

LEASE SUMMARY

TEAM: Dallas MAVERICKS

Team Owners: Mark Cuban

[Team Website](#)

FACILITY: American Airlines Center

[Facility Website](#)

Year Built: 2001

TITLE OF AGREEMENT: Lease Agreement

Lessor: City of Dallas

Lessee: The Arena Group

TERM OF AGREEMENT:

“The term of this Lease shall be for a period commencing on the Commencement Date (hereinafter defined) and terminating on the 30th anniversary of the Operational Date” Section 1.2, page 1.

RENT:

Initial Period Payments:

“On the Commencement Date, and on each anniversary date of the Commencement Date thereafter during the Initial Period, Lessee shall pay a fixed payment for the use and occupancy of the Leased Premises the amount of \$1.00 for each year or partial year of time elapsed prior to the Operational Date.” Section 2.1, page 5.

Base Rental:

“The annual amount of \$3,400,000 (the ‘Base Rental’) shall be paid by Lessee as rental for the use and occupancy of the Leased Premises during the portion of the Term commencing on and following the first day of the first Lease Year as provided in Section 2.3 of this Lease. Included within the Base Rental is a fair market rental for the Land.” Section 2.2, page 5.

USE OF THE FACILITY:

“Lessee shall have the exclusive right to use the Leased Premises for the development, construction, maintenance and use of the Arena Project and for any other lawful purposes that do not unreasonably interfere with or interrupt the use or operation of the Arena Project for such public community and sports venue.” Section 5.1, page 9.

MAINTENANCE:

Section 5.3: Maintenance; Casualty

“Lessee shall keep all permanent Improvements that from time to time may be on the Leased Premises in a state of good repair on a regular and ongoing basis consistent with the standards of maintenance and repair of facilities comparable to the Arena Project.” Section 5.3, page 10.

OPERATING EXPENSES:Additional Payments:

“In addition to the Base Rental, Lessee shall pay \$1,000,000 annually (the "Additional Payments"), payable in advance, by deposits by Lessee directly into the Arena Account, of quarterly installments of \$250,000 each (subject to the credits referenced below), on the first day of the first, fourth, seventh and tenth calendar month during each Lease Year.” Section 2.4, page 6.

Utilities:

“After the Commencement Date, Lessee shall pay all bills for utility service furnished to the Leased Premises” Section 3.5, page 7.

ESCAPE, DEFAULT OR TERMINATION CLAUSES:Base Rental Payment Defaults:

“[I]n the event of a failure on the part of Lessee to pay 100% of the Base Rental and the Additional Payments when due . . . then and in such event Lessor shall have all remedies available at law or in equity, including, without limitation, termination, injunction and specific performance” Section 9.1, page 22.

Other Defaults:

“[I]n the event of any breach by Lessee of any covenant of Lessee under this Lease other than the failure to pay Base Rental and Additional Payments when due . . . it is further provided that the following shall be events of default of Lessee hereunder entitling Lessor, without notice, to take any of the remedies set forth in this Section 9.2 of this Lease (subject to the provisions of Article VIII of this Lease): (a) the making of any general assignment for the benefit of creditors by Lessee; (b) the filing of a voluntary petition in bankruptcy or a voluntary petition for an arrangement or reorganization under the United States Federal Bankruptcy Act (or similar statute or law of any foreign jurisdiction) by Lessee; (c) the appointment of a receiver or trustee for all or substantially all of Lessee's interest in the Leased Premises . . . and (d) the entry of a final judgment, order or decree of a court of competent jurisdiction adjudicating Lessee to be bankrupt.” Section 9.2, page 22.

INSURANCE:

Lessee shall provide and maintain several insurance policies including: public liability insurance, workers' compensation insurance, and property insurance policies on an “all-risk” basis. Article IV, page 14-15.