

## 13.393 - Attorney

**From:** Segal, Susan L. <Susan.Segal@[REDACTED]>  
**Sent:** Tuesday, October 8, 2019 12:32 PM  
**To:** twind@[REDACTED]  
**Cc:** Nilsson, Erik A.; Carter, Brian; Ludmer, Ivan; Newman, Nikki  
**Subject:** Definition of Arena Operating Expenses

Todd - here is the definition from Article I of the agreement between the City and AEG.

Section 1.1 includes the definition of "arena operating expenses" as follows:

"Arena Operating Expenses" means all costs, expenses and liabilities arising from and associated with the occupancy, use, operation, promotion, management, maintenance and repair of the Arena, including associated overheads of AEG and its Affiliates, the costs of casualty and liability insurance and indemnification as provided herein, Impositions, all expenses and costs of events held at the Arena, and each and every expense arising from and associated with the operation of concessions at the Arena. Arena Operating Expenses shall not include Capital Improvements except as provided for in Section 5.7, the payment of principal or interest on the City Bonds or MCDA Bonds or expenses or costs of the City or MCDA arising from or related to its oversight and administrative obligations under this Agreement, the Other Principal Agreements, the City Indenture or the MCDA Indenture. The provision in certain sections of this Agreement that the cost and expense of performing certain covenants constitutes Arena Operating Expenses does not thereby mean or imply that costs and expenses associated with other covenants and agreements of AEG in this Agreement are not Arena Operating Expenses, the intent of this definition being to include all costs, expenses and liabilities associated with the Arena, except those specifically excluded herein. Transition Expenses shall be considered as part of the Arena Operating Expenses."

As I mentioned on the phone, it is the City's position that the expenses the City will be required to incur as a result of AEG's decision to enter into an agreement for this event constitute "Arena Operating

Expenses" within the meaning of the Agreement.

I also want to reiterate that the City is expressing no opinion on whether the event should or should not be cancelled. The City has no knowledge of the terms of that agreement or conditions. That decision is entirely within the hands of AEG.

Let me know if you have any additional questions. Thank you for your attention to this matter.

Susan Segal

13.43 - Personnel Data