

**CITY COUNCIL
ATLANTA, GEORGIA**

**A SUBSTITUTE ORDINANCE BY
FINANCE/EXECUTIVE COMMITTEE**

09-O-0559

AN ORDINANCE AUTHORIZING THE TERMINATION OF THE LEASE FOR CITY OWNED PROPERTY AT THE LAKEWOOD FAIRGROUNDS BETWEEN THE CITY AND FILMWORKS, USA, INC.; AUTHORIZING THE CITY TO AMEND THE LEASE DOCUMENTS WHICH WILL GOVERN THE RELATIONSHIP BETWEEN THE CITY AND LIVE NATION WORLDWIDE, INC; AND FOR OTHER PURPOSES.

WHEREAS, the City of Atlanta, a municipal corporation chartered pursuant to the laws of the State of Georgia, (hereinafter, "City") is the owner of a tract commonly known as the Lakewood Fairgrounds ("Lakewood"); and

WHEREAS, there currently exists a lease by and between the City and FILMWORKS USA., INC., a Georgia corporation created pursuant to the laws of the State of Georgia (hereinafter, "Filmworks") that is recorded in Deed Book 8831, Page 185 *et seq*, in the Office of the Clerk of the Superior Court of Fulton County, as amended, including such amendments that have been fully executed but not recorded, that create a leasehold interest in Lakewood (the "Master Lease"); and

WHEREAS, pursuant to Ordinance #05-O-1970 adopted by the City Council of the City of Atlanta, Georgia on November 7, 2005 and approved by the Mayor on November 14, 2005, the City was authorized to make certain payments and execute certain documents to induce Filmworks to amend the Master Lease so that the City could terminate the leasehold interest of Filmworks so that the City could explore alternate redevelopment scenarios; and

WHEREAS, there is a sublease dated January 20, 1988 between MCA CONCERTS, INC., a California corporation ("MCA"), and Filmworks, as amended (the "MCA Sublease") under which Filmworks has subleased to MCA certain of its interests in Lakewood; and

WHEREAS, there is an agreement between the City and MCA concerning the construction and operation of an outdoor commercial concert facility (the "Amphitheatre Agreement") which is located on that portion of Lakewood which Filmworks has subleased to MCA; and

WHEREAS, Live Nation Worldwide, Inc., a Delaware Corporation licensed to transact business in the State of Georgia ("Live Nation") has become the successor to MCA's rights and responsibilities as set forth under the Master Lease, the MCA Sublease and the Amphitheatre Agreement; and

WHEREAS, the City desires to exercise its right to terminate the Master Lease with Filmworks; and



WHEREAS, after the City exercises its right of termination of the Master Lease, it will accede to certain rights and responsibilities of Filmworks including those documents which have effect of making the City the direct lessor of the outdoor commercial concert facility leased to Live Nation; and

WHEREAS, the documents which describe City's benefits and obligations with respect to the outdoor commercial concert facility leased to Live Nation do not contain certain terms which the City and Live Nation now wish to be incorporated into an amended lease document which will govern the relationship between them; and

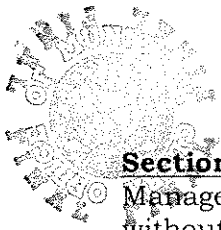
WHEREAS, Live Nation and the City have reached agreement on the terms of a release which will settle certain outstanding maintenance issues in the manner set forth therein and the substantive terms of a lease amendment document which provides for improved maintenance of the concert facility site and the fences which surround the roads giving access to the site, provides incentives for immediate improvement of the concert facility and provide the City with better alternatives to encourage further investment on the remainder of the Lakewood site;

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF ATLANTA
GEORGIA HEREBY ORDAINS:**

Section 1: The Mayor or her designee is authorized to terminate the leasehold interest of Filmworks, USA, Inc. ("Filmworks") in property owned by the City at Lakewood Fairgrounds by the execution of documents which exercise that right in the manner provided in the Second Amendment to Lease authorized by Ordinance #05-O-1970, and release Filmworks from any outstanding maintenance obligation set forth in the existing lease documents provided that (i) the City has documentation that Live Nation Worldwide, Inc. ("Live Nation") has released the City from certain outstanding maintenance obligations set forth in the existing lease documents through and including the date that this ordinance become effective; and (ii) that Live Nation has signed an agreement to be bound by the terms of this ordinance in addition to the terms of the MCA Sublease and the Amphitheatre Agreement.

Section 2: The Enterprise Assets Management Officer and the City Attorney are authorized to create lease amendment documents to amend the lease documents which control the legal relationship between the City and Live Nation with respect to the outdoor concert facility which will be created when the leasehold of Filmworks is terminated, provided however that those lease terms shall be governed by the lease term sheet attached as Exhibit "A."

Section 3: The Mayor or her designee is authorized to enter into a leasehold relationship with Live Nation under the lease amendment documents prepared by the Enterprise Assets Management Officer and the City Attorney without further action of the City Council provided that the lease amendment documents contain terms which are consistent with the terms set forth in Exhibit "A."



Section 4: Prior to the execution of lease amendments documents, the Enterprise Assets Management Officer is authorized to administer those existing lease documents, including without limitation the MCA Sublease and the Amphitheatre Agreement, which control the legal relationship between the City and Live Nation with respect to the outdoor concert facility which will be created when the leasehold of Filmworks is terminated, in conjunction with the lease term sheet attached as Exhibit "A," in order to allow the City and Live Nation to receive and undertake those benefits and obligations set forth therein prior to the execution of the lease amendment.

Section 5: This Ordinance shall not become effective unless Live Nation has agreed in writing to be bound by its terms and has not removed its consent to be bound due to amendments to this ordinance and/or the attached terms sheet within ten (10) days after its approval by the Mayor or it becomes effective by operation of law. Live Nation's notice that it declines to be governed by this ordinance due to amendment of its terms, specifically including the terms sheet attached as Exhibit "A" shall be in writing and delivered to the Clerk of Council within the time provided herein. Live Nation's right to decline after amendment shall only operate as to the entire ordinance and not as to any specific amendment. Live Nation's refusal to be bound by the terms of this Ordinance is not intended to give Live Nation any additional rights which do not exist under the documents which already govern its relationship with Filmworks or the City, nor have any effect on relationship between that City and Filmworks which exist under the Master Lease, as amended.

Section 6: The Chief Financial Officer is authorized to create such accounts as are necessary to receive the payments to be made by Live Nation after the Filmworks leasehold interest is terminated but before the new lease amendment documents which are to govern the relationship between the City and Live Nation are executed.

Section 7: The Chief Financial Officer is authorized to create such accounts as are necessary to receive the payments to be made by Live Nation after the new lease amendment documents which are to govern the relationship between the City and Live Nation are executed.

Section 8: This ordinance is on condition of the acceptance by the Councilmember for District 12 of a list of conditions, which are being negotiated and which will be memorialized in a letter to be attached as Exhibit "B." After attachment of Exhibit "B," approval of this ordinance will be subject to these conditions.

Section 9: This ordinance shall become effective immediately upon signing by the Mayor or as otherwise provided by the operation of law.

A true copy,

Phonda Dauphin Johnson
Municipal Clerk

ADOPTED as amended by the Council
APPROVED by Mayor Shirley Franklin

MAY 04, 2009
MAY 12, 2009