

LEASE SUMMARY

TEAM: Miami HEAT

Team Owners: Micky Arison

[Team Website](#)

FACILITY: American Airlines Arena

[Facility Website](#)

Year Built: 1999

TITLE OF AGREEMENT: American Airlines Arena Amended and Restated Management Agreement

Lessor: Miami-Dade County

Lessee: Basketball Properties, LTD.

TERM OF AGREEMENT:

“The effective date of the Original Management Agreement, as well as the License Commencement Date, was December 31, 1999. The expiration date of the Original Management Agreement shall be June 30, 2030. The effective date of this agreement shall be July 1, 2013 and the Expiration Date shall be June 30, 2040, subject to extension.” Section 2.1, page 3.

RENT:

The Heat shall pay a use fee to basketball properties based on gate receipts for home games. Section 2.2.1, page 5.

USE OF THE FACILITY:

“The Manager, which is an independent contractor, shall be the manager and operator of the Arena during the Term of this Agreement with sole responsibility and authority and full control and discretion in the operation, direction, management, security and supervision of the Arena.” Section 4.1, page 9-10.

“[T]he County shall have the right to use the Arena for Community Events during each Fiscal Year and partial Fiscal Year during the term, on any day the Arena is not scheduled or reserved for a Manager Event.” Section 3.2, page 7.

MAINTENANCE:

“The Manager shall, at its sole cost and expense, do all things and take all actions necessary for the operation of the Arena in accordance with this Agreement throughout the term . . . the Manager is authorized to and at all times throughout the term shall: . . . maintain and the Arena and the Site in compliance with all Applicable Laws and in good, clean, sanitary order and repair (and free from defects) as a first class sports and entertainment facility, ordinary wear and tear excepted.” Section 4.2, page 14.

OPERATING EXPENSES:

“The Manager shall, at its sole cost and expense, do all things and take all actions necessary for the operation of the Arena in accordance with this Agreement throughout the term . . . the Manager is authorized to and at all times throughout the term shall:

4.2.2 Use all reasonable efforts to obtain fees, rents, and other amounts due from a party to a Naming Rights Agreement, tenants, licensees, concessionaires, and other users of the Arena . . . ;

4.2.3 Commence, defend and . . . settle in good faith such legal actions or proceedings concerning the operation of the Arena . . . ;

4.2.4 Employ, train, pay, supervise, and discharge all personnel and/or engage such independent contractors as the Manager determines to be necessary for the operation of the Arena . . . ;

4.2.6 Purchase and maintain all materials, tools, machinery, equipment, and supplies necessary for the operation of the Arena . . . ;

4.2.7 . . . maintain and the Arena and the Site in compliance with all Applicable Laws and in good, clean, sanitary order and repair (and free from defects) as a first class sports and entertainment facility, ordinary wear and tear excepted.”

Section 4.2, pages 13-14.

“The obligations of the Manager to pay all costs associated with operating the Arena shall be independent of all other covenants and conditions of this Agreement and shall be absolute and unconditional.” Section 5.1, page 28.

ESCAPE, DEFAULT OR TERMINATION CLAUSES:

“Each of the following events shall constitute an Event of Default:

16.1.1 If any representation or warranty made by the County or by the Manager in this Agreement shall at any time prove to have been incorrect in any material respect as of the time made

16.1.2 If the Manager shall breach its obligations

16.1.3 If the Manager shall (without prior written County approval) make any modification, amendment or waiver of any provision of the Team License

16.1.4 Any transfer shall occur which is in violation of the terms and provisions of Section 13.7

16.1.5 Any default shall occur under the Team Guaranty

16.1.6 The Team License is terminated by the Manager in violation of the terms of this Agreement.

16.1.7 The NBA franchise held by the Team is terminated.

16.1.8 The County fails to pay the County’s Guaranty Obligations

16.1.9 If the County or the Manager shall materially breach any of the other covenants or provisions in this Agreement or the Team shall breach any other covenants or provisions of the Team Guaranty”

Section 16.1, pages 61-62.

INSURANCE:

“During the Term of this Agreement, the Manager shall maintain not less than the insurance described in this Section 9”, including, property insurance, commercial general liability insurance, workers’ compensation insurance, builders’ risk insurance, and business automobile insurance.”
Section 9, pages 39-40.