

## NBA LEASE SUMMARIES

**TEAM: Indiana Pacers**

**Team Owner:** Herbert Simon

**Team Website:** <http://www.nba.com/pacers/>

**FACILITY:** Bankers Life Fieldhouse

**Facility Website:** <http://www.bankerslifefieldhouse.com/>

**Year Built:** 1999

**TITLE OF AGREEMENT:** Conseco Fieldhouse Operating Agreement

**Lessor:** The Capital Improvement Board of Managers of Marion County

**Lessee:** Pacers Basketball Corporation

### **Financing Information**

Financing for the facility is a public/private partnership. Public contributions totaled \$79 million, which included \$50 million from a professional sports developmental tax district around the new facility, \$4.7 million in infrastructure, \$9.3 million from Capital Improvement Board cash reserves and \$7 million from the Circle Centre Mall revenues. The Pacers contributed \$57 million, while other private sources paid for the rest.

### **Term**

The initial term is a period of twenty (20) years, beginning November 1, 1999, and ending at the end of the NBA season in 2019. – Sect. 2(a), pg. 3

#### Options to Extend

The Pacers have the right to extend the initial term for ten (10) consecutive periods of five (5) years each upon providing written notice. – Sect. 2(a), pg. 3

### **Rent**

The Pacers pay the Operator \$3,450,000 a year for the right to exclusive control of the reserved parking spaces. – Sect. 5(b), pg. 10

### **Team Use of the Facility**

The Pacers have the exclusive right, authority, license and privilege to use the Arena for any lawful purpose for consideration of \$1 paid and to use 1,400 covered parking spots for a fee for the licensed term. The Pacers will also reserve the Arena for twelve (12) days a year for amateur athletic use. – Sect. 5(a), pg. 10; Sect. 3(c), pg. 5

### **Revenue Sources**

The Pacers are entitled to all revenues exclusively. – Sect. 6(a), pg. 10

### **Maintenance**

The Pacers are responsible for all minor repairs, routine maintenance, providing an adequately trained janitorial squad, and providing security. – Sect. 7(b), pg. 13–14

### **Operating Expenses**

The Pacers are “responsible during the entire Term for all costs and expenses of every kind and nature related to the use, occupancy, possession and operation of the [Arena].” – Sect. 7(e), pg. 15

### **Escape, Default or Termination Clauses**

#### Team Default

1. Fails to pay amount required thirty (30) days after notice was given.
2. Fails to perform covenants thirty (30) days after notice is given.
3. Files voluntary petition in bankruptcy. – Sect. 13(a), pg. 26–27

#### Remedies

1. Specific Performance
2. Cancel the operating agreement – Sect. 13b), pg. 27

#### Force Majeure

“The obligations of each of the parties hereto is subject to Force Majeure.” – Sect. 30, pg. 35