Retaining and Notification Act of 1988, as amended, within 60 days after the Closing Date. Purchaser shall not cause or exercise, and shall not request Sellers to cause or exercise, any rights in the Chapter 11 Cases with respect to the termination or rejection of any employment or severance agreements between NFHLP and any of its employees (for purposes of clarity, all such agreements shall be Assumed Contracts). If, subsequent to the Closing Date, Purchaser terminates the employment of any such employee, the Commissioner of the NHL or his designee will mediate any termination and/or severance disputes arising out of Purchaser's termination of such employee. Current NHL practices and procedures provide that in the event an employee's contract is terminated, any and all monies earned from subsequent employment with other NHL member clubs and/or their affiliates during the term of the terminated contract will offset the sums that have been contractually guaranteed by the terminating NHL member club.

(b) Not later than April 4, 2003, Purchaser shall notify Sellers in writing whether Purchaser has elected to assume the Seller 401(k) Plans or not to assume the Seller 401(k) Plans and in lieu thereof to fund the cost of their termination. In the event that Purchaser elects to assume the Seller 401(k) Plans, the liabilities and obligations of Sellers in respect of such Seller 401(k) Plans shall be deemed to be Assumed Liabilities hereunder and Purchaser shall at the Closing assume such Seller 401(k) Plans as Assumed Liabilities hereunder. In the event that Purchaser elects not to assume the Seller 401(k) Plans, Purchaser shall, at its cost and expense prior to the Closing: (i) establish and qualify (or submit for qualification) its own replacement 401(k) plans, which replacement 401(k) plans shall be fully compliant with applicable law and shall offer to the transferred employees the same or better benefits (including applicable terms) as were provided to participants under the Seller 401(k) Plans; and (ii) undertake to pay (whether to Sellers by way of reimbursement or directly to any third party providers retained by the Sellers for such purpose, as applicable) the Seller 401(k) Plan Termination Amount to fund the termination and wind-up of the Seller 401(k) Plans.

**Section 5.13. Takeover Proposals.** Subject to the terms of any applicable order of the Bankruptcy Court and any applicable confidentiality agreement, Sellers shall keep Purchaser informed of the status and material details of any Takeover Proposal received following the date hereof, and of the commencement of formal negotiations (if any) in connection with any Takeover Proposal. As used in this Section 5.13, "Takeover Proposal" shall mean a proposal or offer from any Person or group (other than Purchaser) relating to the acquisition of all or substantially all of the Sellers' assets on a consolidated basis; provided, that a mere expression of interest shall not constitute a Takeover Proposal hereunder.



**Section 5.14. Seller Subsidiaries; Canadian Withholding.**

(a) Sellers shall cause their respective subsidiaries that are not party to this Agreement (other than the Canadian Subsidiaries, whose equity interests constitute Purchased Assets hereunder) to deliver to Purchaser (or to deliver to Sellers for delivery to Purchaser) any assets owned or held by such subsidiaries which would constitute Purchased Assets if such subsidiaries were parties to this Agreement, in each case free and clear of all Liens other than Permitted Liens. Purchaser and Sellers shall cooperate to comply with and obtain all applicable Canadian Governmental Requirements.

(b) Purchaser agrees to withhold an amount of the Purchase Consideration representing 25% of the Purchase Consideration that is allocable to the shares of 1410656 Ontario Limited and Niagara Frontier Hockey Enterprises Company, which amount shall be reasonably agreed by Sellers and Purchaser following the date hereof. Purchaser shall hold such funds in escrow until it receives from Sellers a section 116 clearance certificate as issued by the Canada Customs and Revenue Agency for the applicable Canadian Subsidiary. Sellers shall provide such certificates within 30 days following the end of the month during which the Closing occurs. In the event such certificates are not obtained within the prescribed time period, the Purchaser shall remit the funds relating to the Canadian Subsidiary for which a certificate is not obtained to the Canada Customs and Revenue Agency.

Section 5.15. Concession Loan. Not later than April 4, 2003, Purchaser shall notify Sellers in writing whether Purchaser has elected to assume the Concession Loan or not to assume the Concession Loan and in lieu thereof to pay the Concession Loan Consideration to the Concession Loan lenders. In the event that Purchaser elects to assume the Concession Loan, the liabilities and obligations of Sellers in respect of the Concession Loan shall be deemed to be Assumed Liabilities hereunder and Purchaser shall at the Closing assume the Concession Loan as an Assumed Liability hereunder.

Section 5.16. Post-Closing Matters. From time to time after the Closing, Purchaser shall make available such employees as Sellers may reasonably request, on terms and at rates to be mutually agreed between Purchaser and Sellers, in order to assist Sellers with the administration of the Chapter 11 Cases.

Section 5.17. Further Assurances. From time to time after the Closing Date, each of the parties hereto shall promptly execute, acknowledge and deliver such other documents reasonably requested by the other party to satisfy such party's obligations hereunder or to obtain the benefits of the Transactions at no additional cost to such other party.

**ARTICLE VI**

**CONDITIONS TO CLOSING**

Section 6.1. Conditions to the Obligations of Purchaser. Subject to Section 5.8 hereof, the obligation of Purchaser to effect the Closing is subject to the satisfaction (or waiver by Purchaser) prior to the Closing of the following conditions:

(a) Covenants; Representations and Warranties. Each Seller shall have performed in all material respects its obligations under this Agreement required to be performed by it at or prior to the Closing Date, the representations and warranties of Sellers contained in this Agreement that are qualified with respect to materiality shall be true and correct in all respects, and such representations and warranties that are not so qualified shall be true and correct in all material respects, in each case as of the date of this Agreement and as of the Closing Date as if made at and as of such dates, except with respect to representations and warranties which speak as to an earlier date, which shall be at and as of such dates, and Purchaser shall have received a certificate signed by an officer of each Seller as to the satisfaction of this condition.

(b) Closing Documents. Purchaser shall have received all documents and instruments required to be delivered by Sellers pursuant to Section 2.7 of this Agreement.

(c) Actions or Proceedings. No action or proceeding by any Government Authority or other Person shall have been instituted or threatened which enjoins, restrains or prohibits any provision of this Agreement or the consummation of the Transactions; provided, however, that the provisions of this Section 6.1(c) shall not apply in the event that Purchaser has directly or indirectly solicited or encouraged any such action or proceeding.

(d) Governmental Requirements. All Governmental Requirements and all other authorizations, consents, orders or approvals of, or declarations or filings with, or expirations or terminations of waiting periods imposed by, any Government Authorities necessary to effect the Transactions contemplated by this Agreement shall have been satisfied, occurred, been filed or been obtained, including without limitation any filings, waiting periods or approvals under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

(e) Government/Adelphia Approvals Relating to the Business.

(i) Government Approvals. Purchaser shall have obtained each of the following specific commitments from the New York State Urban Development Corporation, the County of Erie, the City of Buffalo, and the Buffalo Urban Renewal Agency, as applicable: (A) waiver by the City of Buffalo and the Buffalo Urban Renewal Agency of (x) all ground rent which is due with respect to any time period before the Closing Date, (y) any claim for reimbursement of infrastructure costs relating to the development and construction of HSBC Arena, including those provided in a letter dated June 10, 1997, and (z) a release of all funds contained in the Condemnation Reserve Fund; (B) each of the New York State Urban Development Corporation, the County of Erie, the City of Buffalo, and the Buffalo Urban Renewal Agency shall have agreed to (x) waive all existing revenue sharing agreements (including any past or future ticket surcharge, operating fee and transmission fee imposed under Article VII or Section 9.02 of the Operating Agreement dated May 10, 1995), any requirements to maintain reserve accounts as required under Article VII or otherwise in the Operating Agreement or Financing Participants Agreement dated May 10, 1995, and any restriction upon refinancing or liens upon the HSBC Arena, and (y) reaffirm existing agreements under the Assumed Leases and other agreements listed on Schedule 6.1(e), and (C) the City of Buffalo shall have granted Purchaser a right of first refusal during the remainder of the

term of the Assumed Leases to operate City-owned parking lots within a four block area of the HSBC Arena on terms no less favorable than terms granted to other operators in effect on the date hereof.

(ii) Adelphia Approvals. Purchaser shall have reached an agreement with Adelphia, on behalf of itself, its controlled Affiliates, and any other Affiliates of Adelphia that are also debtors in the consolidated Adelphia bankruptcy proceedings, pursuant to which Adelphia and such Affiliates agree not to assert against Purchaser and its Affiliates any claims for payment of Pre-Petition Payables and any other amounts due to Adelphia and such Affiliates, other than the Adelphia Assumed Liabilities.

(f) Final Order: Release of Liens. The Transactions shall be permitted by the Final Order, which shall be in full force and effect, and the Purchased Assets shall, upon consummation of the Transactions, be sold to Purchaser free and clear of all Liens other than Permitted Liens.

(g) NHL and National Lacrosse League Consent. The NHL Consent shall have been obtained and shall be in full force and effect. The consent of the National Lacrosse League to the consummation of the Transactions shall have been obtained and shall be in full force and effect.

(h) Broadcast Rights Agreement. Adelphia and its requisite Affiliates shall have agreed that, in the event Adelphia's licensee under the Broadcast Rights Agreement terminates the sales agency of NFHLP, and for so long as the Broadcast Rights Agreement is not terminated, such licensee shall furnish Purchaser with: (i) two (2) minutes of Hockey Franchise promotion advertising per game (during the game) at no charge, and (ii) three (3) minutes of Hockey Franchise promotion advertising per game (during the game) at the average rate card pricing provided to other parties (other than charitable and public service entities) for comparable game broadcast time.

(i) Naming Rights Agreement. Purchaser shall have entered into arrangements reasonably satisfactory to Purchaser with HSBC Bank, USA in respect of the assumption by Purchaser of the Naming Rights Agreement.

(j) Adelphia Zone Agreement. Purchaser and Adelphia shall have entered into an agreement in respect of the "Adelphia Zone" space in the HSBC Arena on substantially the terms set forth in Schedule 6.1(j).

(k) Sportservice Estoppel. Purchaser shall have received an estoppel certificate from Sportservice Corporation in form and substance reasonably satisfactory to Purchaser and Sellers.

(l) Collective Bargaining Agreement Modifications. The labor unions party to the collective bargaining agreements listed on Schedule 6.1(l) shall have agreed to modify such agreements in accordance with the terms contained on such Schedule or otherwise in a manner reasonably acceptable to Purchaser, Sellers and the applicable labor union.

Section 6.2. Conditions to the Obligations of Sellers. Subject to Section 5.8 hereof, the obligation of Sellers to effect the Closing is subject to the satisfaction (or waiver by Sellers) prior to the Closing of the following conditions:

(a) Covenants; Representations and Warranties. Purchaser shall have performed in all material respects its obligations under this Agreement required to be performed by it at or prior to the Closing Date, the representations and warranties of Purchaser contained in this Agreement that are qualified with respect to materiality shall be true and correct in all respects, and such representations and warranties that are not so qualified shall be true and correct in all material respects, in each case as of the date of this Agreement and as of the Closing Date as if made at and as of such dates, except with respect to representations and warranties which speak as to an earlier date, which shall be at and as of such dates, and Sellers shall have received a certificate signed by an officer of Purchaser as to the satisfaction of this condition.

(b) Closing Certificates and Documents. Sellers or their designees shall have received all documents and instruments required to be delivered by Purchaser pursuant to Section 2.7 of this Agreement, including without limitation the Concession Letters of Credit.

(c) Actions or Proceedings. No action or proceeding by any Government Authority or other Person shall have been instituted or threatened which enjoins, restrains or prohibits, any provision of this Agreement or the consummation of the Transactions; provided, however, that the provisions of this Section 6.2(c) shall not apply in the event that Sellers have directly or indirectly solicited or encouraged any such action or proceeding.

(d) Governmental Requirements. All Governmental Requirements and all other authorizations, consents, orders or approvals of, or declarations or filings with, or expirations or terminations of waiting periods imposed by, any Government Authorities necessary to effect the Transactions contemplated by this Agreement shall have been satisfied, occurred, been filed or been obtained, including without limitation any filings, waiting periods or approvals under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

(e) Final Order; Release of Liens. The Transactions shall be permitted by the Final Order, which shall be in full force and effect, and the Purchased Assets shall, upon consummation of the Transactions, be sold to Purchaser free and clear of all Liens other than Permitted Liens.

(f) NHL and National Lacrosse League Consent. The NHL Consent shall have been obtained and shall be in full force and effect. The consent of the National Lacrosse League to the consummation of the Transactions shall have been obtained and shall be in full force and effect.

(g) DIP Financing. The Sellers' obligations under and in respect of the DIP Financing shall be paid in full.

(h) Concession Loan. In the event that Purchaser elects, pursuant to Section 5.15, not to assume the Concession Loan, Sellers' obligations under and in respect of the

Concession Loan shall be paid in full. The Concession Letters of Credit shall be released by the Concession Loan lenders and shall be delivered to Sellers or their designee.

(i) Collective Bargaining Agreement Modifications. The labor unions party to the collective bargaining agreements listed on Schedule 6.1(I) shall have agreed to modify such agreements in accordance with the terms contained on such Schedule or otherwise in a manner reasonably acceptable to Purchaser, Sellers and the applicable labor union.

(j) Government/Adelphia Waivers.

(i) Government Waivers. Each of the New York State Urban Development Corporation, the County of Erie, the Erie County Industrial Development Agency, the City of Buffalo, and the Buffalo Urban Renewal Agency shall have (A) waived all rights to receive any portion of the Purchase Consideration or otherwise to participate in or receive any proceeds of the Transactions in respect of any liability, obligation or other amounts owed by Sellers to such entities with respect to any time period before the Closing Date, and (B) agreed not to assert against such Purchase Consideration or proceeds any claims for payment of amounts that would otherwise constitute pre-petition or post-petition claims and any other amounts due to such entities.

(ii) Adelphia Waivers. Except with respect to the Adelphia Assumed Liabilities, Adelphia, on behalf of itself, its controlled Affiliates, and any other Affiliates of Adelphia that are also debtors in the consolidated Adelphia bankruptcy proceedings, shall have (A) waived, all rights to receive any portion of the Purchase Consideration or otherwise to participate in or receive any proceeds of the Transactions in respect of any liability, obligation or other amounts owed by Sellers to Adelphia or such Affiliates with respect to any time period before the Closing Date, and (B) agreed not to assert against such Purchase Consideration or proceeds any claims for payment of amounts that would otherwise constitute pre-petition or post-petition claims and any other amounts due to Adelphia and such Affiliates.

## ARTICLE VII

### TERMINATION

Section 7.1. Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by mutual agreement of Purchaser and Sellers; or

(b) by either Purchaser or Sellers upon ten days written notice of such termination to the other party, if the Closing shall not have occurred on or prior to the date sixty (60) calendar days following the date of this Agreement or until such later date on which there expires the effectiveness of a Qualified Bid (as defined in the Bidding Procedures) as contemplated in paragraph 7 of the Bidding Procedures; provided, that failure of the Closing to occur on such date is not due to a material breach by the party giving such notice of such party's obligations under this Agreement, and provided, further, that if the Closing has not occurred as a result of the conditions to the non-terminating party's obligations to consummate the

Transactions, the notified party may elect, at its option and upon written notice to the terminating party, to waive any such conditions not yet met and cause the Transactions to close at the end of such ten-day period.

(c) by either Purchaser or Sellers if there shall be in effect any Law that prohibits the Closing or if the Closing would violate any non-appealable final order, decree or judgment of any Government Authority having competent jurisdiction;

(d) by Purchaser if (i) there has been a breach by Sellers of any representation or warranty contained in this Agreement that is qualified as to materiality or a material breach of any representation and warranty that is not so qualified, which breach is not curable, or if curable, is not cured within thirty (30) calendar days after notice of such breach is given by Purchaser to Sellers; or (ii) there has been a material breach of any of the covenants or agreements set forth in this Agreement on the part of Sellers, which breach is not curable or, if curable, is not cured within thirty (30) calendar days after written notice of such breach is given by Purchaser to Sellers; or

(e) by Sellers if (i) there has been a breach by Purchaser of any representation or warranty contained in this Agreement that is qualified as to materiality or a material breach of any representation and warranty that is not so qualified, which breach is not curable, or if curable, is not cured within thirty (30) calendar days after notice of such breach is given by Sellers to Purchaser; (ii) there has been a material breach of any of the covenants or agreements set forth in this Agreement on the part of Purchaser, which breach is not curable or, if curable, is not cured within thirty (30) calendar days after written notice of such breach is given by Sellers to Purchaser, or (iii) another offer is accepted by Sellers in accordance with the Bidding Procedures and is approved by the Bankruptcy Court (a "Topping Bid") and Sellers shall have closed on such Topping Bid.

#### Section 7.2. Break Up Fee.

(a) Sellers acknowledge (i) that Purchaser has made a substantial investment in time and incurred substantial out-of-pocket expenses in connection with the negotiation and execution of this Agreement, its due diligence with respect to the Purchased Assets, and its efforts to consummate the Transactions, and (ii) that Purchaser's efforts have substantially benefited Sellers and will benefit Sellers and will benefit the bankruptcy estates of Sellers through the submission of the offer reflected in this Agreement which will serve as a minimum bid on which other potentially interested bidders can rely. Therefore, as compensation for entering into this Agreement, tendering the Deposit, taking action to consummate the Transactions hereunder and incurring the costs and expenses related thereto and other losses and damages, including foregoing other opportunities, Sellers agree to pay to Purchaser, in accordance with the provisions of this Section 7.2, the Break Up Fee.

(b) Subject to limitations set forth in the Bidding Procedures, the Break Up Fee shall become payable if, at any time prior to the entry of the Final Order, this Agreement has not been previously terminated pursuant to Section 7.1 hereof, and the Sellers select a competing bid other than that submitted by the Purchaser and subsequently execute a purchase agreement with such bidder pursuant to such competing bid and consummate such transaction.

(c) Notwithstanding anything to the contrary in this Agreement, Sellers shall not be required to pay the Break Up Fee for so long as, and to the extent that, such payment would constitute a breach of the terms of the DIP Financing.

Section 7.3. Effect of Termination. In the event of the termination of this Agreement in accordance with Section 7.1, this Agreement shall be void and have no further force or effect, and no party hereto shall have any liability to the other party hereto or their respective Affiliates, directors, officers or employees, except for the obligations of the parties hereto contained in Sections 8.1, 8.4, 8.5, 8.6, 8.7, 8.8 and 8.13.

## ARTICLE VIII

### MISCELLANEOUS

Section 8.1. Notices. All notices or other communications under this Agreement shall be in writing and shall be deemed duly given, effective (i) five (5) Business Days after sent by registered or certified mail, return receipt requested, postage prepaid, (ii) when sent if sent by facsimile provided that the facsimile is promptly confirmed by telephone confirmation thereof, (iii) when delivered personally to the intended recipient, and (iv) the next Business Day after sent by a nationally recognized overnight delivery service for next Business Day delivery, and in each case, addressed to the intended recipient at the address set forth below or such other address as instructed in accordance with this Section 8.1. Any party may change the address to which notices or other communications hereunder are to be delivered by giving the other party notice in the manner herein set forth.

If to Purchaser:

Hockey Western New York LLC  
c/o B. Thomas Golisano (Personal & Confidential)  
Paychex Inc.  
911 Panorama Trail South  
Rochester, NY 14625

with a copy to:

Underberg & Kessler LLP  
1900 Main Place Tower  
Buffalo, New York 14202  
Attn: Jane F. Clemens, Esq.  
Telephone: (716) 848-9000  
Facsimile: (716) 847-6004

If to any Seller, to such Seller:

c/o Niagara Frontier Hockey, L.P.  
HSBC Arena  
One Seymour H. Knox III Plaza  
Buffalo, New York 14203  
Attn: Kevin Billet  
Facsimile: (716) 855-4121

With a copy to:

Nixon Peabody LLP  
Clinton Square  
P.O. Box 31051  
Rochester, New York 14603-1051  
Attention: William S. Thomas, Esq.  
Telephone: (585) 263-1556  
Facsimile: (585) 263-1600

and to:

National Hockey League  
1251 Avenue of the Americas  
New York, New York 10020-1192  
Attn: David Zimmerman, Esq.  
Senior Vice President, General Counsel  
Facsimile: (212) 789-2050

and to:

Covington & Burling  
1201 Pennsylvania Avenue, NW  
Washington, DC 20004  
Attn: Bruce S. Wilson, Esq.  
Facsimile: (202) 778-5400

and to:

Adelphia Communications Corporation  
1 North Main Street  
Coudersport, PA 16915  
Attn: William Schleyer  
Chairman and Chief Executive Officer  
Facsimile: (814) 274-7098

and to:



Willkie Farr & Gallagher  
787 Seventh Avenue  
New York, New York 10019  
Attn: Laurence D. Weltman  
Facsimile: (212) 728-8111

Section 8.2. Amendments; Waivers. Any provision of this Agreement may be amended or waived if such amendment or waiver is in writing and signed in the case of an amendment, by Purchaser and Sellers or in the case of a waiver, by the party against whom the waiver is to be effective. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

Section 8.3. Assignment. This Agreement may not be assigned by any party hereto without the prior written consent of the other parties, except that, subject to receipt of the prior written consent of the NHL or the National Lacrosse League, as applicable, the transfers of Purchased Assets and Assumed Liabilities may be made to one or more entities solely owned by Purchaser as Purchaser may decide not later than ten Business Days prior to the Closing Date. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Section 8.4. No Third Party Beneficiaries. This Agreement is solely for the benefit of the parties hereto, and no provision of this Agreement shall be deemed to confer upon any other third parties any remedy, claim, liability, reimbursement, cause of action or other right.

Section 8.5. Entire Agreement. This Agreement (including all Exhibits hereto) contains the entire agreement among the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, with respect to such matters.

Section 8.6. Expenses. Except as otherwise expressly provided in this Agreement, whether or not the Transactions are consummated, all costs and expenses incurred in connection with this Agreement and the Transactions shall be borne by the party incurring such expenses.

Section 8.7. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to conflicts of laws.

Section 8.8. Jurisdiction of Disputes. Except as set forth in Section 5.12, and in all events subject to the NHL Agreements, in the event any party to this Agreement commences any litigation, proceeding or other legal action in connection with or relating to this Agreement, or any matter described or contemplated herein or therein, with respect to any of the matters described or completed herein or therein, the parties to this Agreement hereby (a) agree under all circumstances, absolutely and irrevocably, to institute any litigation, proceeding or other legal action in the Bankruptcy Court; (b) agree that in the event of any such litigation, proceeding or

action, such parties will consent and submit to personal jurisdiction in the Bankruptcy Court and to service of process upon them in accordance with the rules and statutes governing service of process; (c) agree to waive to the full extent permitted by law any objection that they may now or hereafter have to the venue of any such litigation, proceeding or action in the Bankruptcy Court or that any such litigation proceeding or action was brought in an inconvenient forum; (d) agree as an alternative method of service to service of process in any legal proceeding by mailing of copies thereof (by certified mail, postage prepaid, with return receipt requested) to such party at its address set forth in Section 8.1 for communications to such party; (e) agree that any service made as provided herein shall be effective and binding service in every respect; and (f) agree that nothing herein shall affect the rights of any party to effect service of process in any other manner permitted by law.

Section 8.9. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same agreement. Fax signatures shall have the same effect as original signatures.

Section 8.10. Other Definitional Provisions and Rules of Interpretation. The words "hereof", "herein" and "hereunder" and words of similar import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The terms defined in the singular shall have a comparable meaning when used in the plural, and vice versa. References to a specific Section or Schedule shall refer, respectively, to Sections or Schedules of this Agreement, unless the context otherwise requires. Wherever the word "include", "includes" or "including" is used in this Agreement, it shall be deemed to be followed by the words "without limitation." All references herein to "dollars" or "\$" shall refer to United States dollars, and all references herein to "days" shall refer to calendar days unless otherwise expressly provided. In connection with any obligation to use commercially reasonable efforts, such obligations shall not require the applicable Person to (i) defend against any litigation brought by any Government Authority seeking to prevent the consummation of, or impose limitations on, any of the Transactions, (ii) commence or settle any litigation against any Person in order to facilitate the consummation of any of the Transactions, or (iii) incur any costs or other liability other than ministerial and de minimis costs or other liabilities.

Section 8.11. Headings. The heading references herein and the table of contents hereto are for convenience purposes only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

Section 8.12. Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is invalid and unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any jurisdiction.

Section 8.13. Exculpation. No officer, director, employee, equity holder, creditor, agent or representative of any Seller or Purchaser or any of their respective Affiliates shall have any personal liability under this Agreement or any document delivered in connection herewith.

Section 8.14. Construction. This Agreement shall be construed without regard to any presumption or other rule requiring construction against the party causing this document to be drafted.

*[Signature Pages Follow]*

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

**SELLERS:**

NIAGARA FRONTIER HOCKEY L.P.

By: Patmos, Inc., its General Partner

By: Kevin Billet  
Kevin Billet  
Vice President

BUFFALO SABRES CONCESSION LLC

By : Patmos, Inc., its Member, and

By : Niagara Frontier Hockey L.P., its Member

By : Patmos, Inc., its General Partner

By: Kevin Billet  
Kevin Billet  
Vice President

CROSSROADS ARENA LLC

By: Arena, Inc., its Member,

By: Kevin Billet  
Kevin Billet  
Secretary

And by : Niagara Frontier Hockey L.P., its Member

By : Patmos, Inc., its General Partner

By: Kevin Billet  
Kevin Billet  
Vice President

*[Signature Page to Asset Purchase Agreement]*

**BUFFALO LACROSSE LLC**

**By : Niagara Frontier Hockey L.P., its Member**

**By : Patmos, Inc., its General Partner**

By:   
Kevin Billet  
Vice President

**NIAGARA FRONTIER BROADCASTING  
PARTNERSHIP**

**By: Patmos, Inc., its General Partner, and**

**By: Niagara Frontier Hockey, L.P., its General  
Partner**

**By: Patmos, Inc., its General Partner**

By:   
Kevin Billet  
Vice President

**PURCHASER:**

**HOCKEY WESTERN NEW YORK LLC**

By: \_\_\_\_\_  
Name:  
Title:

*[Signature Page to Asset Purchase Agreement]*

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By: \_\_\_\_\_

Kevin Billet  
Vice President

**PURCHASER:**

**HOCKEY WESTERN NEW YORK LLC**

By:  \_\_\_\_\_

Name: B. Thomas Golisano  
Title: Sole Member

*[Signature Page to Asset Purchase Agreement]*