

LEASE SUMMARY

BASICS

TEAM: Anaheim Ducks

Team Owner: Anaheim Arena Management, LLC; headed by Henry and Susan Samuelli

[Team Website](#)

FACILITY: Honda Center

[Facility Website](#)

Year Built: 1993

Ownership:

TYPE OF FINANCING: Publicly Funded; Ogden Entertainment is assuming the debt for the city issued bonds.

TITLE OF AGREEMENT: Second Amended and Restated Arena Management Agreement between City of Anaheim and Odgen Facility management Corporation of Anaheim

TERM OF AGREEMENT: Thirty (30) Years, commencing on the Effective Date and ending on June 14, 2023, at 11:59 p.m. – Sect. 2.02. pg. 26

“Effective Date” means June 26, 1990 – pg. 2

PAYMENT/EXPENSES

PAYMENTS MADE: Manager shall make disbursements each operating year out of the Revenue Fund and Gross revenue to:

“(i) First, to the payment of Operating Expenses;

(ii) Second, to the payment of interest, principal, premium, fees, amounts, costs, and expenses due (whether paid directly or as reimbursement to Lender) accrued for such period in respect of Debt described in clause (a) of the definition of Debt including amounts payable under the Provider Agreement, and then to the payment of the balance of Debt Service in respect of that portion of Debt described in clauses (b), (c) and (d) of the definition of Debt;

(iii) Third, to Manager, from Available Cash, for (a) payments made to fund a Cash Shortfall up to a maximum of the lesser of the balance in the Manager Shortfall Account or the total Shortfall Cap for each Year of Operation in respect of the Cash Shortfall for each of the first three Years of Operation, (b) Applied Deposits and (c) then for any payments made as a result of the occurrence of a Force Majeure Event until there remains no balance in the Manager Force Majeure Account;

(iv) Fourth, to City, from Available Cash, to reimburse City for City Shortfall Payments and Make-up Amounts plus accrued and unpaid interest thereon until there remains no balance in the City Shortfall Payment Account;

(v) Fifth, to City, from Available Cash, for payments made to purchase earthquake and flood insurance subject to the limits contained in Section 11.02(b) plus accrued and unpaid interest thereon until there remains no balance in the City Insurance Account;

(vi) Sixth, to City, from Available Cash, for payments made pursuant to Sections 12.02(a) and Section 12.02(c)(i) as a result of the occurrence of a Force Majeure Event and (ii) to fund the cost of deductibles (self-insured retentions) occasioned by insured earthquake losses until there remains no balance in the City Force Majeure Account;

(vii) Seventh, to Manager, from Available Cash, for payments made to fund a Cash Shortfall, except to the extent required to be paid pursuant to Section 5.01(iii) above, or Tax Payment plus accrued and unpaid interest thereon until there remains no balance in the Manager Shortfall Account;

(viii) Eighth, to Manager from Available Cash, in the amount determined in accordance with Section 4.07(f)(i) plus accrued and unpaid interest thereon and to City, from Available Cash, in the amount determined in accordance with Section 4.07(f)(ii) plus accrued and unpaid interest thereon until there remains no balance to be paid to Manager or City in the Pre-construction Reimbursement Account. Amounts distributed to City and Manager, respectively, pursuant to this subsection shall be distributed in the ratio of x:y where x equals the aggregate amount to be distributed to City pursuant to Section 4.07(f)(ii), and y equals the aggregate amount to be distributed to Manager pursuant to Section 4.07(f)(i);

(ix) Ninth, to City, Manager and the Orange County Flood Control District, from Distributable Cash, simultaneously, in accordance with the Percentage Interests in effect for the Year of Operation immediately preceding the date of disbursement as Contingent Payments.” – Sect. 5.01, pg. 50–52

INSURANCE: Insurance payments shall be made by Manager, in accordance with the City’s agreement for the terms. – Sect. 11.01, pg. 68

FORCE MAJEURE: “To the extent that a Force Majeure Event occurs in any Year of Operation and shall increase Operating Expenses, decrease Gross Revenue, or require repair, restoration or replacement costs (all collectively ‘Costs’), except to the extent caused by the failure of Manager to use reasonable care in performing its obligations under this Agreement, Costs shall be paid as follows:

(a) Costs incurred as a result of the occurrence of an earthquake shall be paid by City[;]

(b) Costs incurred as a result of the occurrence of Force Majeure Events during a Year of Operation (other than as provided in subsection 12.02(a), and subparagraph (g) of the definition of Force Majeure Event) shall be paid by Manager from time to time as necessary (provided, however, that Manager shall have no less than 30 days to pay such costs), and Manager shall be repaid[;]

(c) To the extent that Costs are incurred as a result of the occurrence of a Force Majeure Event that are not required to be paid as described in subsections (a) and (b) above, City shall pay, from monies legally available therefor not otherwise appropriated, the amount of such Costs as a result of such Force Majeure Events[;]

(d) [A]ll Costs incurred in respect of a Year of Operation as a result of the occurrence of one or more Force Majeure Events shall be paid out of Available Cash[;]

(e) Costs shall not be deemed to include liability for personal injury, property damage or other expense resulting from third party claims arising out of the occurrence of a Force Majeure Event.” – Sect. 12.02, pg. 70–72

CAPITAL IMPROVEMENTS

“City consents to the making of any and all improvements required by the NHL Letter Agreement.” – Art. 20(d), pg. 83

USE

By Manager: “Manager and any Manager Affiliates shall have reasonable access to the Site and Appurtenant Facilities for all purposes consistent with the preparation of the Arena, the Site and the Appurtenant Facilities for commercial operations and the operation and management of the Facility as contemplated by this Agreement.” – Sect. 2.03, pg. 26

By City: “City shall be entitled to book the Arena for up to 5 Permitted Events on a maximum of 5 Available Dates per Year of Operation on no earlier than 180 days notice. . . . Subject to the approval of Manager . . . City may be permitted to book the Facility for additional Permitted Events on such notice and terms as Manager shall specify. . . . All events shall be subject to reasonable rules and regulations of Manager. . . . City shall not be permitted to schedule events on any dates that will conflict with the Team's home games or with any of the Team's scheduled practices or training sessions that are disclosed in writing to City. City shall be responsible for the pro rata portion of overhead for the Facility for any day on which City books the Arena on greater than 21 days notice.” – Art. 6(a), pg. 52–53

ESCAPE CLAUSES

DEFAULT – If the Manager defaults, and remains in default for 60 days, the City may terminate the agreement and elect to operate the facility itself, while it seeks a new manager for the arena. – Sect. 10.03, pg. 63–65

If the City defaults, the Manager shall have the right to terminate the agreement or sue the City of unpaid amounts, plus interest. – Sect. 10.04, pg. 65–66

FORCE MAJEURE: “If as a result of the occurrence of a Force Majeure Event, Manager and City reasonably conclude that it shall no longer be economically feasible to reconstruct or continue to operate the Arena, this Agreement shall terminate and the parties agree to repay the Debt and other obligations in the manner specified below:

(a) Manager shall pay up to \$5,000,000 less the outstanding balance of the Manager Force Majeure Account;

(b) City shall prepay the Debt to the extent legally possible or shall pay Debt Service, as and when due, and fees, expenses and other amounts required to be paid to Lender, Trustee, remarketing and paying agents, annually, then outstanding and other amounts due to the Lender and the Trustee, from monies legally available therefor not otherwise appropriated.” – Sect. 12.04, pg. 72