

LEASE SUMMARY

BASICS

TEAM: New York Islanders
Team Owner: Charles Wang
[Team Website](#)

FACILITY: Nassau Veterans Memorial Coliseum
[Facility Website](#)
Year Built: 1972
Ownership:

TYPE OF FINANCING: Funded through tax-exempt bond issue.

TITLE OF AGREEMENT: Lease between the County of Nassau, Landlord, and Arenaco SPE LLC, Tenant

TERM OF AGREEMENT: Lease for a period of thirty (30) years, beginning on Lease Term Commencement Date and expiring on the thirtieth (30th) anniversary of that date. – Sect. 3, pg. 13

“Lease Term Commencement Date shall mean the first Business Day after the satisfaction (or waiver by the benefitted party or parties) of all of the Contingencies.” – Sect. 1.76, pg. 8

PAYMENT/EXPENSES

RENT: “From and after the Lease Term Commencement Date, Tenant shall pay base rent during each Lease Year (the ‘Annual Rent’) in an amount equal to the greater of (a) eleven and one-half percent (11.5%) of all Coliseum Revenues received for such Lease Year or (b) Fourteen Million and No/100 Dollars (\$14,000,000.00) (the ‘Minimum Annual Rent’), less any credits to which Tenant is entitled pursuant to the terms of this Lease.” – Sect. 8.1, pg. 21

INSURANCE: Tenant shall keep throughout the Lease Term: rent insurance, general public liability insurance, boiler and machine insurance, water damage insurance, workers’ compensation and employers liability insurance, liquor liability coverage, and during Alterations, an “All Rick” property insurance policy. – Sect. 20.1, pg. 39–41

CAPITAL IMPROVEMENTS

“Tenant shall only be liable for the first Five Hundred Thousand and No/100 Dollars (\$500,000.00) of the cost of such Capital Repairs incurred during a Lease Year (‘Tenant's Capital Repair Costs’) . . . Landlord shall be obligated to reimburse Tenant for the cost of the Capital Repairs in excess of Tenant’s Capital Repair Costs incurred by Tenant during a particular Lease Year[;] provided, however, that if in any particular Lease Year, Capital Repairs shall or may exceed the Tenant's Capital Repair Costs, then prior to Tenant agreeing to undertake any Capital Repairs . . . , Tenant shall obtain Landlord's approval prior[.]” – Sect. 16.3, pg. 34–35

MAINTENANCE

“After the Lease Term Commencement Date, Tenant may, from time to time, at its sole cost and expense, make such alterations, additions, restorations, repairs, changes, replacements and installation in, of, or to the Coliseum Improvements as Tenant determines to be necessary or desirable, structural or non-structural (‘Alterations’); provided, however, that, the following must be satisfied: (a) any proposed buildings or improvements shall comply with applicable Legal Requirements, (b) any proposed building shall be built entirely within the boundary lines of the Coliseum Parcel, (c) access to and from the Premises (and to and from the Coliseum and the Required Parking) shall not be adversely impacted, and (d) any Major Alterations to the Coliseum shall be subject to Landlord's prior approval in accordance with the provisions of Section 7.2.” – Sect. 11.1, pg. 27

USE

“Tenant shall use and occupy the Coliseum solely for the conduct of sporting events, athletic games, contests, spectacles, concerts and entertainment events, meetings, conventions, exhibitions and trade shows and other uses for which similarly sized Coliseums and/or exhibition halls are generally used[.]” – Sect. 13.1, pg. 31

ESCAPE CLAUSES

DEFAULT: In the event of default by Tenant, and the Tenant remaining in default for a certain period of time “Landlord shall have the right to terminate this Lease, and all of Tenant's right, title and interest hereunder, by giving Tenant thirty (30) days Notice of termination[.]” – Sect. 24.2, pg. 51

Events causing default of Tenant include: filing a voluntary petition in bankruptcy or insolvency or for reorganization under bankruptcy laws, failing to pay Landlord any Annual Rent or Additional Rent, 15 days after notice of failure, failure to maintain insurance, or failure to substantially perform or comply with any of the other material agreements, terms, covenants or conditions. – Sect. 24.1, pg. 50

RETENTION

ARBITRATION: An arbitration clause exists in the lease, requiring arbitration for any dispute between the parties, arising out of the Lease. An arbitrator's final award is to be made no less than ten (10) days after the proceeding. – Sect. 39.1, pg. 64–65