#4

10-O-0890
(Do Not Write Above This Line)

AN ORDINANCE BY COUNCILMEMBER JOYCE SHEPERD AND COUNCILMEMBER CARLA SMITH

Carla Smith

AN ORDINANCE AUTHORIZING THE MAYOR, ON BEHALF OF THE CITY, TO ENTER INTO AND EXECUTE A LEASE WITH GEORGIA FILM AND TELEVISION CENTER, LLC FOR CERTAIN CITY OWNED PROPERTY AT THE LAKEWOOD FAIRGROUNDS; AND TO WAIVE CITY CODE SECTION 2-1547 (e) REGARDING THE LEASING OF CITY-OWNED REAL PROPERTY FOR PURPOSES OF ENTERING THIS LEASE; AND TO DEPOSIT REVENUE FROM SAID LEASE INTO THE ACCOUNT NUMBER SET FORTH BELOW; AND FOR OTHER PURPOSES.

ADOPTED BY
MAY 17 2010
COUNCIL SUBSTITUTE
AS AMENDED

- ☐ CONSENT REFER
- ☐ REGULAR REPORT REFER
- ☐ ADVERTISE & REFER
- ☐ 1st ADOPT 2nd READ & REFER
- ☑ PERSONAL PAPER REFER

Date Referred 5/3/10
Referred To: Fin/Exec
Date Referred
Refferred To:
Date Referred
Referred To:

First Reading
Committee
Date
Chair
Referred To

Committee	Committee
Finance/Executive	
Date 5/12/10	Date
Chair Yolanda	Chair
Action (Fav) Adv, Hold (see rev. side) Other On Substitute	Action Fav, Adv, Hold (see rev. side) Other
Members	Members
Refer To	Refer To

Committee	Committee
Date	Date
Chair	Chair
Action Fav, Adv, Hold (see rev. side) Other	Action Fav, Adv, Hold (see rev. side) Other
Members	Members
Refer To	Refer To

FINAL COUNCIL ACTION
☐ 2nd ☐ 1st & 2nd ☐ 3rd Readings
☐ Consent ☐ V Vote ☑ RC Vote

CERTIFIED

CERTIFIED
MAY 17 2010
ATLANTA CITY COUNCIL PRESIDENT

CERTIFIED
MAY 17 2010
MUNICIPAL CLERK

MAYOR'S ACTION

APPROVED
MAY 25 2010
MAYOR

CITY COUNCIL
ATLANTA, GEORGIA

AN ORDINANCE BY
COUNCILMEMBER JOYCE SHEPERD AND
COUNCILMEMBER CARLA SMITH
AS SUBSTITUTED BY FULL COUNCIL

10-O-0890

A SUBSTITUTE ORDINANCE AUTHORIZING THE MAYOR, ON BEHALF OF THE CITY, TO ENTER INTO AND EXECUTE A LEASE WITH GEORGIA FILM AND TELEVISION CENTER, LLC FOR CERTAIN CITY OWNED PROPERTY AT THE LAKEWOOD FAIRGROUNDS; AND TO WAIVE CITY CODE SECTION 2-1547 (e) REGARDING THE LEASING OF CITY-OWNED REAL PROPERTY FOR PURPOSES OF ENTERING THIS LEASE; AND TO DEPOSIT REVENUE FROM SAID LEASE INTO THE ACCOUNT NUMBER SET FORTH BELOW; AND FOR OTHER PURPOSES.

WHEREAS, the City of Atlanta, a Georgia municipal corporation (hereinafter, the "City") is the owner of a tract of land located at 175 Lakewood Way in Southeast Atlanta, commonly known as the Lakewood Fairgrounds (hereinafter, "Lakewood"); and

WHEREAS, the City received an unsolicited offer from EUE/ScreenGems, Inc., ("hereinafter, "ScreenGems") to lease certain buildings located at Lakewood and approximately thirty (30) acres of the surrounding Lakewood property for the purpose of constructing a state-of-the-art soundstage where motion pictures and television programs can be produced; and

WHEREAS, ScreenGems and the City's Office of Enterprise Assets Management ("hereinafter, "OEAM") have negotiated the basic terms of a lease, a copy of which is attached hereto as Exhibit "A" (hereinafter, "Term Sheet"); and

WHEREAS, the Term Sheet provides that the Lakewood tenant/lessee would be either ScreenGems or its affiliated LLC. ScreenGems has determined that the lessee will be its Georgia affiliated LLC, Georgia Film and Television Center, LLC (hereinafter "GFTC").

WHEREAS, the Term Sheet includes an obligation that the tenant perform improvements at Lakewood in the amount of six million, three hundred forty five thousand dollars ($6,345,000), where five million dollars of said improvements would be dedicated to the construction and equipping of the soundstage; and

WHEREAS, the construction of the soundstage will greatly advance the City's efforts to become the location of choice in the Southeast for filming and other work performed by the entertainment industry; and

WHEREAS, the scale of the proposed GFTC improvements will not only provide direct investment in the City, but will also create job opportunities; and

WHEREAS, the City and ScreenGems are in the process of incorporating the material elements of the Term Sheet into a formal lease. A copy of the most recent draft of the lease is attached hereto as Exhibit "B"; and

WHEREAS, the recent history of the City's procurement efforts regarding the development of the Lakewood property indicates that a request for proposals for the sale or lease of the property is unlikely to result in an offer that exceeds or matches the ScreenGems offer:

(a) Filmworks USA, Inc. entered into a thirty-five year Master Lease with the City for Lakewood in 1984, thereby creating a lease termination date in 2019.

(b) Pursuant to various contracts, including a sublease with Filmworks dated January 20, 1988 (hereinafter, the "Sublease"), Live Nation Worldwide, Inc., (hereinafter, "Live Nation"), operates an outdoor commercial concert facility (hereinafter, the "Lakewood Amphitheatre"), located on the portion of the Lakewood property that is the subject of the Sublease (hereinafter, the "Amphitheatre Property").

(c) The thirty acres of property that is at issue in the proposed lease with GFTC (hereinafter, the "Proposed GFTC Lease"), does not include any of the Amphitheatre Property. The Proposed GFTC Lease would not impact the income received by the City from the Lakewood Amphitheatre.

(d) Pursuant to Ordinance 05-O-1970, adopted and approved in November 2005, the Mayor made certain payments to Filmworks in exchange for Filmworks' early termination its Master Lease for Lakewood (except for the Amphitheatre Property). The purpose of the early termination was to allow the City to explore options for redevelopment of Lakewood.

(e) The City, through the Atlanta Development Authority, issued a Request for Proposals for the redevelopment of Lakewood (other than the Amphitheatre Property) in 2007. The Request for Proposals drew a small number of responses with no response meeting the City's criteria for redevelopment; and

WHEREAS, ScreenGems has worked with Live Nation to determine the impact of Lakewood Amphitheatre sound levels on the ScreenGems/GFTC development, and does not perceive these sound levels as an impediment to the enjoyment of the Proposed GFTC Lease. Live Nation does not object to the City's entering the Proposed GFTC Lease; and

WHEREAS, the Term Sheet calls for the Proposed GFTC Lease to have a term of fifty years. Georgia law, and specifically O.C.G.A. § 36-37-6(c)(1), allows the City to lease Lakewood "for terms of not more than 50 years each for development and use as motion picture and television production, processing, and related facilities… ."; and

WHEREAS, the Department of Procurement has opined that a lease agreement made in response to an unsolicited offer of this type cannot be classified as a "special procurement" or as

a "sole source". Therefore legislation authorizing the Proposed GFTC Lease must also authorize the waiver of the procurement code for the purpose of entering said lease; and

WHEREAS, because of the numerous benefits that may potentially result from GFTC's Lakewood redevelopment, it is in the City's best interest to enter the Proposed GFTC Lease.

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

SECTION 1: The Mayor, on behalf of the City, is authorized to enter into and execute a lease agreement (the "Lease") with Georgia Film and Television Center, LLC for approximately 30 acres containing buildings with approximately 171,336 square feet of space (the "Subject Property") provided that: (i) the terms of the Lease shall be substantially similar to those provisions set forth on the Term Sheet attached hereto as Exhibit "A"; and (ii) the term of such Lease shall not exceed fifty (50) years.

SECTION 2: The requirements of the City's Procurement and Real Estate Code, including but not limited to City Code Section 2-1547 (e) regarding the leasing of City-owned real property, are hereby waived for purposes of the Lease only.

SECTION 3: The initial rent received by the City pursuant to the Lease shall be $250,000 in year 1. Rent shall increase by $25,000 each year from years 2 through 5. In years 6 through 10, rent shall increase by $50,000 per year. Thereafter, an appraisal will be performed every ten years and the rent shall be adjusted based upon the appraisal results. In between each ten year appraisal, rent shall increase by 2% annually.

SECTION 4: The revenue generated by this Ordinance shall be deposited into the General Fund, and specifically into FDOA: 1001 (General Fund) 000002 (General Revenue Org) 3810001 (LAND RENTALS, GENERAL).

SECTION 5: The Acting City Attorney or his designee, in consultation with OEAM, is hereby directed to prepare for execution by the Mayor, the Lease and any and all other deeds, instruments, or other documents that the Acting City Attorney deems necessary or advisable to carry out the purposes and intent of this Ordinance.

SECTION 6: In addition to his authority to execute the Lease, the Mayor, on behalf of the City, is authorized to execute any and all deeds, instruments or other documents that the Acting City Attorney deems to be necessary or advisable in order to carry out the purposes and intent of this Ordinance.

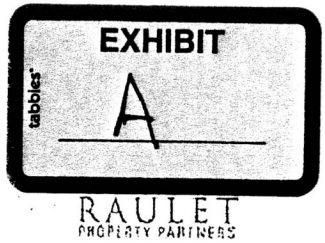
SECTION 7: The Lease, and the other deeds, instruments, or other documents shall not become binding upon the City, and the City shall incur neither obligation nor liability thereunder, until the same has been signed by the Mayor and attested to by the Municipal Clerk.

SECTION 8: GFTC shall participate in a Task Force created by the Atlanta City Council which shall be comprised of elected officials, studio representatives, trade school representatives, one member from the community, union representatives and industry-related businesses, not to exceed eight people, to develop a strategy to create and sustain industry-related employment opportunities within the local community.

SECTION 9: All ordinances and parts of ordinances in conflict herewith are hereby waived for purposes of this Ordinance only, and only to the extent of the conflict.

A true copy,
Rhonda Dauphin Johnson
Municipal Clerk

ADOPTED as amended by the Council **MAY 17, 2010**
APPROVED by Mayor Kasim Reed **MAY 25, 2010**



March 22, 2010

John Lavalle
City of Atlanta
Office of Enterprise Asset Management
55 Trinity Ave
Atlanta, GA 30303

Re: ***Lease Proposal for 175 Lakewood Way, Atlanta, GA***

Dear John:

On behalf of EUE/ScreenGems we are pleased to propose the following lease terms to your client for your review.

Landlord:	City of Atlanta
Tenant:	EUE/ScreenGems or affiliated LLC.
Proposed Square Footage:	Approximately 171,336+/- square feet of warehouse space situated on 30 acres.
Lease Term:	Fifty (50) years.

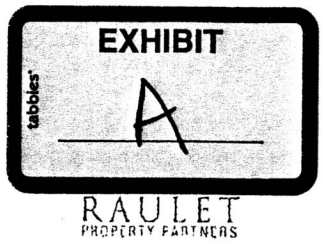
Initial Rental Rate:

Year 1: $250,000	Year 6: $400,000
Year 2: $275,000	Year 7: $450,000
Year 3: $300,000	Year 8: $500,000
Year 4: $325,000	Year 9: $550,000
Year 5: $350,000	Year 10: $600,000

Reappraisal of Property: The Stabilized Rental Rate will be determined by a reappraisal of the property by a panel of 3 certified appraisers. The appraisal process will occur every 10th Lease Commencement Date Anniversary of the Lease Term and the New Stabilized Rental Rate will become effective for years 11, 21, 31 and 41.

The appraisers will use comparable recent property sales or recent property leases for industrial zoned properties only. Any comparable properties will only be considered in the appraisal if intended use is to remain industrial. All comparable properties will be located within a reasonable distance from the subject property.

The appraisers will use their best efforts to determine if any of the immediate adjacent parcels have increased in value due to the direct investment by Tenant in the subject property. In determining the value



RAULET
PROPERTY PARTNERS

of such properties, appraisers shall take in to consideration the impact that the subject property has had on the comparable property.

Escalations: Two Percent (2%) annually at the beginning the year following reappraisal at every 10th Lease Date Commencement Year Anniversary.

Commencement Date: June 1, 2010

Rental Commencement Date: October 1, 2010

Taxes and Insurance: Tenant shall pay all costs for property taxes and insurance. Property taxes will only be levied on new structures constructed by Tenant.

Maintenance: Tenant shall maintain the roof and structure of the building and keep them in good working order. Tenant shall be responsible for maintenance of systems and the repair of such in the event they require maintenance. Tenant shall not be responsible to repair or rebuild existing building should they become in a state of disrepair due to the age of the facility or acts of God.

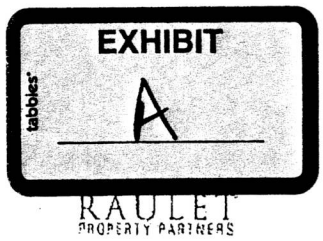
Exterior: Tenant shall be responsible for maintaining the exterior of the building, landscaping, parking lot, etc.

Utilities: Tenant shall contract and pay for all utilities to the Premises.

Delivery of Premises: Tenant accepts the Premises in "As Is" condition

Tenant Improvements: Tenant shall make improvements to the property as outlined in Exhibit "A", attached hereto. Tenant shall guarantee that such improvements will be completed within the 2nd year of the Lease Term. Failure by Tenant to complete the improvements shall result in a penalty to be further outlined in the Lease document.

Brokerage: Raulet Property Partners, Inc. represents the Tenant and shall be paid a real estate lease commission by Tenant upon Lease execution, per separate agreement.



First Right of Refusal: Landlord shall grant Tenant a first right of refusal should the city wish to sell the property during the term of this lease.

City of Atlanta Approval: This letter of intent outlines the general business terms agreed to by EUE Screengems and John C. Lavelle, Director of Real Estate Portfolio in the office of Enterprise Assets Management. All terms and conditions set forth in this letter are subject to adoption by the City of Atlanta Council and approval by the Mayor of Atlanta.

This proposal is (i) not binding on either party, (ii) subject to mutually agreed upon lease terms and conditions, (iii) subject to Landlord's review and approval of Tenant's financial information and, (iv) may be withdrawn at Landlord's discretion without notice prior to acceptance.

If these conditions are acceptable, please sign in the space provided below. Please contact me if you have any questions.

Sincerely,

John Raulet

John B. Raulet

Accepted on the 24th day of March, 2010

By: JC Lavelle
John C. Lavelle, for City of Atlanta

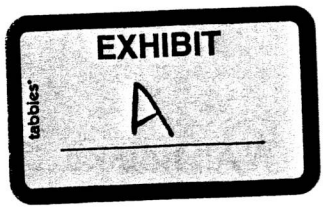
Its: Director of Real Estate Portfolio

Accepted on the 25 day of March, 2010

By: George Cooney
George Cooney, EUE/ScreenGems

Its: President

MUNICIPAL CLERK OF MIAMI



Lakewood Site Improvement Cost

Work	Cost
Paint existing buildings; repair trim, replace broken glass, roof repairs, replace doors and hardware	$200,000
Grounds clean up, landscaping, remove debris from site, demo, ticket booths, demo metal buildings	$150,000
Renovate offices (approx. 12k sf) Renovate food court bungalow	$750,000
Build new guard shack and entry	$70,000
Build new State of the Art Soundstage	$5,000,000
Legal fees, design services, permitting & impact fees	$175,000
TOTAL	$6,345,000

EXHIBIT "B"

GROUND LEASE

between

Georgia Film and Television Center, LLC, a Georgia limited liability company

as Tenant

and

City of Atlanta, a municipal corporation of the State of Georgia

as Landlord

dated _____, 2010

GROUND LEASE

THIS GROUND LEASE ("Lease") is entered into by and between the City of Atlanta, a municipal corporation of the State of Georgia **("Landlord")**, and Georgia Film and Television Center, LLC, a Georgia limited liability company **("Tenant")**.

R E C I T A L S:

A. Landlord is the owner of that certain tract of land located in the City of Atlanta, Fulton County, Georgia, shown on **Exhibit A** attached hereto (**"Land"**) and by this reference incorporated herein.

B. Landlord desires to lease to Tenant the Land, which contains approximately thirty (30) acres and is more fully described in **Exhibit A** attached hereto, and Tenant desires to rent the Land from Landlord.

NOW, THEREFORE, Landlord and Tenant hereby agree as follows:

ARTICLE 1

Lease of Property

1.1 **Land Leased.** Landlord, in consideration of the rents, covenants, agreements and conditions herein set forth, hereby leases to Tenant, and Tenant hereby rents and leases from Landlord, the Land, together with all of Landlord's rights, interests, estates and appurtenances thereto.

1.2 **Premises Defined.** The Land and the rights, interests, estates and appurtenances leased to Tenant pursuant to Section 1.1, together with all improvements now or hereafter constructed thereon, are hereinafter collectively referred to as the **"Premises."**

1.3 **Habendum.** TO HAVE AND TO HOLD the Premises, together with all and singular the rights, privileges and appurtenances thereunto attaching or in anywise belonging, exclusively unto Tenant, its successors and assigns, for the term set forth in Article 2, subject to termination as herein provided, and subject to and upon the covenants, agreements, terms, provisions and limitations herein set forth.

ARTICLE 2

Term of the Lease

2.1 **Effective Date Defined.** The date upon which the last of the parties hereto executes this Lease is hereinafter referred to as the **"Effective Date."**

2.2 **Inspection Period.** The period of time commencing with the Effective Date and ending at midnight, Eastern Standard Time, on the sixtieth (60th) day thereafter is hereinafter referred to as the **"Inspection Period."** Notwithstanding the provisions of the preceding sentence, if Landlord fails timely to deliver to Tenant all of the Landlord's Reports (as that term is defined in Section 5.1), the Inspection Period shall be extended by one day for each day beyond the ten (10) day period that all of the items have not been delivered. Further, Tenant shall have the right to extend the Inspection Period one time by thirty (30) days for the purpose of obtaining the Approvals (as hereinafter defined), which extension option shall be exercised by sending notice to Landlord at least ten (10) days prior to the expiration of the Inspection Period.

2.3 **Original Term.** The period of time commencing on the day immediately following the Inspection Period (the **"Delivery of the Premises"**) and ending at midnight, Eastern Standard Time on the date which is the last day of the Fiftieth (50^{th}) Lease Year (defined below) following the Rent Commencement Date (defined below) is hereinafter referred to as the **"Term."**

ARTICLE 3

Rent; Improvements

3.1 **Rent Commencement Date and Lease Year Defined. "Rent Commencement Date"** shall mean the earlier to occur of (i) four (4) months subsequent to the Delivery of the Premises. **"Lease Year"** shall mean each consecutive period of twelve (12) full calendar months, following the Rent Commencement Date. If the Rent Commencement Date is a date other than the first day of a calendar month, the first Lease Year shall include that fractional portion of the calendar month in which the Rent Commencement Date occurs and the first full twelve (12) months thereafter, and the last Lease Year shall end on the expiration or earlier termination of this Lease. Once the Rent Commencement Date has been established, the parties shall execute a rent commencement date letter, in the form attached hereto as **Exhibit C,** memorializing the Rent Commencement Date and the last day of the Original Term.

3.2 **Initial Rent.** Within three (3) days following the Effective Date of this Lease, Tenant shall deliver to Landlord $100.00 **("Initial Rent")** as rent for the Inspection Period.

3.3 **Base Rent.** Tenant shall pay rent **("Base Rent")** to Landlord in the amounts set forth below for the periods set forth below:

(a) Commencing on the Rent Commencement Date and continuing through the first (1^{st}) Lease Year, annual Base Rent shall equal $250,000.00 and shall be payable in equal monthly installments of $20,833.33.

(b) Commencing on the first day of the second (2^{nd}) Lease Year and continuing through the last day of the second (2^{nd}) Lease Year, annual Base Rent shall equal $275,000.00 and shall be payable in equal monthly installments of $22,916.67.

(c) Commencing on the first day of the third (3rd) Lease Year and continuing through the last day of the third (3rd) Lease Year, annual Base Rent shall equal $300,000.00 and shall be payable in equal monthly installments of $25,000.00.

(d) Commencing on the first day of the fourth (4th) Lease Year and continuing through the last day of the fourth (4th) Lease Year, annual Base Rent shall equal $325,000.00 and shall be payable in equal monthly installments of $27,083.33.

(e) Commencing on the first day of the fifth (5th) Lease Year and continuing through the last day of the fifth (5th) Lease Year, annual Base Rent shall equal $350,000.00 and shall be payable in equal monthly installments of $29,166.67.

(f) Commencing on the first day of the sixth (6th) Lease Year and continuing through the last day of the sixth (6th) Lease Year, annual Base Rent shall equal $400,000.00 and shall be payable in equal monthly installments of $33,333.33.

(g) Commencing on the first day of the seventh (7th) Lease Year and continuing through the last day of the seventh (7th) Lease Year, annual Base Rent shall equal $450,000.00 and shall be payable in equal monthly installments of $37,500.00.

(h) Commencing on the first day of the eighth (8th) Lease Year and continuing through the last day of the eighth (8th) Lease Year, annual Base Rent shall equal $500,000.00 and shall be payable in equal monthly installments of $41,666.67.

(g) Commencing on the first day of the ninth (9th) Lease Year and continuing through the last day of the ninth (9th) Lease Year, annual Base Rent shall equal $550,000.00 and shall be payable in equal monthly installments of $45,833.33.

(h) Commencing on the first day of the tenth (10th) Lease Year and continuing through the last day of the tenth (10th) Lease Year, annual Base Rent shall equal $600,000.00 and shall be payable in equal monthly installments of $50,000.00.

(i) In order to determine the amount of the annual Base Rent for the eleventh (11th) Lease Year, the Premises shall be reappraised in accordance with Section 3.3.1 below and a fair market rental value (the "Fair Market Rental Value") shall be established. The annual Base Rent for the eleventh (11th) Lease Year shall be the then determined Fair Market Rental Value and same shall be payable in equal monthly installments to be calculated by dividing the annual Base Rent for the eleventh (11th) Lease Year by twelve (12). For each subsequent Lease Year up to and including the twentieth (20th) Lease Year, the annual Base Rent shall escalate two percent (2%) per year.

(j) In order to determine the amount of the annual Base Rent for the twenty-first (21st) Lease Year, the Premises shall be reappraised in accordance with Section 3.3.1 below and the Fair Market Rental Value shall be established. The annual Base Rent for the twenty-first (21st) Lease Year shall be the then determined Fair Market Rental Value and same shall be payable in equal monthly installments to be calculated by dividing the annual Base Rent for the

twenty-first (21st) Lease Year by twelve (12). For each subsequent Lease Year up to and including the thirtieth (30th) Lease Year, the annual Base Rent shall escalate two percent (2%) per year.

(k) In order to determine the amount of the annual Base Rent for the thirty-first (31st) Lease Year, the Premises shall be reappraised in accordance with Section 3.3.1 below and the Fair Market Rental Value shall be established. The annual Base Rent for the thirty-first (31st) Lease Year shall be the then determined Fair Market Rental Value and same shall be payable in equal monthly installments to be calculated by dividing the annual Base Rent for the thirty-first (31st) Lease Year by twelve (12). For each subsequent Lease Year up to and including the fortieth (40th) Lease Year, the annual Base Rent shall escalate two percent (2%) per year.

(l) In order to determine the amount of the annual Base Rent for the forty-first (41st) Lease Year, the Premises shall be reappraised in accordance with Section 3.3.1 below and the Fair Market Rental Value shall be established. The annual Base Rent for the forty-first (41st) Lease Year shall be the then determined Fair Market Rental Value and same shall be payable in equal monthly installments to be calculated by dividing the annual Base Rent for the forty-first (41st) Lease Year by twelve (12). For each subsequent Lease Year up to and including the fiftieth (50th) Lease Year, the annual Base Rent shall escalate two percent (2%) per year.

3.3.1 **Reappraisal and Rent Adjustment.** The reappraisal and determination of Fair Market Rental Value, as contemplated under subparagraphs (i), (j), (k), and (l) above, shall be based upon the following procedure:

Landlord and Tenant shall each select an appraiser, and the two (2) appraisers so selected shall select a third appraiser. No person shall be certified as an appraiser unless such person is a real estate appraiser with ten (10) years or more of experience in appraising leases and rental rates in the Atlanta, Georgia area, and unless such person has an appraiser classification of certified general appraiser, granted under Chapter 39A of Title 43 of the Official Code of Georgia Annotated. Landlord and Tenant shall be responsible for the cost of the appraiser that each selects, and the cost of the third appraiser shall be split equally between Landlord and Tenant.

In all events, for purposes of all appraisal reports prepared hereunder, the subject property will be considered to be in the same condition as it was upon the date the parties signed this lease, and all appraisals shall be subject to and consistent with the foregoing. Subject to the foregoing, each of the appraisers selected by Landlord and Tenant shall prepare a report of the subject property's market rental rate, treating the subject property as in the same condition as it was upon the date the parties signed this lease, using comparable recent property leases for industrially zoned properties where the highest and best use is industrial. To the extent possible, all of the comparable properties shall be located within a reasonable distance of the subject property. As stated above, for purposes of all appraisal reports and determinations hereunder, the subject property will be considered to be in the same condition as it was upon the date the parties signed this lease. The two reports so prepared shall be presented to the third appraiser, who shall review them and decide what value represents the market rental rate treating the subject property as being in the same condition as it was upon the date the parties signed this

lease. At a minimum, one of the two preparers must agree with the market rate selected by the third appraiser for that rate to become effective as the Fair Market Rental Value, but if neither of the two preparers agrees with the market rental rate selected by the third appraiser, then the Fair Market Rental Value shall be the average between that selected by the third appraiser and that of the two preparers which is closest to that selected by the third appraiser, it being the intention of the parties, in this event, to exclude the appraisal of the two preparers which is farthest from that selected by the third appraiser.

Notwithstanding any provision of this Lease to the contrary, in all events, if at any time, the Fair Market Rental Value, as so determined, is unacceptable to Tenant, in Tenant's sole and unfettered discretion, then Tenant shall have the right to terminate this Lease by written notice to Landlord, in which event, Tenant shall have no further liability hereunder. Tenant's termination right described above shall only apply at the ten (10) year intervals in which Fair Market Rental Value is so determined, and accordingly, Tenant shall have such a termination right in the eleventh Lease Year, the twenty-first Lease Year, the thirty-first Lease Year and the forty-first Lease Year.

3.4 **Additional Rent and Rent Defined.** The term **"Additional Rent"** shall mean all amounts required to be paid by Tenant under the terms of this Lease other than Initial Rent and Base Rent. The term **"Rent"** shall mean Initial Rent, Base Rent and Additional Rent.

3.5 **Payment of Rent.** Base Rent shall be paid to Landlord by Tenant in monthly installments in advance on the first day of each calendar month in lawful money of the United States of America without notice or demand at the original or changed address of Landlord as set forth in Section 16.1 or to such other persons or at such other addresses as Landlord may designate from time to time in writing to Tenant. If the Rent Commencement Date or termination or expiration date of this Lease is other than the first day of a month, Tenant shall be required to pay a pro rata portion of the monthly installment of Base Rent for any partial month. Initial Rent and Additional Rent shall be paid as herein set forth.

3.6 **No Abatement.** Except as otherwise expressly provided in Section 3,1 above, and otherwise in this Lease, no happening, event, occurrence or situation during the Term, whether foreseen or unforeseen, and however extraordinary, shall relieve Tenant from its obligations hereunder to pay Rent, or entitle Tenant to an abatement of Rent.

3.7 **Late Charge.** If Tenant fails to pay any installment of Base Rent on or before the tenth (10th) day of the calendar month for two (2) consecutive calendar months in any Lease Year, then Tenant shall pay to Landlord, in addition to the installment of Base Rent, five percent (5%) of such installment, as a late payment fee, beginning with the second (2nd) late installment and upon any subsequent late installments during the applicable Lease Year.

3.8 **Payment of Rent Upon Assignment of Landlord's Interest.** Landlord shall promptly give written notice to Tenant if Landlord assigns its interest in, or its right to receive Rent under, this Lease to a third party or if any third party other than Landlord is ever entitled to collect any amounts payable by Tenant hereunder.

(a) Until Tenant receives written notice from Landlord of any assignment or transfer of the right to collect Rent, together with a copy of the fully executed deed or other transfer document, payment of Rent by Tenant in accordance with the provisions of Section 3.5 shall satisfy Tenant's obligations under the Lease.

(b) If Landlord gives Tenant written notice that a third party is entitled to receive any payments of Rent and Tenant thereafter pays such sum(s) to the party named in the notice, Tenant shall be deemed to have discharged its obligation under this Lease with respect to such sum(s).

(c) If Landlord's interest in this Lease is ever owned by more than one person, firm, corporation or entity, such parties shall arrange among themselves for the joint execution of a notice specifying one such party or agent and an address therefor for the receipt of notices to Landlord under this Lease and to which all payments to Landlord under this Lease shall be made, and notices delivered and payments made by Tenant in accordance with such jointly executed notice shall constitute notice and payment to all parties included within the term "Landlord." Until Tenant receives written notice signed by all such parties, payment of Rent by Tenant in accordance with the provisions of Section 3.5 shall satisfy Tenant's obligations under the Lease.

3.9 **Improvements**. Tenant covenants that on or before the date which is two (2) years from the Rent Commencement Date, as defined above, Tenant shall expend at least $6,345,000.00 in the aggregate on real and moveable personal property improvements to be located upon the Land (said improvements to be left at the Premises and become the property of Landlord at the expiration or earlier termination of the Lease), provided that such real and moveable personal property improvements shall include moveable items and moveable equipment so as to make a regular building a stage. Notwithstanding anything to the contrary, Tenant covenants that the soundstage as listed on **Exhibit B** shall be completed and able to be used for its intended purpose under this Lease on or before the date that is two (2) years after the Effective Date. In the event the soundstage is not completed within said two (2) years, Tenant agrees to pay Rent at the rate of the 8th Lease Year until said soundstage is completed. Tenant covenants to maintain and repair all Improvements as commercially reasonable for the duration of the Lease.

ARTICLE 4

Impositions, Utilities, Net Lease

4.1 **Impositions Defined**. The term "**Impositions**" shall mean only ad valorem real property taxes on any improvements constructed by Tenant on the Premises if the ad valorem taxing authorities create a separate taxable estate for such improvements.

. Impositions shall not include any income tax, capital levy, estate, succession, inheritance or transfer taxes or similar tax of Landlord; any franchise tax imposed upon any owner of the fee of the Premises; or any income, profits or revenue tax, assessment or charge imposed upon the rent or other benefit received by Landlord under this Lease by any association having jurisdiction over the Land, any municipality, county, state, the United States of America

or any other governmental body, subdivision, agency or authority having jurisdiction over the Land or Tenant (hereinafter all of the foregoing bodies are collectively referred to as "**Governmental Authorities**").Notwithstanding any provision of this Lease to the contrary, Landlord represents and warrants to Tenant that the Land and Premises are not presently subject to any Impositions. Tenant acknowledges and agrees that it may be responsible for paying Impositions on any improvements hereafter constructed by Tenant upon the Premises.

4.2 **Utilities**.

(a) **Landlord's Utilities Obligations**. On or before the Delivery of the Premises, Landlord shall be responsible, at its sole cost and expense, for bringing to the boundary of the Land, at locations requested by Tenant, all utility lines and connections (including, without limitation, water, fire hydrants, gas, storm and sanitary sewer, electricity, telephone and other communication services) required for Tenant's intended use of the Land.

(b) **Tenant's Utilities Obligations**. Except as set forth in Section 4.2(a), Tenant shall be responsible, at its sole cost and expense, for obtaining, connecting, installing, repairing and maintaining all utility lines, connections and facilities on the Premises and shall pay all charges for gas, electricity, telephone and other communication services and all other utilities and similar services rendered or supplied to the Premises, and all water rents, sewer service charges or other similar charges levied or charged against, or in connection with, the Premises.

4.3 **Subdivision**. If subdivision is required by any Governmental Authority as a condition precedent to Tenant's use of the Land and any such Governmental Authority requires a change in the subdivision plat submitted by Tenant which would materially adversely affect Tenant's use of the Land, Tenant shall have the right to terminate this Lease.

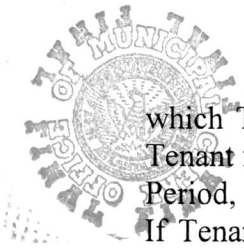
ARTICLE 5

Inspection Period

5.1 **Documents to be Supplied by Landlord**. Within ten (10) days following the Effective Date of this Lease, Landlord shall deliver to Tenant any environmental and/or engineering reports or studies, surveys, title reports, title policies or other reports relating to the Land, in the possession of Landlord or its property manager (collectively, "**Landlord's Reports**").

5.2 **Title and Survey**. Within forty five (45) days following the Effective Date of the Lease, Tenant shall have the right, at Tenant's sole cost and expense, during the Title Review Period (as hereinafter defined) to obtain a commitment for title insurance ("**Commitment**") from Chicago Title Insurance Company ("**Title Company**"), together with copies of all Schedule B exception documents, liens, encumbrances and other matters affecting Landlord's title to the Land ("**Title Documents**"), and a survey ("**Survey**") of the Land in a form acceptable to Tenant.

5.3 **Title Review Period**. Within thirty (30) days ("**Title Review Period**") after the Effective Date of this Lease, Tenant shall deliver to Landlord written notice of any objection



which Tenant may have with respect to the Commitment, Survey and/or Title Documents. If Tenant fails to object in writing to any items reflected in such documents within the Title Review Period, then all such items shall be deemed to be Permitted Encumbrances (hereinafter defined). If Tenant objects in writing to any of the items reflected in the Commitment, Survey or Title Documents, Landlord shall have thirty (30) days ("**Title Cure Period**") following Landlord's receipt of Tenant's written objections in which to remove or cure, to Tenant's reasonable satisfaction, any matters to which Tenant has objected. If Landlord has commenced to cure, and thereafter is diligently pursuing the cure of, such item(s) but such item(s) cannot be cured within the Title Cure Period, Tenant shall, without waiving any of its other rights under this Section, have the unilateral right to extend the Title Cure Period by written notice to Landlord until such time as the cure of such item(s) has been completed or until Tenant, in its sole and absolute discretion, determines that the item(s) cannot be cured within a period compatible with Tenant's intended use of the Land. If Landlord fails to cure such items during the Title Cure Period or Tenant has extended the Title Cure Period and thereafter determines that the item(s) cannot be cured within the extended Title Cure Period, Tenant shall have the right (i) to terminate this Lease by written notice to Landlord within ten (10) days after the expiration of the Title Cure Period (as it may have been extended), in which event the Initial Rent shall be retained by Landlord and the parties shall have no further rights or obligations to the other hereunder or (ii) waive the objection to such matters and proceed with this Lease. If Tenant elects not to terminate this Lease, Landlord shall cause the Title Company to reissue from time to time during the Inspection Period the Commitment prior to its expiration. Tenant shall have the right to object to any exceptions other than the Permitted Encumbrances shown on any updated Commitment. If Landlord fails to cure such items, Tenant shall again have the right to terminate this Lease, notwithstanding that the Inspection Period may have expired, or waive the objection. The time periods for objecting to and curing the additional exceptions and for terminating the Lease shall be the same as those set forth above, commencing with the date Tenant receives the updated Commitment. "**Permitted Encumbrances**" shall mean any encumbrances reflected in the Commitment and Title Documents or on the Survey to which Tenant does not object within the Title Review Period or to which any objection has been waived by Tenant.

5.4 **Inspections and Approvals**. During the Inspection Period, Tenant shall have the right (i) to conduct soil, engineering, environmental and other tests with regard to the Land; investigate the availability of utilities, the applicable governmental requirements relating to signage and construction of improvements on the Land, the availability of necessary permits and licenses relating to signage and construction of any improvements; and determine generally the desirability and utility of the Land for Tenant's purposes; and (ii) to obtain all governmental approvals and/or permits (including without limitation building permits) required by all regulatory agencies having jurisdiction over Tenant, and any other required third party approvals, to authorize Tenant to construct and operate a movie studio and accompanying facilities on the Premises. All such regulatory approvals are referred to herein collectively as the "**Approvals**." Tenant shall have the right to extend the Inspection Period as provided in Section 2.2 above for the purpose of obtaining Approvals. Tenant shall have the right, at any time during the Inspection Period, as extended, to terminate this Lease by delivery of written notice to Landlord, in which event the Initial Rent shall be retained by Landlord, Tenant's deposit (if applicable) shall be returned to Tenant, and, except as set forth in the following sentence, the parties shall

have no further rights or obligations to the other hereunder. Tenant shall promptly repair and restore all damage to the Land and indemnify and hold Landlord harmless from and against all losses, claims, costs, damages and liabilities arising out of or in connection with any entry upon the Land by Tenant and its agents, servants, employees and contractors. If Tenant does not deliver written notice to Landlord of its election to terminate this Lease prior to the expiration of the Inspection Period, as extended, then the conditions of this Section shall be deemed to have been fully satisfied, and Tenant may not thereafter terminate this Lease pursuant to this Section.

ARTICLE 6

Landlord's Warranties and Covenants

6.1 **Authority to Lease**. Landlord warrants and represents to Tenant that it has full right, power and authority to enter into this Lease. Landlord further warrants that (i) no construction has been performed on the Land during the six (6) month period prior to the execution of this Lease, and (ii) there are no mortgages, deeds to secure debt, or other liens or conveyances of security title affecting the Land which are superior to this Lease or which could result in the termination of this Lease except those listed on **Exhibit F** attached hereto.

6.2 **Dedications and Easements**. Tenant shall have the right to review any and all existing and future documents regarding declarations, development, easements, covenants and restrictions in any way affecting the Land, or any portion thereof.

6.3 **Condition of Premises Upon Delivery**. On or before the Delivery of the Premises, Landlord shall ensure that all required storm sewer and/or off site storm water retention/detention serving the Premises is fully operational.

ARTICLE 7

Construction

7.1 **Construction of New Improvements**. Tenant shall have the right, from time to time and at any time, at its sole cost and risk, subject to the subsequent provisions of this Section, to demolish and remove any improvements or portions of improvements situated upon the Land, to construct replacement improvements for improvements so removed or to construct, remove and reconstruct new improvements if no improvements exist on the Land as of the Effective Date of this Lease. Any improvements constructed by Tenant on the Land shall be subject to the provisions of Section 7.4 below and shall be constructed in accordance with the Construction Standards (defined in Section 7.3). "**Improvements**" shall mean any buildings, structures, signage or other improvements located at any time upon the Land. Excepting delays caused by Force Majeure as defined in Section 16.13 below, Tenant shall commence construction not later than the last day of the second (2^{nd}) Lease Year. Notwithstanding anything to the contrary, Tenant shall not knock down any of the four (4) UDC buildings currently located on the Premises without express prior written approval from Landlord, and said four (4) UDC buildings shall remain the property of Landlord unless Landlord expressly grants Tenant ownership of said buildings.

7.2 **Alterations**. At any time and from time to time during the Term, Tenant may perform such alteration, renovation, repair, refurbishment and other work with regard to any Improvements as Tenant may elect, provided that the same is done in accordance with the Construction Standards.

7.3 **Construction Standards and Liens**.

(a) **Standards**. Any Improvements shall be constructed, and any alteration, renovation, repair, refurbishment or other work with regard thereto shall be performed, in accordance with the following standards ("**Construction Standards**"):

(1) All such construction or work shall be performed in a good and workmanlike manner in accordance with good industry practice for the type of work in question.

(2) All such construction or work shall be done in compliance with all applicable deed restrictions, building codes, ordinances and other laws or regulations of Governmental Authorities.

(3) No construction or work shall be commenced until all licenses, permits and authorizations required of all Governmental Authorities having jurisdiction are obtained.

(4) Tenant shall have obtained and shall maintain in force and effect the insurance coverage required in Article 9 with respect to the type of construction or work in question.

(5) After commencement, such construction or work shall be prosecuted with due diligence to its completion.

(b) **Mechanic's and Materialmen's Liens**. Tenant shall have no right, authority or power to bind Landlord or any interest of Landlord in the Premises for any claim for labor or for material or for any other charge or expense incurred in constructing any Improvements or performing any alteration, renovation, repair, refurbishment or other work with regard thereto, nor to render Landlord's interest in the Premises liable for any lien or right of lien for any labor, materials or other charge or expense incurred in connection therewith. Tenant shall not be considered the agent of Landlord in the construction, erection or operation of any such Improvements. If any liens or claims for labor or materials supplied or claimed to have been supplied to the Premises are filed, Tenant shall diligently pursue the release or discharge thereof and indemnity Landlord against any such liens or claims.

7.4 **Signs**. Tenant shall have the right, at Tenant's sole cost and expense, to install (i) signs upon all sides of the exterior of the Improvements situated on the Land, and (ii) all pylon signs on the Land. Landlord shall support and, to the extent possible by law, cooperate with Tenant in obtaining the foregoing signage.

7.5 **Tenant's Equipment Defined**. The term "**Tenant's Equipment**" means all trade fixtures and personal property brought onto the land or installed by Tenant, including, without limitation, furnishings, furniture, equipment, sign faces, computers, computer related equipment on property, liebert units, cabling, tubing, pneumatic tubing, safes, halon systems, security systems, communications equipment and other equipment or property useful to Tenant in its operations, for use in connection with the conduct of Tenant's business regardless of the manner in which they are installed.

7.6 **Ownership and Removal of Tenant's Equipment**. Tenant's Equipment shall be solely the property of Tenant. Within thirty business (30) days following the expiration or termination of the Term, Tenant shall have the right, but not the obligation, to remove all Tenant's Equipment from the Premises; provided, however, that Tenant shall repair any damage caused by such removal.

7.7 **Ownership of Improvements**. During the Term all Improvements, with the exception of the four (4) UDC buildings, shall be solely the property of Tenant. Upon expiration or termination of the Term, the Improvements (excluding Tenant's Equipment) shall be the property of Landlord.

ARTICLE 8

Use, Maintenance and Repairs

8.1 **Use**. Subject to the terms and provisions hereof, Tenant shall have the right to use and enjoy the Premises in a lawful manner for the purpose of constructing a state-of-the-art soundstage where motion pictures and television programs can be produced and other similar purposes. Tenant shall not use or occupy, knowingly permit the Premises to be used or occupied, nor do or knowingly permit anything to be done in or on the Premises in a manner which would (i) in any way make void or voidable any insurance then in force with respect thereto, (ii) make it impossible to obtain the insurance required to be furnished by Tenant hereunder, or (iii) constitute a public or private nuisance.

8.2 **Maintenance and Repairs**. Subject to Tenant's rights under Article 7, Tenant shall take good care of the Premises, make all repairs thereto, interior and exterior, structural and nonstructural, ordinary and extraordinary, foreseen and unforeseen and shall maintain and keep the Premises and the sidewalks and curbs located within the Premises in good order, repair and condition at all times. Tenant will not commit, knowingly permit or suffer any waste, damages, disfigurement or injury to or upon the Premises or any part thereof, but this Section shall not be construed as limiting Tenant's rights under Article 7. Notwithstanding the foregoing, however, Tenant shall not be responsible for repairing or rebuilding those structures already occupying the Premises as of the date of this Lease for age related wear and tear or for damage to said structures caused by acts of God. Landlord shall have no obligation to maintain or repair the Premises except for repairing or rebuilding those structures already occupying the Premises as of the date of this Lease for age related wear and tear and for damage to said structures caused by acts of God.

8.3 **No Operating Covenant**. Notwithstanding anything herein to the contrary, for so long as Tenant continues to pay Rent and maintain the Premises in accordance with the provisions of this Lease, Tenant shall not be in default of this Lease if Tenant fails to open, staff or continuously operate its business for a period of less than two (2) consecutive years, in which case Landlord would have the right to terminate this Lease.

ARTICLE 9

Insurance and Indemnity

9.1 **Landlord's Insurance**. Landlord shall be entitled to self-insure. Landlord shall also obtain and keep in force all risk property insurance covering loss or damage to all real and personal property except for that property which Tenant is obligated to insure under Section 9.2.

9.2 **Tenant's Insurance**. Tenant shall maintain during this Lease, commercial general liability insurance, including contractual liability, with limits of not less than $2,000,000 per occurrence for bodily injury, personal injury and property damage, naming Landlord and its agent as additional insureds, and all-risk property damage insurance, including plate glass and builder's risk insurance, covering Tenant's personal property and all Tenant improvements on a full replacement cost basis. Certificates of insurance evidencing such coverages shall be furnished to Landlord prior to the commencement of the Lease and at each subsequent insurance policy renewal date. The certificates shall provide for not less than thirty (30) days written notice to Landlord prior to policy cancellation or non-renewal. Notwithstanding anything contained herein to the contrary, Tenant shall have the right to self-insure for any insurance requirements contained herein, and Tenant's failure to provide proof of insurance required herein in the time and manner required shall be deemed Tenant's election to self-insure.

9.3 **Waiver of Subrogation**. Landlord and Tenant agree that all policies of insurance to be kept and maintained in force by the respective parties hereto, shall, unless prohibited by law or other regulation having the effect of law, contain provisions in which the rights of subrogation against the Landlord and Tenant are waived by the insurance company or carriers insuring the Premises, any building, or other property in question. Landlord expressly waives any right of recovery against Tenant for damage to or loss of the building, the Premises, or the improvements thereon, which loss or damage may arise by fire or any other peril covered by any policy of insurance required to be maintained pursuant to this Lease which contains or is required to contain waiver of subrogation rights against Tenant pursuant to this Section, and Landlord shall make no claim for recovery against Tenant therefor. Tenant expressly waives any right of recovery against Landlord for damage to or loss of its fixtures, improvements, or other property located in the Premises, which damage or loss may arise by fire or any other peril covered by any policy of insurance maintained or required to be maintained pursuant to this Lease which contains or is required to contain a waiver of subrogation right against Landlord as set forth in this Section, and Tenant shall make no claim for recovery against Landlord therefor.

9.4 **Tenant's Indemnity.**

(a) Tenant agrees to indemnify, defend, and hold Landlord harmless from and against any and all direct claims as the result of or arising out of: (i) the breach by Tenant or any of its agents, contractors, or employees of any covenant or agreement of this Lease on the part of Tenant to be performed or observed; (ii) Tenant's negligent use or occupancy of the Premises, and Building or any part thereof, or any sidewalk, drive or space adjacent thereto; or (iii) the carelessness, negligence or improper conduct of Tenant or any of its agents, contractors, or employees.

(b) Tenant further agrees to indemnify, defend and hold Landlord harmless from and against all direct and actual costs, damages, expenses, losses, fines, liabilities and reasonable counsel fees paid, suffered or incurred as a result of any of the above described claims or any actions or proceedings brought thereon; and in case any action or proceeding is brought against Landlord by reason of any such claim, upon notice from Landlord, Tenant agrees to resist or defend at Tenant's expense such action or proceeding by counsel reasonably satisfactory to Landlord.

9.5 **Intentionally deleted.**

ARTICLE 10

Casualty Loss

10.1 **Tenant's Rights**. Should any Improvements (with the exception of the four (4) UDC buildings) be wholly or partially destroyed or damaged by fire or any other casualty to the degree Tenant cannot reasonably use the Premises for its intended business purposes, Tenant shall have the right to restore and reconstruct the Improvements or terminate this Lease. If Tenant elects to restore and reconstruct the Improvements, then rent shall abate to the degree the Premises are unusable for Tenant's business purposes until such time as Tenant has fully restored and reconstructed the Improvements and the Premises are usable for Tenant's business purposes. Notwithstanding anything to the contrary, if Tenant has not completed restoration or reconstruction of the Improvements after two (2) years, any rent abatement shall end and Tenant agrees to pay the full then-applicable rental rate.

10.2 **Notice of Damage**. Tenant shall immediately notify Landlord of any destruction or damage to the Premises.

ARTICLE 11

Condemnation

11.1 **Total Taking**. Should the entire Premises be taken (which term, as used in this Article, shall include any conveyance in avoidance or settlement of eminent domain,

condemnation or other similar proceedings) by any Governmental Authority, corporation or other entity under the right of eminent domain, condemnation or similar right, either party may cancel this Lease with thirty (30) days written notice to the other party. Any award therefor will be distributed as follows: (i) first, to the payment of all reasonable fees and expenses incurred in collecting the award, (ii) second, to Tenant in an amount equal to the unamortized cost of the Improvements (assuming that the Improvements are amortized over the Original Term of the Lease), plus Tenant's moving expenses and (iii) the balance of the award shall be equitably apportioned between Landlord and Tenant based on the then respective fair market values of Landlord's interest in the Premises (appraised by reference to all relevant factors including the income stream derivable by Landlord under this Lease and the then present value of Landlord's reversionary interest in the entire Premises after expiration of the Original Term) and Tenant's interest in the Premises (appraised by reference to all relevant factors, including the income stream derivable by Tenant from the Premises for the remainder of the Original Term). After the determination and distribution of the condemnation award as herein provided, the Lease shall terminate, and the parties shall have no further rights, duties or obligations under the Lease.

11.2 **Partial Taking**. Should a portion of the Premises be taken by any Governmental Authority, corporation or other entity under the right of eminent domain, condemnation or similar right, such that (i) restoration or reconstruction is more than 50% of the Premises, or (ii) so much of the Premises shall be so taken as to cause Tenant's available access or parking spaces to be less than those required by any Governmental Authority (and adequate replacement parking is not available or can't be made available within six (6) months, then this Lease shall terminate as of the date of taking of possession by the condemning authority in the same manner as if the whole of the Premises had thus been taken, and the award therefor shall be distributed as provided in Section 11.1. Should any other partial taking of the Premises occur, then this Lease nevertheless shall continue in effect as to the Premises, or the remainder thereof, as the case may be. In the event of a partial taking where this Lease is not terminated, the Base Rent payable during the remainder of the Term after taking of possession by the condemning authority shall be reduced on a just and proportionate basis having due regard to the relative value and square footage of the portion of the Premises thus taken as compared to the remainder thereof and taking into consideration the extent, if any, to which Tenant's use of the remainder of the Premises shall have been impaired or interfered with by reason of such partial taking.

11.3 **Award on Partial Taking**. In the event of a partial taking where this Lease is not terminated, and as a result thereof Tenant will need to restore, repair or refurbish the remainder of the Premises in order to put them in a usable condition, then (i) the award shall first be paid to Tenant for payment of such restoration, repair and refurbishment in accordance with the Construction Standards and (ii) the remainder shall be apportioned and paid as provided in (i) and (iii) of Section 11.1, considering the respective interests of Landlord and Tenant in the portion of the Premises taken. If a portion of the Premises is taken and no repair or restoration work is required because thereof, the award therefor shall be apportioned and paid as provided in (i) and (iii) of Section 11.1, considering the respective interests of Landlord and Tenant in the portion of the Premises taken.

11.4 **Temporary Taking**. If the whole or any portion of the Premises is taken for temporary use or occupancy, the Term shall not be reduced or affected, and Tenant shall

continue to pay the Rent in full. Except to the extent Tenant is prevented from so doing pursuant to the terms of the order of the condemning authority, Tenant shall continue to perform and observe all of the other covenants, agreements, terms and provisions of this Lease. In the event of any temporary taking, Tenant shall be entitled to receive the entire amount of any award therefor unless the period of temporary use or occupancy shall extend beyond the expiration of the Term, in which case such award shall belong to Landlord.

11.5 **Notice of Taking, Cooperation**. Landlord and Tenant shall immediately notify the other of the commencement of any eminent domain, condemnation or other similar proceedings with regard to the Premises. Tenant has the right to participate in eminent domain proceedings. Any termination of this Lease pursuant to this Article 11 shall not affect the rights of Landlord and Tenant to any such award.

ARTICLE 12

Assignment and Subletting

12.1 **Tenant's Right to Assign**.

(a) Tenant may, without the prior consent of Landlord, assign this Lease to any affiliate, subsidiary or successor of Tenant or any entity acquiring a majority of Tenant's operations. In the event Tenant assigns this Lease in accordance with this Section, Tenant shall be deemed released from its duties and obligations hereunder in accordance with this Section. Tenant shall have no duty to share any profits or provide any other remuneration or consideration to Landlord as a result of its assigning this Lease, or subleasing all or any portion of the Premises, and it shall be deemed unreasonable for Landlord to require any such sharing, remuneration, or consideration in connection with Landlord's consent to any assignment in accordance with this Section.

(b) Tenant may assign its rights hereunder to any other party with Landlord's prior written approval, which approval shall not be unreasonably withheld or delayed. Upon Landlord's written approval of any proposed assignee of Tenant's rights under this Lease, Tenant shall be relieved of liability, and such assignee shall become the new Tenant. Landlord shall indicate its written approval or disapproval of any proposed assignee within forty-five (45) days after Tenant gives to Landlord notice of the proposed assignment, including the identity of the proposed assignee and reasonably sufficient information as to the proposed assignee and proposed use to enable Landlord to evaluate and determine if Landlord will approve of the assignment. If Landlord fails to indicate its approval or disapproval within such forty-five (45) day period, Landlord shall be deemed to have approved the requested assignment. In the event Tenant transfers or assigns only a portion but not all of its interest in this Lease, Tenant shall remain fully liable to Landlord for all obligations hereunder. Any assignment of Tenant's rights under this Lease that are not in accordance with this Section shall be void.

12.2 **Tenant's Right to Sublease**.

(a) Tenant may freely execute subleases with regard to the Improvements, provided only that (i) the lease term of each such sublease (including all renewal and extension rights of any kind or type) shall not extend past the stated expiration date of the Term, unless Landlord consents in writing thereto, which consent shall not be unreasonably withheld or delayed and (ii) the intended use by the sublessee does not violate any deed restrictions affecting the Land which are binding on the Land of which Tenant has received written notice from Landlord.

(b) As used in this Lease the term "**sublease**" shall include any leases, licenses, occupancy agreements, franchise or other similar rights, agreements or arrangements of whatever nature relating to the use or occupancy of any part of the Premises.

(c) Fifty percent (50%) of all cash or other consideration, including any excess Rent beyond the Rent set forth herein, received by Tenant as the proceeds of, or resulting from, any assignment, sale, or sublease of Tenant's interest in this Lease and/or the Premises, whether consented to by Landlord or not, shall be paid to Landlord, notwithstanding the fact that such proceeds exceed the Rent called for hereunder. This covenant and assignment shall benefit Landlord and its successors in ownership of the Premises or the Land and shall bind Tenant and Tenant's heirs, executors, administrators, personal representatives, successors and assigns. Any assignee, sublessee or purchaser of Tenant's interest in this Lease (all such assignees, sublessees or purchasers being hereinafter referred to as "Successors"), by occupying the Premises and/or assuming Tenant's obligations hereunder, shall be deemed to have assumed liability to Landlord for all amounts paid to persons other than Landlord by such Successor in consideration of any such sale, assignment or subletting, in violation of the provisions hereof, but, in the event Tenant transfers only a portion but not all of its interest in this Lease, Tenant shall remain fully liable to Landlord for all obligations hereunder.

ARTICLE 13

Environmental Provisions

13.1 **Definitions.** For purposes of this Lease the following terms shall have the following meanings:

(a) "**Environmental Law**" or "**Environmental Laws**" shall mean each and every applicable federal, state, regional, county or municipal statute, ordinance, rule, regulation, order, code, directive or requirement, relating to the environment or Hazardous Substances, including without limitation the Resource Conservation and Recovery Act, as amended, 42 U.S.C. §6901 et seq.; the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. §9601 et seq.; the Federal Water Pollution and Control Act, 33 U.S.C. §1251 et seq.; the Toxic Substances Control Act, 15 U.S.C. §2601 et seq.; the Clean Air Act, 42 U.S.C. §7401 et seq.; and the Tank Laws (as defined below), now or hereafter existing, together with all successor statutes, ordinances, rules, regulations, orders, directives or requirements now or hereafter existing.

(b) "**Hazardous Substance**" or "**Hazardous Substances**" shall mean any substance, material, waste, pollutant, irritant, or contaminant defined, listed, or referred to in any Environmental Law (together with any amendments thereto, regulations promulgated thereunder and all substitutions thereof) as being either hazardous or toxic, including without limitation, petroleum, petroleum byproducts or derivatives, asbestos, polychlorinated biphenyls.

(c) **"Release"** means depositing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing.

(d) **"Reports"** means those reports and assessments more particularly described on **Exhibit --** attached hereto and incorporated herein by this reference.

(e) "**Tank Laws**" shall mean all federal, state, regional, county, or municipal environmental statutes, ordinances, rules or regulations relating to underground storage tanks, including, without limitation, the Federal Underground Storage Law, Subtitle I of the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6901 et seq., together with any amendments thereto, regulations promulgated thereunder and all substitutions thereof, and any successor legislation and regulations.

(f) "**Remediate**" or "**Remediation**" shall mean the necessary actions to comply with applicable Environmental Law with respect to the unlawful presence of, or suspected discharge of, a Hazardous Material. Remediation may include, without limitation: environmental investigation, monitoring and sampling; installation, maintenance and removal of monitoring wells; removal, treatment, neutralization or containment of any Hazardous Material; storage of excavated materials; and installation, maintenance, storage and removal of machinery and equipment used in connection with the Remediation.

13.2 **Landlord's Representations, Warranties and Covenants.** With the exception of any items listed in the Reports, Landlord represents to Tenant, to Landlord's knowledge and without investigation, that the Premises is free of Hazardous Materials to the extent necessary to be in compliance with any applicable Legal Requirements as in effect and interpreted on the date of this Lease and that Landlord has not received notice that it is not in compliance with any applicable Legal Requirements as in effect and interpreted the date of this Lease.

13.3 **Tenant's Representations, Warranties and Covenants.** Tenant hereby represents, warrants and covenants that:

(a) Tenant agrees not to knowingly allow the Release of any Hazardous Material on, onto or from the Premises that could result in a violation of any Environmental Law or in the creation of liability or obligations, including, without limitation, notification, deed recordation or remediation, under any Environmental Law. Tenant shall obtain and maintain in force all permits, licenses, registrations, and other authorizations and approvals needed under Environmental Laws to maintain, occupy and operate the Premises for the uses herein permitted.

(b) Tenant agrees that it will not use, handle, generate, treat, store or dispose of, or permit the use, handling, generation, treatment, storage or disposal of any Hazardous Materials

(other than those types and quantities contained in normal office products and environments) in, on, under, around or above the Premises now or at any future time (except in quantities permitted by applicable laws).

(c) If Tenant is in breach of any of its agreements set forth in this Section, Tenant, at its sole expense, shall take all action required, including environmental cleanup of the Premises, to comply with the covenants herein or applicable legal requirements and, in any event, shall take all action deemed necessary under all applicable Environmental Laws.

(d) Tenant agrees to indemnify and hold Landlord, its directors, officers, stockholders, partners, joint venturers, employees, agents, attorneys, consultants, contractors and its successors and assigns, harmless from and against any and all claims, losses, damages, liabilities, fines, penalties, charges, judgments, administrative orders, remediation requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including, but not limited to, reasonable attorneys' fees and expenses), arising out of any breach by Tenant of its obligations under this Section.

(e) Notwithstanding any provision in this Lease to the contrary, Tenant shall not be responsible for, shall have no liability or obligations with respect to, and shall not be obligated to pay for or take any action with respect to (i) the existence of any Hazardous Material on the Premises which occurred or existed prior to the date of the Lease unless caused or knowingly permitted by Tenant, its agents, or contractors, (ii) the existence of any Hazardous Material on the Premises which occurred or existed after the date of the Lease unless caused or knowingly permitted by Tenant, its agents, employees or contractors (iii) the Release of Hazardous Materials on, onto or from the Premises unless caused contributed, or participated in by Tenant, its agents, employees or contractors, or (iv) any violation of any Environmental Laws, unless and to the extent that such was caused, contributed or participated in by Tenant, its agents, employees, or contractors.

ARTICLE 14

Warranty of Peaceful Possession

14.1 **Peaceful Possession**. Landlord covenants that Tenant, on timely paying the Rent and timely performing and observing the covenants and agreements herein contained and provided to be performed by Tenant, shall and may peaceably and quietly have, hold, occupy, use and enjoy the Premises during the Term and may exercise all of its rights hereunder, subject only to the provisions of this Lease and applicable governmental laws, rules and regulations. This covenant and all other covenants of Landlord shall be binding upon Landlord and its successors only with respect to breaches occurring during its or their respective periods of ownership of Landlord's interest hereunder.

ARTICLE 15

Default and Remedies

15.1 **Tenant's Default**. Each of the following shall be deemed a "**Tenant's Default**" by Tenant hereunder and a material breach of this Lease:

(a) If Tenant fails to pay any installment of Rent on the date upon which the same is due to be paid and such default continues for ten (10) days after Tenant receives written notice specifying such default.

(b) If Tenant fails to keep, perform or observe any of the covenants, agreements, terms or provisions contained in this Lease that are to be kept or performed by Tenant other than with respect to payment of Rent or other liquidated sums of money and Tenant fails to commence and take such steps as are necessary to remedy the same within thirty (30) days after Tenant receives written notice specifying the same, or having so commenced, thereafter fails to proceed diligently and with continuity to remedy the same.

(c) If an involuntary petition is filed against Tenant under any bankruptcy or insolvency law or under the reorganization provisions of any law of like import or if a receiver of Tenant, or of all or substantially all of the property of Tenant, is appointed without acquiescence, and such petition or appointment is not discharged or stayed within sixty (60) days after the happening of such event.

(d) If Tenant makes an assignment of its property for the benefit of creditors or files a voluntary petition under any bankruptcy or insolvency law, or seeks relief under any other law for the benefit of debtors.

(e) The leasehold hereunder demised shall be taken by execution or other process of law in any action against Tenant.

(f) Tenant notifies Landlord, at any time prior to the Delivery of the Premises, that Tenant does not intend to take occupancy of the Premises upon the Delivery of the Premises, or Tenant shall fail to promptly move into and take possession of the Premises when the Premises are ready for occupancy or shall cease to do business in or abandon any substantial portion of the Premises.

(g) Tenant shall become insolvent or unable to pay its debts as they become due, or Tenant notifies Landlord that it anticipates either condition.

(h) Tenant or any agent of Tenant falsifies any report or misrepresents other information required to be furnished to Landlord pursuant to this Lease.

15.2 **Landlord's Remedies**. If a Tenant's Default occurs, Landlord may, at any time thereafter prior to the curing thereof and without waiving any other rights hereunder or available to Landlord at law or in equity (Landlord's rights being cumulative), do any one or both of the following:

(a) Landlord may terminate this Lease by giving Tenant written notice thereof, in which event this Lease and the leasehold estate hereby created and all interest of Tenant and all parties claiming by, through or under Tenant (except for sublessees as provided in Section 12.2) shall automatically terminate upon the effective date of such notice with the same force and effect and to the same extent as if the effective date of such notice were the day originally fixed in Article 2 for the expiration of the Term. Landlord, its agent or representatives, shall have the right, without further demand or notice, to re-enter and take possession of the Premises and remove all persons and property therefrom with process of law, without being deemed guilty of any manner of trespass and without prejudice to any remedies for arrears of Rent or existing breaches hereof. In the event of such termination, Tenant shall be liable to Landlord for damages in an amount equal to (i) the discounted present value of the amount by which the Rent reserved hereunder for the remainder of the stated Term exceeds the then net fair market rental value of the Premises for such period of time, plus, (ii) all expenses incurred by Landlord enforcing its rights hereunder. Upon the acceleration of such amounts, Tenant agrees to pay the same at once, together with all Rent and other charges and assessments due, at Landlord's address as provided herein.

(b) Landlord may terminate Tenant's right to possession of the Premises and enjoyment of the rent, issues and profits therefrom without terminating this Lease or the leasehold estate created hereby, re-enter and take possession of the Premises and remove all persons and property therefrom (except for sublessees as provided in Section 12.2) with or without process of law, without being deemed guilty of any manner of trespass and without prejudice to any remedies for arrears of Rent or existing breaches hereof, and lease, manage and operate the Premises and collect the rents, issues and profits therefrom all for the account of Tenant, and credit to the satisfaction of Tenant's obligations hereunder the net rental thus received (after deducting therefrom all reasonable costs and expenses of repossessing, leasing, managing and operating the Premises). Tenant hereby waives notice of such re-entry or repossession. Landlord shall not be responsible for the care or safekeeping of any such property and Tenant waives any claim against Landlord relating thereto. Landlord may relet all or part of the Premises for Tenant's account, for a term or terms which may, at Landlord's option, be equal to, less than, or greater than the period which would otherwise have constituted the balance of the Term, holding Tenant liable in damages for all expenses incurred in any such reletting including, without limitation, expenditures in connection with renovation, maintenance, repairs and/or alterations for the new tenant, broker's commissions, legal fees, etc. and for any difference between the amount of rent received from such reletting and the Rent due and payable under the terms of this Lease. If the net rental so received by Landlord exceeds the amounts necessary to satisfy all of Tenant's obligations under this Lease, nevertheless Landlord shall retain such excess. In no event shall Landlord be liable for failure to so lease, manage or operate the Premises or collect the rentals due under any subleases and any such failure shall not reduce Tenant's liability hereunder. If Landlord elects to proceed under this Section, it may at any time thereafter elect to terminate this Lease as provided in Section 15.2(a). Landlord may exercise all other remedies available to Landlord at law or in equity, including, without limitation, injunctive relief of all varieties. All of Landlord's remedies shall be cumulative and not exclusive. Forbearance by Landlord to enforce one or more of the remedies herein provided upon an event of default shall not be deemed or construed to constitute a waiver of such default. Without

limiting the generality of the foregoing, the maintenance of any action or proceeding to recover possession of the Premises or any Rent or any other monies that may be due or become due from Tenant to Landlord shall not preclude Landlord from thereafter instituting and maintaining subsequent actions or proceedings for the recovery of possession of the Premises or of any other Rent or monies that may be due or become due from Tenant. Any entry or re-entry into the Premises by Landlord shall not be deemed to absolve or discharge Tenant from liability under this Lease.

15.2.1. Notwithstanding anything contained herein to the contrary, Landlord shall never be entitled to dispossess Tenant of the Premises pursuant to any "lock out" or other nonjudicial remedy, Landlord hereby waiving its right to forcibly dispossess Tenant from the Premises, whether peaceably or otherwise, without judicial process, such that Landlord shall not be entitled to any "commercial lock-out" or any other provisions of applicable law which permit landlords to dispossess tenants from commercial properties without the benefit of judicial review.

15.2.2. Tenant hereby expressly waives any and all rights of redemption and rights to relief from forfeiture granted by or under any present or future laws, if Tenant shall be evicted or dispossessed from the Premises for any cause, or Landlord reenters the Premises following the occurrence of any Event of Default hereunder, or this Lease is terminated before the expiration date thereof originally fixed herein. For the enforcement of Landlord's remedies, Landlord may have recourse to any applicable legal or equitable process for the recovery of possession of the Premises and the right to seek an injunction or a declaratory judgment as if no other remedies were provided herein for such breach. Except as otherwise specifically required by this Lease, Tenant waives any and all statutory and legal notice requirements.

15.3 **Landlord's Default**. Each of the following shall be deemed a "**Landlord's Default**" by Landlord hereunder and a material breach of this Lease:

(a) If Landlord fails to keep, perform or observe any of the covenants, agreements, terms or provisions contained in this Lease that are to be kept or performed by Landlord and Landlord fails to commence and take such steps as are necessary to remedy the same within thirty (30) days after Landlord is given written notice specifying the same, or having so commenced, thereafter fails to proceed diligently and with continuity to remedy the same.

(b) If an involuntary petition is filed against Landlord under any bankruptcy or insolvency law or under the reorganization provisions of any law of like import or if a receiver of Landlord, or of all or substantially all of the property of Landlord, is appointed without acquiescence, and such petition or appointment is not discharged or stayed within sixty (60) days after the happening of such event.

(c) If Landlord makes an assignment of its property for the benefit of creditors or files a voluntary petition under any bankruptcy or insolvency law, or seeks relief under any other law for the benefit of debtors.

15.4 **Tenant's Remedies**. Landlord shall not be in default hereunder unless Landlord fails to perform any of its obligations under this Lease within thirty (30) days after written notice

from Tenant specifying the nature of such failure; provided, however, that if such failure cannot be cured within such thirty (30) day period but Landlord is using commercially reasonable efforts to cure the same, then Landlord shall have such additional time to cure such failure as reasonably necessary under the circumstances without such failure being a default under this Lease. In the event of a Landlord default hereunder, Tenant may exercise any or all other rights or remedies available at law or equity, including, without limitation, the right to obtain restraining orders, injunctions and decrees of specific performance.

ARTICLE 16

Miscellaneous

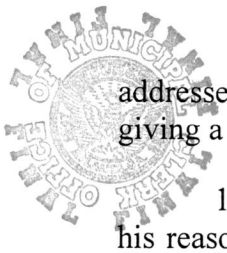
16.1 **Notices**. Any notice provided for or permitted to be given hereunder must be in writing and may be given by (i) depositing same in the United States Mail, postage prepaid, registered or certified, with return receipt requested, addressed as set forth in this Section, (ii) depositing same with an overnight courier service which confirms delivery in writing, such as FedEx or UPS, or (iii) delivering the same to the party to be notified. Notice given in accordance herewith shall be effective upon receipt at the address of the addressee, as evidenced by the executed postal receipt or other receipt for delivery or one (1) business day after deposit with an acceptable overnight courier service. For purposes of notice the addresses of the parties hereto shall, until changed, be as follows:

Landlord: _____
_____
_____
_____

With a copy to: _____
_____
_____
_____

Tenant: Georgia Film and Television Center, LLC
_____
_____
_____
Attn: _____

With a copy to: Byrne, Davis & Hicks, P.C.
Suite 1460, Tower Place 100
3340 Peachtree Road, N.E.
Atlanta, Georgia 30326
Attention: R. Thomas Hicks, Esq.



The parties hereto shall have the right from time to time to change their respective addresses for purposes of notice hereunder to any other location within the United States by giving a notice to such effect in accordance with the provisions of this Section.

16.2 **Performance of Other Party's Obligations**. If either party determines, in its or his reasonable good faith judgment that an emergency, involving imminent danger of injury or death to persons or damage to property in excess of $100,000.00 exists due to the other party's failure to observe or perform its or his covenants, agreements and obligations hereunder, then such party may immediately perform or observe the covenants, agreements and obligations which give rise to such emergency at the expense of the failing party if it is later determined (whether it be by agreement of the parties or by adjudication) that the non-acting party actually did not perform its obligations and that such determination by the acting party was reasonable). Any performance or observance by a party pursuant to this Section shall not constitute a waiver of the other party's failure to perform or observe. Notwithstanding anything to the contrary contained herein, Landlord may enter the Premises and/or Land to show to potential purchasers and for other non-emergency related purposes provided Landlord provides Tenant with at least seventy-two (72) hours notice. In the event of an emergency, Landlord may enter the Premises and/or Land as it deems reasonably necessary.

16.3 **Dispute Resolution.**

Negotiation. In the event of any dispute or disagreement between Landlord and Tenant arising out of or in any way related to this Lease, the matter, upon written request of either Landlord or Tenant, shall immediately be referred to representatives of both Landlord and Tenant for decision, each party being represented by one individual who has no direct operational responsibility for the matters contemplated by this Lease and who is authorized to settle the dispute (the **"Representatives"**). The Representatives shall promptly meet in a good faith effort to resolve the dispute by negotiation. If the parties are not able to reach agreement, the parties may pursue all rememdies available to them in law or in equity.

16.4 **Modification and Non-Waiver**. No variations, modifications or changes herein or hereof shall be binding upon any party hereto unless set forth in writing executed by both parties hereto. No waiver by either party of any breach or default of any term, condition or provision hereof, including without limitation the acceptance by Landlord of any Rent at any time or in any manner other than as herein provided, shall be deemed a waiver of any other or subsequent breaches or defaults of any kind, character or description under any circumstance. No waiver of any breach or default of any term, condition or provision hereof shall be implied from any action of any party, and any such waiver, to be effective, shall be set out in a written instrument signed by the waiving party.

16.5 **Governing Law**. This Lease shall be construed and enforced in accordance with the laws of the State of Georgia, without reference to its principles regarding conflicts of laws.

16.6 **Number and Gender; Caption; References**. Pronouns, wherever used herein, and of whatever gender, shall include natural persons and corporations and associations of every kind and character, and the singular shall include the plural wherever and as often as may be appropriate. Article and section headings in this Lease are for convenience of reference and shall not affect the construction or interpretation of this Lease. Whenever the terms "hereof," "hereby," "herein" or words of similar import are used in this Lease they shall be construed as referring to this Lease in its entirety rather than to a particular section or provision, unless the context specifically indicates to the contrary. Any reference to a particular "Article" or "Section" shall be construed as referring to the indicated article or section of this Lease. Whenever placed before one or more items, the words "include," "includes," and "including" shall mean considered as part of a larger group, and not limited to the item(s) recited.

16.7 **Estoppel Certificate**. Landlord and Tenant, from time to time, shall execute and deliver to each other, within a reasonable time following written request therefor by the other party, a certificate addressed as indicated by the requesting party and stating:

(a) whether or not this Lease is in full force and effect;

(b) whether or not this Lease has been modified or amended in any respect, and submitting copies of such modifications or amendment;

(c) whether or not there are any existing defaults hereunder known to the party executing the certificate, and specifying the nature thereof;

(d) whether or not any particular article, section or provision of this Lease has been complied with; and

(e) such other matters as may be reasonably requested.

16.8 **Exhibits**. All exhibits and addenda attached hereto are incorporated herein for all purposes.

16.9 **Severability**. If any provision of this Lease or the application thereof to any person or circumstance shall, at any time or to any extent, be invalid or unenforceable, and the basis of the bargain between the parties hereto is not destroyed or rendered ineffective thereby, the remainder of this Lease, or the application of such provisions to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby.

16.10 **Attorney Fees**. If litigation is ever instituted by either party hereto to enforce, or to seek damages for the breach of, any provision hereof, each party shall pat their own attorneys' fees.

16.11 **Surrender of Premises; Holding Over**. Tenant shall quit and surrender the Premises at the expiration or earlier termination of this Lease. The Premises shall be broom clean, in good condition and repair, except for ordinary wear and tear, damage that is Landlord's responsibility to repair hereunder, damage by eminent domain, fire and casualty, and all alterations, additions and improvements. At the expiration or earlier termination of this Lease,

any holdover shall be from month to month at 110% of the Base Rent for the month preceding the expiration or earlier termination of this Lease, and otherwise on the same terms and conditions as herein provided.

16.12 **Relation of Parties**. It is the intention of Landlord and Tenant to hereby create the relationship of an estate for years, not a usufruct, and no other relationship whatsoever is hereby created. Nothing in this Lease shall be construed to make Landlord and Tenant partners or joint venturers or to render either party hereto liable for any obligation of the other.

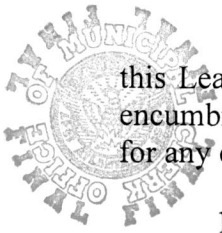
16.13 **Force Majeure**. As used herein "**Force Majeure**" shall mean the occurrence of any event including, but not limited to, such any delays due to strikes, riots, acts of God, shortages of labor or materials, war, governmental laws, regulations or restrictions, or any other cause whatsoever beyond the control of Landlord or Tenant (other than failure to obtain financing for, failure to refinance or cessation of disbursements under existing financing for, the purchase, construction, demolition, repair or ownership of the Land or Improvements) which prevents or delays the performance by Landlord or Tenant of any obligation imposed upon it hereunder (other than payment of Rent). If Tenant shall be delayed, hindered or prevented from performance of any of its obligations (other than to pay Rent) by reason of Force Majeure (and Tenant shall not otherwise be in default hereunder) the time for performance of such obligation shall be extended for the period of such delay, provided that the following requirements are complied with by Tenant: (i) Tenant shall give prompt written notice of such occurrence to Landlord and (ii) Tenant shall diligently attempt to remove, resolve or otherwise eliminate such event, keep Landlord advised with respect thereto, and commence performance of its obligations hereunder immediately upon such removal, resolution or elimination. Anything contained in or inferable from this Lease to the contrary notwithstanding, Tenant shall not be relieved by any event of Force Majeure from Tenant's obligations to pay Rent hereunder, nor shall the Term be extended thereby.

16.14 **Entire Agreement**. This Lease constitutes the entire agreement of the parties hereto with respect to its subject matter, and all prior agreements with respect thereto are merged herein. Any other written agreements entered into between Landlord and Tenant of even date herewith are not, however, merged herein.

16.15 **Recordation**. Landlord and Tenant will, at the request of the other, promptly execute a Memorandum of Lease substantially in the form of **Exhibit G** attached hereto, which shall be filed for record in the Office of the Clerk of Superior Court of Fulton County.

16.16 **Successors and Assigns**. This Lease shall constitute a real right and covenant running with the Premises, and, subject to the provisions hereof pertaining to Tenant's rights to assign, sublet or encumber, this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Whenever a reference is made herein to either party, such reference shall include the party's successors and assigns.

16.17 **Landlord's Joinder**. To the extent permitted by law, Landlord agrees to support and cooperate with Tenant in obtaining such permits and licenses from any Governmental Authority as may be reasonably necessary or appropriate to effectuate the intents and purposes of



this Lease, provided that no such applications for said permits and licenses shall constitute an encumbrance of or with respect to the Premises, and Landlord shall not incur or become liable for any obligation as a result thereof.

16.18 **No Third Parties Benefited**. The terms and provisions of this Lease are for the sole benefit of Landlord and Tenant, and no third party is intended to benefit herefrom.

16.19 **Survival**. Any terms and provisions of this Lease pertaining to rights, duties or liabilities, the performance of which by their express terms extend beyond the expiration or termination of this Lease, shall survive the end of the Term.

16.20 **Landlord's Lien**. Landlord hereby waives and releases any statutory or contractual landlord's lien with respect to the property of Tenant now or hereafter located in the Premises.

16.21 **Transfer of Landlord's Interest**. Intentionally deleted.

16.22 **Landlord and Tenant Defined**. The word "**Landlord**", as used in this Lease, shall include the original Landlord named in this Lease and all persons, natural or artificial, who at any time or from time to time during the Term of this Lease succeed to the estate of Landlord in the Land and the interest of Landlord under this Lease. The word "**Tenant**", as used in this Lease, shall include the original Tenant named in this Lease and all persons, natural or artificial, who at any time or from time to time during the Term of this Lease succeed to the estate of Tenant in the Premises and the interest of Tenant under this Lease.

16.23 **Commissions**. Raulet Property Partners, Inc., represents the Tenant only and shall be paid a real estate lease commission by Tenant pursuant to a separate written agreement. Tenant hereby agrees to indemnify, defend, and hold harmless Landlord from and against any other commissions or finder's fees due by virtue of the negotiation, execution and performance of this Lease, the obligation or asserted claim for which arises from actions taken or claimed to be taken by Tenant. Landlord represents that it has not used a broker in connection with this Lease.

16.24 **Authority.** Landlord and Tenant hereby represent to the other that: (i) Landlord is a duly authorized and existing municipal corporation in the State of Georgia and Tenant is a Georgia limited liability company, and each is qualified to do business in the State of Georgia, (ii) each has full right and authority to enter into this Lease, (iii) each person signing on behalf of the Landlord and Tenant are authorized to do so, and (iv) the execution and delivery of this Lease by Landlord and Tenant will not result in any breach of, or constitute a default under any mortgage, deed to secure debt, deed of trust, lease, loan, credit agreement, partnership agreement or other contract or instrument to which either Landlord or Tenant is a party or by which either such party may be bound.

16.25 **Time of Essence.** Time is of the essence of this Lease and each and all of its provisions in which payment of money or performance of an obligation is required.

16.26 **Non-Disturbance Agreement**. Contemporaneously with its execution of this Lease, Landlord shall deliver to Tenant three (3) originals of a Subordination, Non-Disturbance and Attornment Agreement in the form of **Exhibit H** attached hereto ("**Non-Disturbance Agreement**"), executed and acknowledged by Landlord and Landlord's mortgagee(s). If Landlord fails to deliver the Non-Disturbance Agreements with the executed copies of this Lease, this Lease shall be in effect but, for purposes of the time periods which begin on the Effective Date, the Effective Date shall not be deemed to have occurred until such time as the properly executed and acknowledged Non-Disturbance Agreements are received by Tenant. Tenant shall have the right to terminate this Lease at any time prior to Tenant's receipt of the properly executed and acknowledged Non-Disturbance Agreements.

16.27 **Tenant's Signage**. Tenant shall have the right to construct, install, maintain, repair and replace its standard sign package (as modified from time to time) on the Premises, to the maximum extent permitted by municipal and all other governmental controls.

16.28 **Holidays**. If a date for performance by either party falls on a Saturday, Sunday or on a legal holiday, such date for performance shall instead be the next following business day.

16.29 **Right of First Refusal.** If at any time Landlord determines if it desires to sell the Land, it shall so notify Tenant, and Tenant shall have thirty (30) days in which to submit a one-time offer (the "Offer") to Landlord. Landlord agrees that is will not sell the Land to a third party for the same or less than the amount of said Offer, so long as the terms offered are reasonably comparable. Further, if Landlord receives an offer from a third party for the Land which it is willing to accept, (a) Landlord agrees to give notice of each proposed sale, including the purchase price and all other terms and conditions, to Tenant; (b) Tenant will have the one-time right to purchase the Land at the purchase price and on the other terms and conditions offered to Landlord by the third party, by giving notice to Landlord within thirty (30) days after Landlord has notified Tenant of the terms of Landlord's proposed sale; and (c) if Tenant does not give notice of the exercise of its option within such time, Landlord will have the right to sell the Land upon the terms stated in the offer made or received by Landlord or to any other third party.

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EXECUTED as of the dates set forth below.

LANDLORD:

Signed and delivered this ____ day of _____, 2010, in the presence of:

City of Atlanta, a _____

_____
Unofficial Witness

By: _____ (SEAL)
Name: _____
Title: _____

_____
Notary Public

[IF CORPORATION, AFFIX CORPORATE SEAL OR SEPARATELY ATTEST]

My commission expires:

(NOTARY SEAL)

TENANT:

Signed and delivered this ____ day 2010, in the presence of:

Georgia Film and Television Center, LLC, a Georgia limited liability company

_____
Unofficial Witness

By: _____ (SEAL)
Name: _____
Title: _____

_____
Notary Public

My commission expires:

(NOTARY SEAL)

RCS# 267
5/17/10
5:39 PM

Atlanta City Council

REGULAR SESSION

10-O-0890

ENTER LEASE W/GEORGIA FILM AND TELE. CENTER LLC FOR PROP.AT LAKEWOOD FAIRGRO. ADOPT/SUB/AMEND

YEAS:	13
NAYS:	0
ABSTENTIONS:	0
NOT VOTING:	2
EXCUSED:	0
ABSENT	1

Y Smith	Y Archibong	Y Moore	Y Bond
Y Hall	Y Wan	Y Martin	Y Watson
NV Young	Y Shook	B Bottoms	Y Willis
Y Winslow	Y Adrean	Y Sheperd	NV Mitchell