

Elizabeth Galvani

From: Bill Procida <bprocida@procida.com>
Sent: Thursday, March 21, 2019 7:12 PM
To: Office; Sarah Stroney
Cc: Gregory P. Duffy; Arthur J. Momjian; Chris Cordaro; Elizabeth Galvani; Derek Weissman; Ralph Brown; JWagner@fult.com; Tfletcher@fultonbank.com; Eric Blumenfeld
Subject: Re: Live Nation - The Met Philly

Let's circle up on this

Billy Procida
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On Mar 21, 2019, at 5:53 PM, Sarah Stroney <sstroney@pidcphila.com> wrote:


Hi all,

I have some emails where I was discussing it with our attorney. I wanted it changed in the lease, but we all agreed not to pursue it because Live Nation assured us it included all Premises. I don't have any correspondence from Live Nation to me directly, but in a Dec 13 email I reference that Fulton had been having conversations in which Live Nation said it included all sponsorships. So perhaps around or before that date there might be some correspondence in others' records.

Best,
Sarah

Sarah Stroney
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From: Eric Blumenfeld [<mailto:eric@ebrmcorp.com>]
Sent: Wednesday, March 20, 2019 2:44 PM
To: Tfletcher@fultonbank.com; JWagner@fult.com; Ralph Brown; Sarah Stroney; bprocida@procida.com; Derek Weissman; Elizabeth Galvani; Chris Cordaro; Arthur J. Momjian
Cc: Gregory P. Duffy
Subject: Fwd: Live Nation - The Met Philly

All,

I need your help on this. Can you please provide Greg Duffy with any correspondence that supports our position regarding the definition of NIT sponsorship.

Thanks

Best,

Eric

Begin forwarded message:

From: "Duffy, Gregory P." <GPDuffy@duanemorris.com>
Date: March 19, 2019 at 12:43:45 PM EDT
To: Eric Blumenfeld <eric@ebrmcorp.com>, 'Chris Cordaro' <chris@ebrmcorp.com>
Subject: RE: Live Nation - The Met Philly

Eric/Chris – As you can see, LN's counsel is pushing back on the NIT issue. I believe Andy's email pokes a substantial hole in his argument (particularly since Andy's email uses the same phrase [i.e. "entirety of the premises"] to refer to the whole basket of NIT sponsorships for the building and its various components). Based on the draft email that you forwarded to me earlier, it sounds like you are pulling together additional correspondence that you had with LN on this issue. Can you share that with me at some point so that I can respond more comprehensively to Tucker?

Thanks very much,

- Greg

From: James Tucker <JamesTucker@LiveNation.com>
Sent: Tuesday, March 19, 2019 12:15 PM
To: Duffy, Gregory P. <GPDuffy@duanemorris.com>
Cc: Eric Blumenfeld <eric@ebrmcorp.com>; 'Chris Cordaro' <chris@ebrmcorp.com>
Subject: RE: Live Nation - The Met Philly

Thanks. It appears that Andy was wrong. The Leased language is clear and only applies to the name of the venue (e.g. to the entirety of the venue versus a component thereof). As to the QRE language, I do not understand why we would execute agreements obligating us to make further rent payments nor do I know if we have the referenced list and associated proof of payment. In any case it would be helpful to have a call maybe Thursday or Friday to discuss. Let me know if there is a time that works for you guys. Thanks

James Tucker
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From: Duffy, Gregory P. <GPDuffy@duanemorris.com>
Sent: Tuesday, March 19, 2019 10:37 AM
To: James Tucker <JamesTucker@LiveNation.com>
Cc: Eric Blumenfeld <eric@ebrmcorp.com>; 'Chris Cordaro' <chris@ebrmcorp.com>
Subject: RE: Live Nation - The Met Philly

James – Thanks for your email. I’m happy to see that there is some progress being made on the amendment.

With respect to the ticketing language, I’ll wait to hear more from you . That being said, my client has indicated that the bbox and loge level locations are not “best location” seats in the venue. We’ll need to address that by removing those references from the ticketing language.

Meanwhile, my partner, Art Momjian, revised the QRE-related language to eliminate any connotation that LN would be attesting as to whether any items actually qualified as QREs. The revised language is as follows:

“Landlord and Tenant agree that effective as of December 31, 2018 (the “Acquisition Date”), the Landlord has acquired and the Tenant has conveyed to Landlord and financed the cost of the Tenant Improvements (as hereinafter defined). Tenant has agreed to make an additional rent payment equal to the cost of the Tenant Improvements incurred and paid for by Tenant under the Lease in an amount which Landlord has approved as costs incurred for tenant improvements to the leased premises (the “Tenant Improvements”) and the amount of the additional rent equal to the cost of the approved Tenant Improvements is referred to as the “Additional

Rent". Tenant has provided Landlord with an itemized list of the Tenant TI with proof of payment. In consideration of the payment of the Additional Rent by Tenant to Landlord, Landlord has agreed effective on December 31, 2018 to reimburse Tenant for the cost of the approved Tenant Improvements incurred by Tenant and Landlord and Tenant shall execute a reimbursement agreement pursuant to which Tenant acknowledges that Landlord has paid to Tenant the cost of the approved Tenant Improvements. Commencing on March 1, 2019, the financing of the approved Tenant Improvements extended by Tenant to Landlord shall be repaid in equal monthly installments paid by Landlord over 5 years without interest (the "Monthly Financing Payments") and the Additional Rent shall be monthly installments of rent equal to the Monthly Financing Payments."

If there are still questions regarding this language, it may be helpful to schedule a call with Art so that he can provide further explanation.

Finally, as for the NIT Sponsorship, the language in Section 8.5 makes clear that all name-in-title sponsorships with respect to the entirety of the Premises are to be included for purposes of calculating NIT Sponsorship Revenue. That would apply to the naming rights for the venue as well as naming rights for its various components (box locations, tier levels, the grand sale, etc.), all of which comprise the Premises. For further reference, I direct you to the attached email from Andy Peikon (Senior Vice President of Live Nation Media & Sponsorship) which confirmed this point when the landlord's loan with Fulton Bank was closing.

Thanks very much,

Greg

Gregory P. Duffy
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From: James Tucker <JamesTucker@LiveNation.com>
Sent: Monday, March 18, 2019 6:33 PM
To: Duffy, Gregory P. <GPDuffy@duanemorris.com>
Cc: Eric Blumenfeld <eric@ebrmcorp.com>; 'Chris Cordaro' <chris@ebrmcorp.com>
Subject: RE: Live Nation - The Met Philly

My guys are still working on the punchlist but should have it completed soon. I believe that the ticket language is approved by Geoff but am verifying. The addition of the office space at no rents is approved. The reinserted language about capacity is pending getting an agreed upon punchlist. The tax language is new and we will not agree to have that in the document – I believe that Ahrens told Eric we would print out our accounting run and give you that information but that we cannot attest to what was spent for which items and whether those items qualify. As to the NIT Sponsorship, that language is in Section 8.5 and deals only with the name in title sponsorship for the name of the venue. So, if the list below is for anything other than the name of the venue, then there is no money due. But if any of the list are for a NIT Sponsorship, then yes they should be included on a monthly report setting out what was received and what the resulting net revenues are after the applicable deductions. Let me know if anything on this list is for a NIT Sponsorship and I will get with my guys tomorrow to sort out amounts and a payment. Hopefully, I will get the punchlist this week and be able to send you a blackline. Thanks

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From: Duffy, Gregory P. <GPDuffy@duanemorris.com>
Sent: Friday, March 15, 2019 4:06 PM
To: James Tucker <JamesTucker@LiveNation.com>

Cc: Eric Blumenfeld <eric@ebrmcorp.com>; 'Chris Cordaro' <chris@ebrmcorp.com>
Subject: Live Nation - The Met Philly

James – This message is a follow-up to our previous discussions. Have you received any further feedback from your business team regarding the amendment draft?

In the meantime, it has also come to my attention that Live Nation has not yet paid any share of the NIT Sponsorship Revenue to the landlord. My understanding is that the NIT Sponsorships currently include at least the following commitments:

Citibank \$650,000
Anheuser-Busch \$125,000
City fitness \$111,250
Hilton Hotels \$60,000
Coca-Cola \$50,000
Steaz \$40,000
Red Bull \$30,000
Don Julio \$25,000

In accordance with the lease, Live Nation is required to submit monthly reports showing the NIT Sponsorship Revenue and deliver 50% of same to the landlord. When you speak with your business team, please ensure that this is addressed as well.

Thanks very much,

Greg

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