

LEASE SUMMARY

BASICS

TEAM: Nashville Predators

Team Owner: Predators Holdings LLC, led by Thomas Cigarran

[Team Website](#)

FACILITY: Bridgestone Arena

[Facility Website](#)

Year Built: 1996

Ownership:

TYPE OF FINANCING: General obligation bonds issued by the City of Nashville.

TITLE OF AGREEMENT: License and Use Agreement

TERM OF AGREEMENT: Term of thirty (30) years. “The term . . . shall commence on the Commencement Date and shall end on the Expiration Date, unless sooner terminated as provided herein.” – Sect. 2.1, pg. 12

“Commencement Date shall mean July 1, 1998.” – Sect. 1.2, pg. 3

“Expiration Date’ shall mean June 30, 2028, provided, however, if the final Home Game during the Season ending in the year 2028 is scheduled to occur later than June 30 of that year, then the Term shall be automatically extended to the date which is thirty (30) days after such final scheduled Home Game.” – pg. 5

PAYMENT/EXPENSES

LICENSE AND USE FEE: “In consideration of the license and use rights granted to it under this Agreement, the Team shall, commencing on October 1, 1998 and thereafter on the first (1st) day of each month within each Term, pay the Authority an amount equal to the then applicable Monthly Minimum Fee. Within forty-five (45) days after the end of each Operating Year, the Team shall pay the Authority the amount, if any, by which the annual Ticket Receipts Fee for such Operating Year exceeds the aggregate of all installments of the Monthly Minimum Fee actually paid during such Operating Year. All installments of the Monthly Minimum Fee which are due hereunder shall be paid, in advance, on or before the first (1st) day of the month.” – Sect. 3.1, pg. 13

“Monthly Minimum Fee’ shall mean the (i) sum of One Hundred and Twenty Five Thousand and No/100 Dollars (\$125,000.00) for October, 1998, November, 1998 and December, 1998, and (ii) the Sixty Two Thousand Five Hundred and No/100 Dollars (\$62,500.00) for the remaining months in the first Operating Year. For each Operating Year after the first Operating Year, the ‘Monthly Minimum Fee’ shall be the greater of (i) Sixty Two Thousand Five Hundred and No/100 Dollars (\$62,500.00) per month, or (ii) one sixteenth (1/16th) of the Annual Tickets Receipts Fee for the immediately prior Operating Year per month.” – Sect. 1.2, pg. 7–8

INSURANCE: “[T]he Team shall procure and maintain in force at its sole expense, (i) comprehensive general liability insurance (including broad form contractual and automobile liability coverage), with minimum limits of \$2,000,000 combined single limit per occurrence protecting the Team, the Authority and the Metropolitan Government against all loss, damages and liability . . . that may be incurred as a result of the Team's use and occupancy of the Arena . . . (ii) property damage insurance on an all risk basis insuring all of the Team's Equipment and property located in on or about the Arena to the extent of one hundred (100%) of its replacement cost, (iii) workers compensation insurance covering Team Personnel and the Team's employees in the minimum amount required under Applicable Law, and (iv) such other coverage or coverages in such amounts as the Authority may reasonably require the Team to carry from time to time[.]” – Sect. 22.1, pg. 35

MAINTENANCE

“The Authority shall have the right to make such alterations, additions and improvements . . . to the Arena as it deems necessary or desirable, except the Authority shall not make (i) any Alterations to the Seating Area costing in excess of the Threshold Amount (as defined below) unless it first obtains the prior written approval of the Team, which approval shall not be unreasonably withheld, conditioned or delayed, and (ii) any Alterations to the Hockey Playing Area, the Team Exclusive Areas or the Suites unless it first obtains the prior written approval of the Team[.]” – Sect. 11.1, pg. 23

“Maintenance repairs, replacements and refurbishments that the Authority is required to make under this Agreement shall not be deemed Alterations. The term ‘Threshold Amount’ shall mean the sum of Two Hundred Fifty Thousand and No/100 Dollars (\$250,000) during the first Operating Year. At the beginning of each Operating Year, the Threshold Amount shall be increased to an amount equal to the product obtained by multiplying Two Hundred Fifty Thousand and No/100 Dollars (\$250,000) by a fraction the numerator of which is the CPI for the month immediately preceding the start of the Operating Year and the denominator of which is the CPI for the month in which the Execution Date takes place.” – Sect. 11.1, pg. 23

“[T]he Team shall not have any right to make Alterations to the Arena, except [to alterations to Team Exclusive Areas and Suites.]” – Sect. 11.2, pg. 24

USE

“Subject to and in accordance with the terms of this Agreement, the Authority hereby grants the Team the right to use the Arena during the Term for the purposes set forth herein and for no other purpose or purposes:

- (a) Pre-Commencement Date. With the consent of the Manager, which shall not be reasonably withheld, the Team shall have the right to access the Arena during the period prior to the Commencement Date for purposes of conducting necessary examinations, inspections, reviews and planning activities; provided the Team agrees to coordinate with the Manager to ensure that it does not materially interfere with the operation of the Arena or any Events being conducted therein[;]
- (b) Home Games[;]
- (c) Practices[;]
- (d) Team Special Events[;]

- (e) Team Exclusive Area[;]
- (f) Practice Facilities[;]
- (g) Private Suites[.]” – Sect. 6.1, pg. 16–18

“The Authority hereby grants the Team the sole and exclusive right to play professional hockey games at the Arena during the Term of this Agreement.” – Sect. 6.2, pg. 18

ESCAPE CLAUSES

TEAM DEFAULT: The occurrence of any one or more of the following matters constitutes a default (each, a "Team Default") by the Team under this Agreement:

- (a) the Team's wrongful failure to pay any of the License Fees or other charges due to the Authority hereunder within thirty (30) days after written notice[;]
- (b) any representation or warranty made by the Team herein was not true in any material respect when made and such breach shall continue for thirty (30) days after written notice thereof from the Authority to the Team[;] or
- (c) the Team fails to observe or perform any other covenant, agreement, condition or provision of this Agreement and such failure shall continue for thirty (30) days after written notice thereof from the Authority to the Team, provided[;] or
- (d) there is a Material Default by Manager under the Operating and Management Agreement; or
- (e) the Team admits in writing its inability to pay its debts as they become due or makes an assignment for the benefit of creditors, or applies for or consents to the appointment of a trustee or receiver for the Team or for the major part of its property; or
- (f) a trustee or receiver is appointed for the Team or for the major part of its property and is not discharged within thirty (30) days after such appointment; or
- (g) bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings for relief under any bankruptcy law or similar law for the relief of debtors are instituted [and] are not dismissed within thirty (30) days after such institution.

Upon the occurrence of any Team Default, the Authority . . .

(a) may terminate this Agreement by giving written notice to the Team and recover, as its sole and exclusive remedy in such event, as liquidated damages and not as a penalty, the Liquidated Damages Amount[;] or

(b) the Authority may enforce the provisions of this Agreement[;] or

(c) the Authority may obtain any other available legal or equitable remedy or relief[.]”
– Sect. 27.1–27.2, pg. 42–43