

LEASE SUMMARY

BASICS

TEAM: Calgary Flames

Team Owner: Calgary Flames, LP; comprised of Byron J. Seaman, Alvin G. Libin, Allan P. Markin, Jeffrey J. McCaig, Clayton H. Riddell, and N. Murray Edwards.

[Team Website](#)

FACILITY: Honda Center

[Facility Website](#)

Year Built: 1983

Ownership:

TYPE OF FINANCING: The City of Calgary and the Alberta Province each contributed US \$31.5 million, the federal government contributed US \$29.7 million and the 1988 Olympic Organizing Committee provided US \$5 million.

TITLE OF AGREEMENT: Amended and Restated Agreement between The City of Calgary and Saddledome Foundation

TERM OF AGREEMENT: Fifty (50) Years, commencing on June 1, 1983, and ending on May 31, 2033. – Sect. 3(1), pg. 2

Additional Renewal Option for Fifty (50) years, expiring at midnight on May 31st, 2083. – Sect. 3(2), pg. 2

PAYMENT/EXPENSES

RENT: Saddledome Foundation will pay to the City of Calgary \$1.00 annually, to be paid June 1st. – Sect. 3(1), pg. 2

The Calgary Flames will pay to Saddledome Foundation for use of the facility:

1995 – 1999: \$600,000 annually

2000 – 2014: \$750,000 annually, plus an additional amount, determined by an additional sum determined by: $x = (\$750,000 \times a/b) - \$750,000$, where:

x = the amount

a = the Base Price Index for the year immediately preceding the year in respect of which the amount is required to be paid

b = the Base Price Index for the year 1995.

– Sect. 12, pg. 5–6

Saddledome Foundation will distribute 33 1/3 % to the City on the trust condition that the same will be used for the construction and maintenance of facilities used for, and the support of operation of, amateur sports in the City of Calgary; 33 1/3 % to the Calgary Olympic Development Association (CODA); and 33 1/3 % to Hockey Canada. – Sect. 12, pg. 6–7

INSURANCE: “The Foundation shall, without cost to the City, obtain or cause to be obtained commercial general liability insurance in form and content acceptable to the City, acting reasonably, for personal injury and property damage arising out of or in connection with all of the activities carried on in the Olympic Saddledome or otherwise on the Leased Premises. Such insurance shall extend to cover contractually assumed liability of the Foundation to the City under this Lease, shall protect the City and the Foundation from claims by others as if both were separately insured and shall be drawn or endorsed so as to constitute the City a named insured thereunder.” – Sect. 6, pg 3

CAPITAL IMPROVEMENTS

“The Foundation shall use its monies and income . . . for the purpose of providing capital improvements to and facilities in the Olympic Saddledome as in the opinion of the Foundation may be necessary or desirable for the conduct of its operations.” – Sect. 11, pg. 5

MAINTENANCE

“The Foundation shall operate, repair and maintain or shall cause to be operated, repaired and maintained the Olympic Saddledome and all other improvements to the Leased Premises in a good and workmanlike manner and operating condition, reasonable wear and tear and structural repair only excepted. The City may enter the Olympic Saddledome and the Leased Premises and view the state of repair and maintenance thereof and the Foundation shall operate, repair and maintain or cause to be operated, repaired and maintained the Olympic Saddledome and the Leased Premises according to notice in writing from the City insofar as it is bound to do by this Lease.” – Sect. 5, pg. 3

“The Foundation shall use its monies and income . . . for the operation, repair and maintenance of the Olympic Saddledome and other improvements to the Leased Premises as hereinafter provided.” – Sect. 11, pg. 5

USE

The Foundation shall cause the Leased Premises, the Olympic Saddledome and all other improvements to the Leased Premises to be operated as a facility to

- (a) provide entertainment for, and
- (b) to enhance the athletic achievement of, the people of Southern Alberta.

The City hereby grants to the Foundation the right to contract with a professional coliseum operator or manager for the management and operation of the Olympic Saddledome and all other improvements to the Leased Premises.” – Sect. 4(3) & (4), pg. 3

ESCAPE CLAUSES

Default by Foundation: “If (i) the rent hereby reserved or any part thereof is not paid when due and the Foundation fails to make the required payment within 7 days of receipt of notice from the City, or (ii) the Foundation fails to observe or perform any covenant or condition required by it to be observed or performed under this Lease and persists in such failure after 30 days notice by the City requiring the Foundation to observe and perform any such covenant or condition (or if any such failure would reasonably require more than 30 days to remedy, the Foundation fails to commence to remedy within such 30 days and thereafter proceed diligently to remedy such failure) then and in any such case it shall be lawful for the City at any time thereafter to re-enter

into and upon the Leased Premises including without limitation the Olympic Saddledome and any other improvements to the Leased Premises or any part thereof in the name of the whole and to again re-possess, have and enjoy the same as of its former state anything contained to the contrary in this Lease notwithstanding and the Term shall, at the option of the City, be forthwith forfeited and void.” – Sect. 16, pg. 7

Insolvency and Bankruptcy: “If the Term shall at any time be seized or taken in execution or attachment by any creditor of the Foundation and such seizure or attachment shall not be stayed within fourteen

(14) days from the date of the making thereof, or if the Foundation shall make any assignment for the benefit of creditors or become bankrupt or insolvent or shall be so adjudged by a court having jurisdiction under any statute which may be in force for bankrupt or insolvent debtors, or if the Foundation shall take the benefit of any such statute or shall become subject to any legislative enactment relating to the liquidation or winding-up of the Foundation or in case the Leased Premises or the Olympic Saddledome has become vacant or is not used for the purposes set out in this Lease or are used by any other person than a person who is entitled to use them under the terms of this Lease, then and in every such case the City may at any time thereafter re-enter and take possession of the Leased Premises including, without limitation, the Olympic Saddledome and any other improvements to the Leased Premises or any part thereof in the name of the whole to again re-possess, have and enjoy the Leased Premises as of its former estate, anything contained to the contrary in this Lease notwithstanding and the Term shall, at the option of the City, be forthwith forfeited and void.” – Sect. 17, pg. 8