

NBA LEASE SUMMARIES

TEAM: Minnesota Timberwolves

Team Owner: Glen Taylor

Team Website: <http://www.nba.com/timberwolves/>

FACILITY: Target Center

Facility Website: <http://www.targetcenter.com/>

Year Built: 1990

TITLE OF AGREEMENT: Arena Use Agreement

Lessor: Ogden Entertainment Services, Inc.

Lessee: Minnesota Timberwolves Basketball Limited Partnership

Financing Information

The Arena was financed through a tax-exempt bond issue.

Term

The Term of the Agreement is from the commencement date through the termination date of June 30, 2025. – pg. 9; Sect. 3.01, pg. 15

Option to Extend

N/A

Team Use of the Facility

The Timberwolves have exclusive use of the Arena during basketball related events, and non-exclusive use of the office areas. The Timberwolves also have use of all inside parking spots save for two reserved for Ogden and have exclusive use of all the Industrial Video Limited (IVL) space. – Sect. 2.09, pg. 14

Operators Use of the Facility

Ogden at all times has the exclusive right and exclusive control over the use, management and operation of the Arena. – Sect. 12.01, pg. 28

Revenue Sources

Advertising

The Timberwolves are entitled to 100% of all of the compensation (other than the benefits offered to Ogden in the Arena Name Sponsor Agreement) paid by any entity with respect to the selection of the name of the Arena. – Sect. 4.05, pg. 16 (Has been deleted)

Maintenance

The Team is responsible for its own personal property or permitted improvements to exclusive use space, including repairs, maintenance, replacement or alterations. – Sect. 14.01, pg. 37

Operating Expenses

Custodial Services

The Timberwolves are responsible for supplying the team locker and training room. – Sect. 12.09, pg. 30

Other

The Timberwolves are responsible for all costs of repairing damage to the Arena occurring as the result of a Team Event, to the extent that such costs are not paid out of insurance proceeds. – Sect. 13.01(c), pg. 33

Capital Improvements

The Team is not responsible for capital improvements. – Sect. 12.05, pg. 29

Insurance

The Timberwolves are required to have commercial general liability insurance, automobile liability insurance, umbrella coverage, workers' compensation, broadcasters insurance, and general casualty insurance. –Sect. 16.01, pg. 37–38

Escape, Default or Termination Clauses

Team And Operator Default

1. Any payment not be made when due and such default continues for a period of five (5) business days.
2. Failure to comply with a covenant after 30 days written notice.
3. Any material false representation. – Sect. 18.01, pg. 43–44; Sect. 18.02, pg. 45–46

Remedies

The Timberwolves have the right to offset such amounts against the next due installments of Partnership Payments due to Ogden. – Sect. 18.03, pg. 47–48

Termination

The Timberwolves have the option of terminating this Agreement in accordance with:

1. Upon, and simultaneously with, the termination of the Basketball Playing Agreement providing written notice to Ogden;
 2. If the Ogden Use Agreement is terminated for any reason pursuant to its terms and conditions;
- or
3. The MCDA defaults under the Basketball Playing Agreement and such default results in the Arena not being useable.

Ogden has the option to terminate the agreement if:

1. The Basketball Playing Agreement is terminated for any reason;
2. The Team is not playing its home games at the Arena except as permitted under the Basketball Playing Agreement; or

3. The Minneapolis Community Development Agency (MCDA) defaults under the Ogden Use Agreement and results in the Arena not being useable. – Sect. 3.02, pg. 15–16