

June 17, 2015

WHEREAS, the City and PACE Entertainment Group, Inc., a Delaware Corporation (“PACE”), entered into a certain Lease and Use Agreement dated December 9, 1987 (the “Agreement”) pursuant to which the City leased to Pace the Amphitheatre Tract as described in the Agreement and assigned to PACE (i) with respect to Parking Tract, a non-exclusive, irrevocable right of ingress and egress on the over same and the irrevocable right for certain period to use the same for parking of motor vehicles, (ii) with respect to the Assigned parking Area, as that term is defined in the Agreement, the exclusive irrevocable right to use the same for the parking of motor vehicles, and (iii) with respect to the Coliseum Lots, as that term is defined in the Agreement, the exclusive, irrevocable right to use all or a portion of the same for parking of motor vehicles in accordance with the terms of the Agreement; and

WHEREAS, effective as of March 11, 1988, Pace assigned, transferred and conveyed to Pace Amphitheatres, Inc., a Texas Corporation, (which corporation is a wholly owned subsidiary of Pace), all of its rights in, to and under the Agreement, and on the same date Pace Amphitheatres Inc. assigned, transferred and conveyed to HOB Concerts/ PACE Amphitheatres Group, L.P. (formerly known as MCA/PACE Amphitheatres Group, L.P.) all of its rights in, to and under the Agreement; and

WHEREAS, effective June 14, 1989, HOB Concerts/ PACE Amphitheatres Group, L.P. (formerly known as MCA/PACE Amphitheatres Group, L.P.) and City entered into the Amendment to the Lease and Use Agreement (“Amendment”) to provide for the use of the City’s Amphitheatre Tract to further the year round operation of Amphitheatre and the enhancement, development and improvement of Fair Park as a public entertainment facility, tourist attraction, campus for cultural facilities and public park; and

WHEREAS, any reference to the term “Agreement” herein shall mean the Agreement, as amended in 1989; and

WHEREAS, effective December 16, 2008, HOB Concerts/ PACE Amphitheatres Group, L.P. (formerly known as MCA/PACE Amphitheatres Group, L.P.) and Pace Amphitheatres, Inc. merged with and into Live Nation Worldwide, Inc. Live Nation Worldwide, Inc. remains as the surviving entity, and shall assume the role, and is solely responsible for the duties, responsibilities and obligations under the agreement as amended for the remainder of the Agreement Term. The City and Live Nation Worldwide, Inc. accept and agree that City shall look only to Live Nation Worldwide, Inc. for all performance obligations and liabilities of the Agreement from and after the inception date of December 16, 2008 and for the remainder of the Agreement Term; and

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WHEREAS, the City and Live Nation, in their joint efforts and for the betterment of the Amphitheatre, have identified certain improvements are necessary to enhance the usefulness, operations, and value of the Amphitheatre Tract, hereinafter referred to as "Gexa Energy Pavilion" totaling an estimated ~~\$7,000,000~~ \$8,000,000 and Live Nation has agreed to perform the Improvements whereby City agrees to reduce the total amount of annual rent due and payable by Live Nation to City under the Agreement for the amount equal to or the lesser of actual cost of Improvements or ~~\$7,000,000~~ \$6,500,000 to include but not limited to a new LED video system, restroom renovations, renovation of the VIP club, and other improvements in accordance with the terms of this Second Amendment; and

WHEREAS, to the extent Live Nation undertakes the Improvements, City agrees to reduce the total annual rent due and payable to City under the agreement for the amount equal to or lesser of (i) the actual costs of the Improvements ("Project Costs") or (ii) ~~\$7,000,000~~ \$6,500,000 over the remaining Term; and

WHEREAS, the City has determined that the Improvements, described and shown in the Second Amendment, are in the mutual interests of the City and Live Nation and the parties therefore have agreed to modify the Agreement as provided in this Second Amendment in order to reflect their agreement regarding the Improvements; and

WHEREAS, Live Nation and City are currently in the First Renewal Term, and the parties now desire to further extend the Term of the Agreement with this Second Amendment for an additional ten-year period which will result in the Agreement expiring on December 31, 2028; and

WHEREAS, the parties also agree to increase the current "Additional Rental" as that term is defined in the Agreement, as amended, from \$.15 to \$.20 per sold admission ticket in accordance with the terms of the Agreement; and

WHEREAS, the parties agreed to increase the Guaranteed annual rent on January 1, 2017 to \$500,000 per year and to \$550,000 per year beginning January 1, 2023; and

WHEREAS, all other categories and tranches of percentage rent to increase on January 1, 2017 by .5 percent.

NOW, THEREFORE,

BE IT RESOLVED BY THE PARK AND RECREATION BOARD AND THE CITY COUNCIL OF THE CITY OF DALLAS:

Section 1. That the City Manager is authorized to execute a Second Amendment to the Agreement between Live Nation and City for an additional ten-year period which will result in the Agreement expiring on December 31, 2028.

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Section 2. That the ~~City Controller~~ Chief Financial Officer be authorized to receive and deposit revenue in Fund 0001, Department PKR, Unit 5206, Revenue Code 7203.

Section 3. That the ~~City Controller~~ Chief Financial Officer be authorized to receive and deposit revenue in Fund 0351, Department ECO, Unit 0448, Revenue Code 8491.

Section 4. To the extent Live Nation undertakes the Improvements, City agrees to reduce the total annual rent due and payable to City under the agreement for the amount equal to or lesser of (i) the actual costs of the Improvements ("Project Costs") or (ii) ~~\$7,000,000~~ \$6,500,000 over the remaining Term.

Section 5. That Live Nation acknowledges and agrees in no event shall the rent credit reduce the amount of the Minimum Guaranteed Rental, as that term is defined in the Agreement, payable to City which is currently \$350,000-, \$500,000 beginning January 1, 2017 and \$550,000 beginning January 1, 2023.

Section 6. Effective as of this Second Amendment, Live Nation will increase the current "Additional Rental" as that term is defined in the Agreement from \$.15 to \$.20 per sold admission ticket and therefore the ~~City Controller~~ Chief Financial Officer is authorized to receive Additional Rental payment, an amount equal to the product obtained by multiplying (A) twenty cents (\$.20) times (B) the total number of paid admission tickets sold to all public events at the Amphitheater.

Section 7. That City shall have the right to assign, transfer, or convey this entire Agreement to another entity.

Section 8. Live Nation will increase all other categories and tranches of percentage rent to increase on January 1, 2017 by .5 percent.

Section 89. All other terms of the Agreement, as previously amended, not expressly amended hereby, shall remain unchanged and in full force and effect.

Section 910. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

APPROVED BY
CITY COUNCIL

JUN 17 2015


City Secretary