

A – DEVELOPMENT AGREEMENT CONTRACT

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:
ALLEN MATKINS LECK GAMBLE
& MALLORY LLP
515 South Figueroa Street, Seventh Floor
Los Angeles, California 90071-3398
Attention: Jerold B. Neuman, Esq.
(Space Above For Recorder's Use)

DEVELOPMENT AGREEMENT

BY AND BETWEEN

THE CITY OF LOS ANGELES

AND

TRIZECHAHN HOLLYWOOD LLC

DATED AS OF

11/5/02

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DEVELOPMENT AGREEMENT
BY AND BETWEEN
THE CITY OF LOS ANGELES AND
TRIZECHAHN HOLLYWOOD LLC

This Development Agreement ("Agreement") is made and entered into this 5th day of November, 2002, by and between THE CITY OF LOS ANGELES, a charter city and a municipal corporation duly organized and existing under the Constitution and the laws of the State of California ("City") and TRIZECHAHN HOLLYWOOD LLC, a Delaware limited liability company ("Developer") pursuant to the authority set forth in Article 2.5 of Chapter 4 of Division 1 of Title 7 (Sections 65864 through 65869.5) of the California Government Code (the "Development Agreement Act") and the City's inherent power as a charter city.

R E C I T A L S :

WHEREAS, the Community Redevelopment Agency of the City of Los Angeles ("Agency"), and Developer have entered into that certain Disposition and Development Agreement dated as of February 10, 1999 (the "DDA"), pursuant to which the Agency and Developer made certain agreements and established certain procedures with respect to the development of a mixed-use, entertainment/retail destination project and public space as further defined here ("Project") on that certain property depicted in Exhibit A attached hereto (the "Development Site"); and

WHEREAS, the City and Developer recognize that construction and development of the Project will create significant opportunities for economic growth in the City, the Southern California region and the State of California, and will generate significant economic benefits to the State, the region, the City and Developer; and

WHEREAS, the Project will provide opportunities for growth in the City which will provide new general fund revenues intended to offset incremental City costs associated with such growth; and

WHEREAS, the City has approved and adopted Ordinance No. 174063 (the "Signage Ordinance") establishing requirements for the design, construction, installation and maintenance of various signs on or around the Project; and

WHEREAS, in order to provide for the orderly development of the Project and render development of the Project more feasible in light of the large amount of capital investment necessary to implement the Project, Developer requires assurance from the City that signs will be permitted to be installed and maintained in various areas of the Project as approved pursuant to the Signage Ordinance; and

WHEREAS, the Project includes an approximately 3,300 seat live broadcast theater ("Theater") on the Development Site, which is intended, in part, to be utilized for the presentation of the annual Academy Awards Presentation ; and

WHEREAS, Developer and the Academy of Motion Picture Arts and Sciences ("Academy") have entered into that certain license agreement dated as of April 20, 1999, and amended on October 15, 2001 ("License Agreement"), pursuant to which the Theater is intended to be the venue for the broadcast of the annual "Academy Awards

Presentation" which is sponsored by the Academy for a period of 20 years commencing with the March, 2002 Academy Awards Presentation; and

WHEREAS, the terms of the License Agreement, the Academy is obligated to use the Theater as the venue for the broadcast of the annual Academy Awards Presentation only if certain contingencies, which are specified in the License Agreement, are met by both the Developer and by the Academy; and

WHEREAS, because preparations for the annual Academy Awards Presentation will affect public streets and sidewalks, and may necessitate the closures of certain streets and sidewalks adjacent to and beyond the Theater as well as related accommodations to facilitate the production and broadcast of the annual Academy Awards Presentation, one of the contingencies of the License Agreement requires the permission of the City to temporarily close certain streets and sidewalks; and

WHEREAS, by entering into this Agreement and agreeing to allow certain street closures, the City is assisting in the performance of one of the contingencies of the License Agreement, and therefore, eliminating one of the reasons permitted under the License Agreement for the Academy to seek another venue for the annual Academy Awards Presentation; and

WHEREAS, this Agreement will benefit the City and the Developer by making it easier for the Academy to hold the annual Academy Awards Presentation at the Theater, which will, in turn, provide financial benefits to the Developer and the City; and

WHEREAS, by entering into this Agreement, the City is reserving to the City the legislative powers necessary to remain responsible and accountable to its residents; and

WHEREAS, for the foregoing reasons, the Parties desire to enter into a development agreement for the Project pursuant to Government Code Section 65864 et seq. and the City's charter powers upon the terms set forth herein:

A G R E E M E N T

NOW, THEREFORE, pursuant to the authority contained in the Development Agreement Act, as it applies to the City, and the City's inherent powers as a charter city, and in consideration of the premises and mutual promises and covenants herein contained and other valuable consideration the receipt and adequacy of which the Parties hereby acknowledge, the Parties hereto agree as follows:

1. DEFINITIONS.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

1.1. **"Academy"** means the Academy of Motion Picture Arts and Sciences, a California non-profit corporation.

1.2. **"Academy Awards Presentation"** means the annual Academy Awards ceremony to be produced and broadcast by the Academy at the Theater.

1.3. **"Agency"** means the Community Redevelopment Agency of the City of Los Angeles, a public entity duly organized under the laws of the State of California particularly Sections 33000 et seq. of the California Health and Safety Code.

1.4. "Agreement" means this Development Agreement and all amendments and modifications thereto.

1.5. "Annual Review" means the annual review process as described in Section 4 of this Agreement.

1.6. "Applicable Rules" means the rules, regulations, ordinances and officially adopted plans and policies of the City in force as of the Effective Date of this Agreement, including the Signage Ordinance. Notwithstanding the language of this Section or any other language in this Agreement, Applicable Rules shall mean and include this Agreement, the Existing Development Approvals, and the Fees in effect as of the Effective Date of this Agreement.

1.7. "CEQA" means the California Environmental Quality Act ("CEQA") (Cal. Public Resources Code Sections 21000 et seq.) and the State CEQA Guidelines (Cal. Code Regs., Title 14, Sections 15000 et seq.).

1.8. "City Agency" means each and every agency, department, board, commission, authority, employee, and/or official acting under the authority of the City, including without limitation the City Council, the Planning Commission and the Agency.

1.9. "City Attorney" means the City Attorney of the City.

1.10. "City Council" means the City Council of the City, the legislative body of the City pursuant to Section 65867 of the California Government Code.

1.11. "City" means the City of Los Angeles, a municipal corporation of the State of California exercising municipal home rule powers pursuant to a charter approved and issued by the State of California.

1.12. "Counsel" shall mean the counsel retained by Developer to represent Developer and to assist the City in connection with any Litigation.

1.13. "DDA" means that certain Disposition and Development Agreement entered into by and between the Agency and Developer, providing for the financial arrangements between Developer and the Agency with regard to the funding and construction of the Project.

1.14. "Developer" means TrizecHahn Hollywood LLC, a Delaware limited liability company.

1.15. "Development Agreement Act" means Article 2.5 of Chapter 4 of Division I of Title 7 (Sections 65864 through 65869.5) of the California Government Code.

1.16. "Development Site" means that certain real property located at the northwest quadrant of the intersection of Highland Avenue and Hollywood Boulevard in the City, as shown on the Development Site Map attached hereto as Exhibit A.

1.17. "Discretionary Action" means an action which requires the exercise of judgment, deliberation or a decision on the part of the City and/or any City Agency in the process of approving or disapproving a particular activity, as distinguished from an activity, including issuance of ministerial permits and approvals, which merely requires the City and/or any City Agency to determine whether there has been compliance with statutes, ordinances or regulations.

1.18. "Effective Date" shall have the meaning ascribed in Section 7.1 of this Agreement.

1.19. "EIR" means the Final Environmental Impact Report for the Project certified by the Agency and/or the City in accordance with the requirements of CEQA.

1.20. "Existing Development Approvals" means those certain land use and building permits and entitlements, as amended, issued by the City for the Project on or before the Effective Date and which are listed in Exhibit B attached hereto.

1.21. "Fees" means Impact Fees, Processing Fees and Charges and any other fees or charges imposed or collected by the City.

1.22. "General Plan" means the General Plan of the City.

1.23. "Impact Fees" means impact fees, linkage fees, exactions, assessments or fair share charges or other similar impact fees or charges imposed on and in connection with new development by the City pursuant to rules, regulations, ordinances and policies of the City set forth in the Applicable Rules. Impact Fees do not include (i) Processing Fees and Charges or (ii) other City-wide fees or charges of general applicability, provided that such City-wide fees or charges are not imposed on impacts of new development.

1.24. "Inspections" means all field inspections and reviews by City officials during the course of construction of the Project and the processing of certificates of occupancy (permanent or temporary).

1.25. "LAMC" means the Los Angeles Municipal Code.

1.26 "License Agreement" means that certain license agreement dated April 20, 1999, as amended October 15, 2001, made and entered into among the Developer, Academy, and TrizecHahn Hollywood Hotel, LLC for the Academy Awards Presentation a composite copy of which is attached as Exhibit C, and a full copy of which is contained in Los Angeles City Council File No. 98-1766, S-2.

1.27. "Litigation" shall mean any lawsuit (including any cross-action) filed against the City and/or Developer to the extent such lawsuit challenges the validity, implementation or enforcement of, or seeks any other remedy directly relating to, all or any part of this Agreement. Litigation also means the lawsuit entitled "Hollywood Heights Association v. City of Los Angeles, TrizecHahn, Real Party in Interest, Los Angeles Superior Court Case No. BS070774.

1.28. "Ministerial Permits and Approvals" means the permits, approvals, plans, inspections, certificates, documents, licenses, and all other actions required to be taken by the City in order for Developer to implement the Project in accordance with the Applicable Rules. Ministerial Permits and Approvals shall not include any Discretionary Actions.

1.29. "Mortgage" means any mortgage, deed of trust, pledge, encumbrance, sale leaseback, or other security interest granted to a lender not affiliated with Developer, made in good faith and for fair value, encumbering all or any part of the Development Site or Developer's interest in this Agreement, given by Developer for the purpose of obtaining financing for the acquisition of land within the Development Site or any portion thereof, or the construction of any improvements thereon.

1.30. "Mortgagee" means any mortgagee, beneficiary under any deed of trust, and/or, with respect to any parcel which is the subject of a sale-leaseback transaction, the person acquiring fee title under a Mortgage.

1.31. "Parties" means collectively Developer and the City.

1.32. "Party" means any one of Developer or the City.

1.33. "Plaintiff" means any party seeking relief or compensation through Litigation whether as plaintiff, petitioner, cross-complainant or otherwise.

1.34. "Planning Commission" means the Planning Commission of the City and the planning agency of the City pursuant to Section 65867 of the California Government Code.

1.35. "Planning Director" means the Planning Director for the City.

1.36. "Processing Fees and Charges" means all processing fees and charges required by the City including, but not limited to, fees for land use applications, project permits, building applications, building permits, grading permits, encroachment permits, tract or parcel maps, lot line adjustments, air right lots, street vacations, certificates of occupancy and other similar permits. Processing Fees and Charges shall not include Impact Fees.

1.37. "Project" means the development of a mixed-use, entertainment/retail destination project and public space on the Development Site as more particularly described in the Existing Development Approvals.

1.38. "Redevelopment Plan" means that certain Redevelopment Plan for the Hollywood Redevelopment Project Area approved and adopted by the City Council by Ordinance No. 161202 pursuant to the Community Redevelopment Law (Cal. Health & Safety Code Sections 33000 et seq.).

1.39. "Reserved Powers" means the rights and authority excepted from this

Agreement's restrictions on the City's police powers and which are instead reserved to the City. The Reserved Powers include the power to enact and implement rules, regulations, ordinances and policies after the Effective Date that may be in conflict with the Applicable Rules, but: (1) prevent or remedy conditions which the City has found to be injurious or detrimental to the public health or safety; (2) are Uniform Codes; (3) are necessary to comply with state and federal laws, rules and regulations (whether enacted previous or subsequent to the Effective Date) or to comply with a court order or judgment of a state or federal court; or (4) are agreed to or consented to by Developer; and (4) which include any signage ordinance/overlay zone, as reserved in the Signage Ordinance.

1.40. "Signage Ordinance" means Ordinance No. 174063, approved and adopted by the City, establishing requirements for the design, construction, installation, and maintenance of various signs on and around the Project.

1.41. "Term" means the applicable period of time during which this Agreement shall be in effect and shall bind the City and Developer, as described in Section 7.2.

1.42. "Theater" means that approximately 3,300 seat live broadcast theater constructed by Developer as part of the Project and for which Developer has granted the Academy a license to broadcast the Academy Awards Presentation for a period of twenty years.

1.43. "Uniform Codes" means those building, electrical, mechanical, fire and other similar regulations of a City-wide scope which are based on recommendations of a multi-state professional organization and become applicable throughout the City, such as, but not limited to, the Uniform Building Code, the Uniform Electrical Code, the Uniform Mechanical Code, or the Uniform Fire Code (including those amendments to the promulgated uniform codes which reflect local modification to implement the published recommendations of the multi-state organization and which are applicable City-wide).

2. RECITALS OF PREMISES, PURPOSE AND INTENT.

2.1. State Enabling Statute. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted the Development Agreement Act which authorizes any city to enter into binding development agreements establishing certain development rights in real property with persons having legal or equitable interests in such property. Section 65864 of the Development Agreement Act expressly provides as follows:

"The Legislature finds and declares that:

"(a) The lack of certainty in the approval of development projects can result in a waste of resources, escalate the cost of housing and other development to the consumer, and discourage investment in and a commitment to comprehensive planning which would make maximum efficient utilization of resources at the least economic cost to the public.

"(b) Assurance to the applicant for a development project that upon approval of the project, the applicant may proceed with the project in accordance with existing policies, rules and regulations, and subject to conditions of approval, will strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic costs of development."

Notwithstanding the foregoing, to ensure that the City remains responsive and accountable to its residents while pursuing the benefits of development agreements contemplated by the Legislature, the City: (1) accepts restraints on its police powers contained in development agreements only to the extent and for the duration required to achieve the mutual objectives of the Parties; and (2) to offset such restraints, seeks public benefits which go beyond those obtained by traditional City controls and conditions imposed on development project applications.

2.2. Purpose of this Agreement.

2.2.1. Developer Objectives. In accordance with the legislative findings set forth in the Development Agreement Act, and with full recognition of the City's policy of judicious restraints on its police powers, Developer wishes to obtain reasonable assurances with respect to its ability to implement the Project in accordance with the Applicable Rules and subject to the terms of this Agreement and the City's Reserved Powers. In the absence of this Agreement, Developer would have no assurance that it can implement the Project as set forth in this Agreement. This Agreement, therefore, is necessary to assure Developer that Developer will not be subjected to different rules, regulations, ordinances or official policies or delays which are not permitted by this Agreement, the Applicable Rules, or the Reserved Powers.

2.2.2 City Objectives. A development agreement for the Project will provide assurances to the City that its investment in the Project will be better protected, that the Academy Awards Presentation is more likely to be held at the Theater, and that the City will be protected from monetary liability for its actions in approving the Project and granting the Existing Development Approvals

2.2.3. Mutual Objectives. A development agreement for the Project will eliminate uncertainty in planning for and securing the orderly development and operation of the Project and the broadcast of the Academy Awards Presentation, thereby achieving the goals and purposes for which the Development Agreement Act was enacted. The Parties believe that such orderly implementation will provide many public benefits to the City through the imposition of development standards and requirements under the provisions and conditions of this Agreement, including without limitation, increased tax revenues and job creation. Additionally, although implementation of this Agreement may restrain the City's land use or other relevant police powers, the Agreement provides the City with sufficient reserved powers during the Term hereof to remain responsible and accountable to its residents. In exchange for these and other benefits to the City, Developer will receive assurance that the Project may be implemented during the Term of this Agreement in accordance with the Reserved Powers and subject to the terms and conditions of this Agreement.

2.3. Applicability of the Agreement. This Agreement does not: (1) grant density, intensity or uses in excess of that otherwise established in the Applicable Rules; (2) eliminate future Discretionary Actions otherwise required; or (3) amend the City's General Plan.

3. AGREEMENT AND ASSURANCES.

3.1. Agreement and Assurances on the Part of the City. In consideration for Developer entering into this Agreement, and as an inducement for Developer to obligate itself to carry out the covenants and conditions set forth in this Agreement, and in order to effectuate the purposes and intentions set forth in Section 2 of this Agreement, the City hereby agrees during the Term as follows:

3.1.1. Entitlement to Implement the Signage Ordinance.

3.1.1.1. Signage Ordinance. During the Term of this Agreement, Developer has the vested right to erect, construct and maintain signs on the Project in accordance with the Signage Ordinance, subject to the terms and conditions of this Agreement, the Applicable Rules, and the Reserved Powers.

3.1.1.2. Right to Rebuild or Replace. Developer's vested rights under this Agreement shall include, without limitation, the right to remodel, renovate, rehabilitate, rebuild or replace any signs erected on the Development Site or any portion thereof that are consistent with the Signage Ordinance throughout the applicable Term for any reason including without limitation, in the event of damage, destruction or obsolescence of such signs or any portion thereof, subject to the terms and conditions of this Agreement, the Applicable Rules, and the Reserved Powers.

3.1.2. Entitlement to Implement the Existing Development Approvals. During the Term of this Agreement, Developer has the vested right to develop the Project in accordance with the Existing Development Approvals, subject to the terms and conditions of this Agreement, the Applicable Rules, and the Reserved Powers.

3.1.3. Street Closures. The purpose of the Street Closure Provision is to facilitate the production and broadcast of the Academy Awards Presentation by making certain public street and sidewalk areas available for the use of the Academy in connection with the Academy Awards Presentation Presentation, as provided in the License Agreement.

3.1.3.1. Entitlement to Street Closures. The City shall, during the term of this Agreement, secure appropriate closures of certain streets and sidewalks (including traffic and bus rerouting) adjacent to and beyond the Theatre, as well as related facilities, sufficient to accommodate the production and broadcast of an Academy Awards Presentation of a scope, size and function consistent with the March 2002 Presentation.

3.1.3.2. Base Street Closure Plan. The City shall each year

cooperate with the Academy and other appropriate governmental agencies in formulating a street closure plan, and shall, in conjunction with such parties, develop as soon as practicable, a base plan for future right-of-way closures based upon the information and experience derived from the prior Presentations (the "Base Plan"). The Base Plan shall be an evolving plan which is updated in each successive year commencing with the 2003 street closure plan which shall evolve from the Initial Plan (as defined below). The Base Plan from the immediately preceding year shall be utilized by the City and the Academy in the event a dispute ever arises relative to the appropriate street closures in any year. In working with the Developer and the Academy to implement the requested street closures, the City shall cause any agreed-upon street closure plan to include the complete closure of Orchid Alley beginning twenty-one (21) days prior to the Presentation and ending seven (7) days thereafter, and the complete closure of Hawthorn Avenue from 2:00 a.m. two (2) days prior to the date of the Presentation until at least 6:00 a.m. on the day following the Presentation. Any of the Base Plans shall not materially interfere with, or decrease the efficiencies of, the Academy Awards Presentation relative to: (a) set-up and tear-down of press, arrivals and production facilities and use of Project areas as contemplated in the License Agreement; (b) distances of travel from the area provided for drop-off and pick-up of Academy Awards Presentation attendees to the Theater; (c) timing and location of street closures on the day of the Academy Awards Presentation; (d) ability to accommodate the volume and types of vehicles and timely access to the Academy Awards Presentation; and (e) space provided by the City in City rights-of-way, including cabling, for production facilities.

3.1.3.3. Academy's Right to Utilize Street Closure Plans. The City agrees to allow the Academy to utilize the street closure plan which was adopted by the City Council on February 22, 2002 (Council File No. 00-0269) for the March 2002 Presentation (the "Initial Plan") or the Base Plan (collectively "Street Closure Plans") for future Academy Awards Presentations during the term of this Agreement, subject to the City's right to modify those Plans for any of the reasons set forth in section 3.1.3.4 and provided that, unless and to the extent waived by the City Council: (a) customary fees charged by the City for implementation and processing of the street closure plan must be paid, and the Academy pays those fees, in an amount to be determined by the City; and (b) prior to the removal of any City structures, fixtures, traffic devices or signals requested by the Academy to be removed, the Academy agrees in writing to reimburse the City for the removal and replacement of such structures, fixtures, traffic devices or signals.

3.1.3.4. Limitations on Right to Utilize Street Closure Plans. The City reserves the right to modify the Street Closure Plans for the following reasons, as determined to be necessary by the City acting through its Department of Transportation:

- a. The need to exercise the Reserved Powers with respect to the Street Closure Plans; and
- b. The failure by any jurisdiction other than the City or a department, bureau or agency of, or controlled by, the City, to cooperate in closing rights-of-way or facilities under their authority or control when such closures are part of any Base Plan.

The Parties acknowledge that the Community Redevelopment Agency of Los Angeles is

developing a parking garage to be located between Highland Avenue and Orange Drive on the north side of Hawthorn Avenue (commonly known as the "Parkade Project") in a manner which, as contemplated in the above-referenced License Agreement, may meet the Academy's needs for staging and operation of press and international broadcaster facilities, including satellite and microwave vehicles placed in an area suitable for satellite and microwave transmission, production trucks, trailers, support vehicles and tents, all as determined in Academy's reasonable discretion. In the event the Parkade Project is developed and utilized by the Academy, the Developer, Academy and City shall determine the extent, if any, to which the City might be released of its obligation to provide a complete closure of Hawthorn Avenue as described above, and during the time in which the Parkade Project is being constructed, to the extent that Hawthorn Avenue is not available due to that construction, the City shall also be released from the foregoing obligation to provide a closure of Hawthorn Avenue.

3.1.3.5 Agreement to Cooperate in Implementation of Modifications to Street Closure Plans.

Without limiting the generality of the foregoing, the City, acting through its Department of Transportation, will cooperate with the Academy and other appropriate governmental agencies in formulating the Street Closure Plans as may be adopted for any succeeding presentation. The City acknowledges that it is its intention to cooperate with such parties to implement, for each Academy Awards Presentation, a Street Closure Plan that will accomplish the objectives set forth above in a manner that will incorporate the experience gained from prior Presentations.

3.1.3.6 Survival of Obligations Regarding Street Closure Plans.

Notwithstanding anything to the contrary herein, including, without limitation, Section 7.2.2 hereof, no termination of this Agreement shall void the obligations of the City under this Section 3.1.3 until the expiration of six (6) months following notice from City to Developer of such termination.

3.1.4 Nonapplication of Changes in Applicable Rules. Any change in, or addition to, the Applicable Rules, including, without limitation, any change in the General Plan, zoning ordinance or building regulation adopted or becoming effective after the Effective Date, including, without limitation, any such change by means of ordinance, City Charter amendment, initiative, referendum, resolution, motion, policy, order or moratorium, initiated or instituted for any reason whatsoever and adopted by the Mayor, City Council, Planning Commission or City Agency, or by the electorate, as the case may be, which would, absent this Agreement, otherwise be applicable to the Project and which would conflict with the Applicable Rules or this Agreement, shall not be applied to the Project unless such changes represent an exercise of the City's Reserved Powers or are otherwise expressly allowed by this Agreement.

3.1.5 Agreed Changes and Other Reserved Powers. This Agreement shall not preclude application to the Project of rules, regulations, ordinances and officially adopted plans and policies in conflict with the Applicable Rules where such additional rules, regulations, ordinances and officially adopted plans and policies (i) are mutually agreed to in writing by Developer and the City in accordance with the requirements of Section 7.7 of this Agreement or (ii) result from the Reserved Powers.

3.1.6 Subsequent Development Review. The City shall not require Developer to obtain any approvals or permits for the implementation of the Project in accordance with this Agreement other than those permits or approvals which are required by the Applicable Rules or the Reserved Powers. Moreover, the City hereby agrees that it will not unreasonably withhold or unreasonably condition any approvals or permits for the implementation of the Project which must be issued by the City, provided that Developer satisfactorily complies with all City-wide standard procedures and policies of the City for processing any such approvals or permits and pays any applicable Processing Fees and Charges. No change to the Project which is consistent with the Applicable Rules shall require an amendment of this Agreement, and in the event any such change is approved, the references in this Agreement to the Project shall be deemed to refer to the Project as so changed.

3.1.7. Moratoria. In the event an ordinance, resolution or other measure is enacted, whether by action of the City, by initiative, or otherwise, which relates to the implementation of the Project, City agrees that such ordinance, resolution or other measure shall not alter the terms of this Agreement, unless such changes are adopted pursuant to the City's exercise of its Reserved Powers or other applicable provision of this Agreement.

3.1.8. Environmental Review. The Agency has conducted extensive environmental review of the Project and has certified the EIR pursuant to the requirements of CEQA. The City intends that the approval of the Signage Plan and this Agreement is not an action subject to requirements for further environmental review pursuant to CEQA. Consistent with the provisions of Section 3.1.5, the City further agrees to use its good faith efforts to consult with Developer regarding any approvals necessary for the implementation of the Project to avoid any unnecessary or unreasonable delays due to requirements for additional documentation pursuant to CEQA.

3.2. Agreement and Assurance on the Part of Developer. In consideration for the City entering into this Agreement, and as an inducement for the City to obligate itself to carry out the covenants and conditions set forth in this Agreement, and in order to effectuate the premises, purposes and intentions set forth in Section 2 of this Agreement, Developer hereby agrees as follows:

3.2.1. Implementation of the Signage Ordinance. Developer shall ensure that all signs erected on the Project shall comply with the requirements set forth in the Applicable Rules. Developer may modify the design, configuration, elements and content of the signage plan that was approved by the Agency and the City in conjunction with the adoption of the Signage Ordinance only with the written consent of the City.

3.2.2 .Employee Transit Program. Developer shall make commercially reasonable efforts to implement an employee transit program to provide a range of transportation alternatives for Project employees, including but not limited to such alternatives as providing public transit passes to eligible employees and providing incentives for employee vanpooling and ridesharing. Notwithstanding any provision of this Agreement or the Existing Development Approvals to the contrary, Developer shall not be required to spend more than \$16,680 per month in connection with the implementation of the employee parking program.

3.2.3 Commitment that Academy Awards Presentation Will be Presented at the Theater.

The Developer agrees to fulfill its obligations under the License Agreement to ensure that the Academy Awards Presentation will be held at the Theater for the duration of the License Agreement. Failure of the Academy to conduct the Academy Awards Presentation at the Theater due to a default by Developer under the License Agreement shall constitute a default of the Developer under section 5.1.1 of this Agreement. Additionally, (i) the Developer shall provide written notice to the City within ten days of receiving notification from the Academy that the Academy will seek an alternate venue for the Academy Awards Presentation each time Developer receives such notification from the Academy, and (ii) upon receiving notification from the Academy that the Academy will seek an alternate venue for the Academy Awards Presentation, Developer shall take all steps within its power that are necessary to enforce the Academy's obligation under the License Agreement to conduct the Academy Awards Presentation at the Theater.

3.2.4 Developer Indemnification of City for Development Agreement Litigation.

The Developer agrees to indemnify the City for any costs of Litigation, including attorneys fees incurred by the City whether paid to another party and whether incurred by the City for costs of representation in the Litigation. This section shall not apply to Litigation brought by the Developer against the City or brought by the City against the Developer.

3.2.5 Commitment and Promise by Developer To Fulfil All Conditions of the Existing Development Approvals.

The Developer agrees to comply with all conditions, rules and requirements that are part of the Existing Development Approvals. Failure of the Developer to satisfy this section 3.2.5 shall constitute, among other things, a default of the Developer under section 5.1.1.

3.2.6 Notice of Transfer or Assignment of Rights. Developer agrees to provide prior written notice to the City of its intent to transfer any of the Developer's rights or obligations under this Development Agreement to a third party, as provided by section 7.8 of this Agreement.

4. ANNUAL REVIEW

4.1. Annual Review. During the Term of this Agreement, the City shall review annually Developer's compliance with this Agreement. Such Annual Review shall be limited in scope to good faith compliance with the provisions of this Agreement as provided in the Development Agreement Act and Developer shall have the burden of demonstrating such good faith compliance.

4.2. Pre-Determination Procedure. Developer's submission of compliance with this Agreement, in a form which the Director of Planning may reasonably establish, shall be made in writing and transmitted to the Director of Planning not later than sixty (60) days prior to the yearly anniversary of the Effective Date. The public shall be afforded an opportunity to submit written comments regarding compliance to the Director of Planning at least sixty (60) days prior to the yearly anniversary of the Effective Date. All such public comments shall, upon receipt by the City, be made available to Developer

4.3. Director's Determination. On or before the yearly anniversary of the Effective Date of the Agreement, the Director of Planning shall make a determination regarding whether or not Developer has complied in good faith with the provisions and conditions of this Agreement. This determination shall be made in writing with reasonable specificity, and a copy of the determination shall be provided to Developer in the manner prescribed in Section 7.15. Copies of the determination shall also be available to members of the public.

4.4. Appeal By Developer. In the event the Director of Planning makes a finding and determination of non-compliance, Developer shall be entitled to appeal that determination to the Planning Commission. After a public hearing on the appeal, the Planning Commission shall make written findings and determinations, on the basis of substantial evidence, whether or not Developer has complied in good faith with the provisions and conditions of this Agreement. Nothing in this Section or this Agreement shall be construed as modifying or abrogating Los Angeles City Charter Section 245. (City Council review of Commission and Board actions).

4.5. Period To Cure Non-Compliance. If, as a result of this Annual Review procedure, it is found and determined by the Planning Director or the Planning Commission, on appeal, that Developer has not complied in good faith with the provisions and conditions of this Agreement, the City, after denial of any appeal or, where no appeal is taken, after the expiration of the appeal period described in Section 7.3, shall submit to Developer, by registered or certified mail, return receipt requested, a written notice of default in the manner prescribed in Section 7.15, stating with specificity those obligations of Developer which have not been performed. Upon receipt of the notice of default, Developer shall promptly commence to cure the identified default(s) at the earliest reasonable time after receipt of the notice of default and shall complete the cure of such default(s) not later than sixty (60) days after receipt of the notice of default, or such longer period as is reasonably necessary to remedy such default(s), by mutual consent of the City and the Developer provided that Developer shall continuously and diligently pursue such remedy at all times until such default(s) is cured.

4.6. Failure To Cure Non-Compliance Procedure. If the Director of Planning finds and determines that Developer, or its successors, transferees, and/or assignees, as

the case may be, has not cured a default pursuant to this Section, and that the City intends to terminate or modify this Agreement or those transferred or assigned rights and obligations, as the case may be, the Director of Planning shall make a report to the Planning Commission. The Director of Planning shall then set a date for a public hearing before the Planning Commission in accordance with the notice and hearing requirements of Government Code Sections 65867 and 65868. If after such public hearing, the Planning Commission finds and determines, on the basis of substantial evidence, that Developer, or its successors, transferees, and/or assignees, as the case may be, has not cured a default pursuant to this Section, and that the City shall terminate or modify this Agreement, or those transferred or assigned rights and obligations, as the case may be, the finding and determination shall be appealable to the City Council in accordance with Section 7.3. In the event of a finding and determination of compliance, there shall be no appeal by any person or entity. Nothing in this Section or this Agreement shall be construed as modifying or abrogating Los Angeles City Charter Section 245 (City Council review of Commission and Board actions).

4.7. Termination Or Modification Of Agreement. The City may terminate or modify this Agreement, or those transferred or assigned rights and obligations, as the case may be, after such final determination of the City Council or, where no appeal is taken, after the expiration of the appeal periods described in Section 7.3. There shall be no modification of this Agreement unless the City Council acts pursuant to Government Code Sections 65867.5 and 65868.

4.8. Reimbursement Of Costs. Developer shall reimburse the City for its actual costs, reasonably and necessarily incurred, to accomplish the required annual review.

5. DEFAULT PROVISIONS.

5.1. Default by Developer.

5.1.1 Default. In addition to the Annual Review process set forth in Section 4, in the event Developer does not perform its obligations under this the Agreement in a timely manner, the City shall have all rights and remedies provided for in this Agreement, compelling the specific performance of the obligations of Developer under this Agreement, or modification or termination of this Agreement, provided that the City has first complied with the procedure in Section 5.1.2, including without limitation, Section 7.5; provided that the City shall have no right to monetary damages under this Development Agreement as a result of any default by Developer unless the default of the Developer relates to any requirement in this Development Agreement that the Developer pay money to the City or reimburse the City for any expenditures. Nothing in this Section 5.1.1 shall limit the City's right to terminate this Agreement in accordance with Section 4.7.

5.1.2 Notice Of Default. With respect to a default pursuant to this Agreement, the City, through the Planning Director shall submit to Developer, by registered or certified mail, return receipt requested, a written notice of default in the manner prescribed in Section 7.15, identifying with specificity those obligations of Developer which have not been performed. Upon receipt of the notice of default, Developer shall promptly commence to cure the identified default(s) at the earliest reasonable time

after receipt of the notice of default and shall complete the cure of such default(s) not later than sixty (60) days after receipt of the notice of default, or such longer period as is reasonably necessary to remedy such default(s), provided that Developer shall continuously and diligently pursue such remedy at all times until such default(s) is cured.

5.1.3. Failure To Cure Default Procedure. If after the cure period has elapsed, the Planning Director finds and determines that Developer, or its successors, transferees and/or assignees, as the case may be, remains in default and that the City intends to terminate or modify this Agreement, or those transferred or assigned rights and obligations, as the case may be, the Director shall make a report to the Planning Commission and then set a public hearing before the Commission in accordance with the notice and hearing requirements of Government Code Sections 65867 and 65868. If after public hearing, the Planning Commission finds and determines, on the basis of substantial evidence, that Developer or its successors, transferees and/or assignees, as the case may be, has not cured default pursuant to this Section, and that the City shall terminate or modify this Agreement, or those transferred or assigned rights and obligations, as the case may be, Developer and its successors, transferees and/or assigns, shall be entitled to appeal that finding and determination to the City Council in accordance with Section 7.3. In the event of a finding and determination that all defaults are cured, there shall be no appeal by any person or entity. Nothing in this Section or this Agreement shall be construed as modifying or abrogating Los Angeles City Charter Section 245 (City Council review of Commission and Board actions).

5.2. Default By The City.

5.2.1. Default. In the event the City does not accept, process, or render a decision on necessary development permits, entitlements, or other land use or building approvals for use the implementation of the Project as provided in this Agreement upon compliance with the requirements therefor, or as otherwise agreed to by the Parties, or the City otherwise defaults under the provisions of this Agreement, Developer shall have those rights and remedies provided herein or by applicable law, which shall include Section 7.5, compelling the specific performance of the City's obligations under this Agreement provided that the Developer has first complied with the procedures in Section 5.2.2. No part of this Agreement shall be deemed to abrogate or limit any immunities or defenses the City may otherwise have with respect to claims for monetary damages or specific performance and all rights and remedies set forth in the DDA or available at law or in equity.

5.2.2 Notice of Default. Developer shall first submit to the City a written notice of default in the manner prescribed in Section 7.15 stating with specificity those obligations of the City which have not been performed. Upon receipt of the notice of default, the City shall promptly commence to cure the identified default(s) at the earliest reasonable time after receipt of the notice of default and shall complete the cure of such default(s) not later than one hundred and twenty (120) days after receipt of the notice of default, or such longer period as is reasonably necessary to remedy such default(s), provided that the City shall continuously and diligently pursue such remedy at all times until such default(s) is cured. In the case of a dispute as to whether the City has cured the default, the Parties shall submit the matter to arbitration pursuant to Section 7.12.2 of this Agreement.

5.3. No Monetary Damages. It is acknowledged by the parties that the City would not have entered into this Agreement if it were liable in monetary damages under or with respect to this Agreement or the application thereof. Both parties agree and recognize that, as a practical matter, it may not be possible to determine an amount of monetary damages which would adequately compensate Developer for its investment of time and financial resources in planning to arrive at the kind, location, intensity of use, and improvements for the Project, nor to calculate the consideration the City would require to enter into this Agreement to justify such exposure. Therefore, the parties agree that each of the parties may pursue any remedy at law or equity available for any breach of any provision of this Agreement, except that the City shall not be liable in monetary damages and, except as set forth in Section 5.1.1 above, the Parties covenant not to sue for or claim any monetary damages for the breach of any provision of this Agreement.

6. MORTGAGEE PROTECTIONS.

6.1. No Encumbrances Except Mortgage, Deeds of Trust, Sales and Lease-Backs or Other Financing for Development.

Developer shall have the same right to encumber Developer's right, title and interest in, to and under this Agreement and the Development Site that Developer would have absent this Agreement, pursuant to one or more Mortgages, provided that each such Mortgage is given for the purpose of securing funds to be used for financing the acquisition of the Development Site or any portion thereof, the construction of improvements thereon, and any other expenditures reasonably necessary and appropriate to develop the Project.

6.2 Title by Foreclosure. Except as otherwise set forth herein, all of the provisions contained in this Agreement shall be binding on and for the benefit of any person who acquires title to the Development Site or any portion thereof by foreclosure, trustee's sale, deed in lieu of foreclosure, lease termination or expiration or other involuntary transfer under a Mortgage.

6.3 Modification of Article; Conflicts. The City hereby agrees to cooperate in including in this Agreement by suitable amendment from time to time any provision which may reasonably be requested by any proposed Mortgagee for the purpose of allowing such Mortgagee reasonable means to protect or preserve the lien and security interest of the Mortgage hereunder as well as such other documents containing terms and provisions customarily required by Mortgagees (taking into account the customary requirements of their participants, syndication partners or ratings agencies) in connection with any such financing. The City agrees to execute and deliver (and to acknowledge, if necessary, for recording purposes) any agreement necessary to effectuate any such amendment; provided, however, that any such amendment shall not in any way materially adversely affect any rights of either Party under this Agreement. If there is any conflict between this Article 6 and any other provision contained in this Agreement, this Article 6 shall control.

6.4. Entitlement to Written Notice of Default. The mortgagee of a mortgage or beneficiary of a deed of trust encumbering the Property, or any part thereof, and their successors and assigns shall, upon written request to the City, be entitled to receive from the City written notification of any default by Developer of the performance of Developer's

obligations under this Agreement which has not been cured within sixty (60) days following the date of default. Notwithstanding the foregoing, the City's failure to comply with this section shall not constitute a default, or grounds for termination. Developer shall reimburse the City for its actual costs, reasonably and necessarily incurred, to prepare this notice of default.

7. GENERAL PROVISIONS

7.1. Effective Date. This Agreement shall be effective upon such date as it is attested by the City Clerk of the City of Los Angeles after approval by the City Council and execution by Developer and the Mayor of the City of Los Angeles.

7.2. Basic Term. The term of this Agreement ("Term") shall commence on the Effective Date and shall extend until twenty (20) years after the Effective Date, unless said Term is otherwise terminated, modified or extended by circumstances set forth in this Agreement or by mutual consent of the Parties hereto. The Term shall be subject to extension pursuant to Section 7.4.

7.2.1 Termination of Agreement. Following the expiration of the Term, this Agreement shall terminate and be of no further force and effect.

7.2.2. Early Full Termination of Agreement. The Agreement is terminable: (i) by mutual written consent of the Parties; or (ii) by either Party following an uncured default by the other Party under this Agreement, subject to the procedures and limitations set forth in this Agreement.

7.3. Appeals To City Council. Where an appeal by Developer to the City Council from a finding and/or determination of the Planning Director or Planning Commission is created by this Agreement, such appeal shall be taken, if at all, within twenty (20) days after the delivery of notice in accordance with Section 7.15 of such finding and/or determination to Developer, or its successors, transferees, and/or assignees, as the case may be. The City Council shall act upon the finding and/or determination of the Planning Director or Planning Commission within eighty (80) days after such delivery of notice in accordance with Section 7.15, or within such additional period as may be agreed upon by the Developer and the City Council. The failure of the City Council to act shall not be deemed to be a denial or an approval of the appeal, which shall remain pending until final City Council action.

7.4. Enforced Delay; Extension Of Time Of Performance. In addition to specific provisions of this Agreement, whenever a period of time, including a reasonable period of time, is designated within which either Party hereto is required to do or complete any act, matter or thing, the time for the doing or completion thereof shall be extended by a period of time equal to the number of days during which such Party is actually prevented from, or is unreasonably interfered with, the doing or completion of such act, matter or thing because of causes beyond the reasonable control of the Party to be excused, including: war; insurrection; riots; floods; earthquakes; fires; casualties; acts of God; litigation and administrative proceedings against the Project (not including any administrative proceedings contemplated by this Agreement in the normal course of affairs

such as the Annual Review); any approval required by the City (not including any period of time normally expected for the processing of such approvals in the ordinary course of affairs); restrictions imposed or mandated by other governmental entities; enactment of conflicting state or federal laws or regulations; judicial decisions; the exercise of the City's Reserved Powers; or similar bases for excused performance which is not within the reasonable control of the Party to be excused (financial inability excepted). This Section shall not be applicable to any proceedings with respect to bankruptcy or receivership initiated by or on behalf of Developer or, if not dismissed within ninety (90) days, by any third parties against Developer. If written notice of such delay is given to either Party within thirty (30) days of the commencement of such delay, an extension of time for such cause will be granted in writing for the period of the enforced delay, or longer as may be mutually agreed upon; in the event no such notice is given, such claim of delay from that cause shall be deemed waived and no extension shall be granted on that basis.

7.5. Legal Action. Subject to the limitation on remedies imposed by this Agreement, either Party may, in addition to any other rights or remedies, institute legal action to cure, correct, or remedy any default, enforce any covenant or agreement herein, enjoin any threatened or attempted violation, or enforce by specific performance the obligations and rights of the Parties hereto or seek declaratory relief with respect to its rights, obligations and interpretations of this Agreement or pursue other remedies under applicable law.

7.6. Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California, and the venue for any legal actions brought by any Party with respect to this Agreement shall be the County of Los Angeles, State of California for state actions and the Central District of California for any federal actions.

7.7. Amendments. This Agreement may be amended from time to time by mutual consent in writing of the Parties to this Agreement in accordance with Government Code Section 65868. Any amendment to this Agreement which relates to the Term, permitted uses, density or intensity of use, height, or size of buildings, provisions for reservation and dedication of land, conditions, restrictions, and requirements relating to subsequent Discretionary Action, monetary contributions by Developer, if any, or any conditions or covenants relating to the use of the Development Site shall require notice and public hearing before the Parties may execute an amendment thereto. Developer shall reimburse the City for its actual costs, reasonably and necessarily incurred, to review any amendments requested by Developer including the cost of any public hearings.

7.8 Assignment

7.8.1. Right to Assign Development Site. Developer shall have the right to sell, transfer, or assign the Development Site or any portion thereof (provided that no such partial transfer shall violate the Subdivision Map Act, Government Code Section 66410, et seq.) to any person, partnership, joint venture, firm, or corporation at any time during the Term of this Agreement, together with the rights granted to and obligations imposed upon the Development Site pursuant to this Agreement, including the right to transfer and allocate density and other development rights, without consent of the City,

subject to the following:

7.8.1.1 Notwithstanding Section 7.8.1 of this Agreement, because this Agreement is intended to represent an integrated plan, the failure of any successor-in-interest to perform the obligations assigned to it may result, at the City's option, in a declaration that this Agreement has been breached and an election to terminate this Agreement in its entirety as provided for in Section 5.1.

7.8.1.2 Developer, or any successor transferor, shall give prior written notice to the City of its intention to assign or transfer any of its interests, rights or obligations under this Agreement and a complete disclosure of the identity of the assignee or transferee, including copies of the Articles of Incorporation in the case of corporations and the names of individual partners in the case of partnerships. Any failure by Developer to provide said notice shall be curable in accordance with the provisions of Section 5.1.

7.8.2 Allocation of Development Rights. Notwithstanding the foregoing, Developer shall have the right to contractually allocate with any proposed purchaser, transferee, or assignee of any portion of the Development Site, the rights and obligations of Developer hereunder with respect to such portion of the Development Site, including, without limitation, permitted density and/or other development rights, and the right and obligation to construct improvements, all of which shall be set forth in a written assignment and assumption agreement between Developer and the proposed purchaser, transferee, or assignee. The assignment of Developer's rights and obligations under this Agreement shall not be effective unless the City consents in writing thereto. The City may withhold its consent to such assignment if the City reasonably believes that the assignment of the rights and obligations under this Agreement will interfere with or will diminish the Developer's and/or assignee's ability to perform the obligations under this Agreement.

7.9. Covenants. The provisions of this Agreement shall constitute covenants which shall run with the land comprising the Development Site for the benefit thereof and as a burden thereon, and the burdens and benefits hereof shall bind and inure to the benefit of all assignees, transferees, and successors to the Parties hereto. To the extent that the Development Site consists of property leased to Developer, this Agreement shall encumber only the leasehold interest and shall not constitute an encumbrance upon the estate in fee.

7.10. Implementation.

7.10.1. Processing. Upon satisfactory completion by Developer of all required preliminary actions, applications and payment of appropriate Processing Fees and Charges, including the fee for processing this Agreement, the City and Developer shall commence and diligently process all required steps necessary for the implementation of this Agreement and the implementation of the Project in accordance with the terms of this Agreement. Developer shall, in a timely manner, provide the City with all documents, plans, fees and other information necessary for the City to carry out its processing obligations.

7.10.1.1. Processing Fees and Charges. Processing Fees and Charges for the implementation of the Project shall be limited to Processing Fees and

Charges in effect on the Effective Date.

7.10.1.2. Time frames and Staffing for Processing and Review.

The City agrees that expeditious processing of Ministerial Permits and Approvals, Inspections, and any other approvals or actions required for the implementation of the Project are critical. The City and Developer agree that all requests for Ministerial Permits and Approvals shall be reviewed and/or completed by the City as expeditiously as possible following the submittal of full and complete applications for such Ministerial Permits and Approvals. The City further agrees to expeditiously respond to requests for Inspections by Developer.

7.10.2. Other Governmental Permits.

Developer shall apply in a timely manner for such other permits and approvals as may be required from other governmental or quasi-governmental agencies having jurisdiction over the Project as may be required for the development of, or provision of services to, the Project. The City shall cooperate with Developer in its endeavors to obtain such permits and approvals and shall, from time to time at the request of Developer, attempt with due diligence and in good faith to enter into binding agreements with any such entity to ensure the availability of such permits and approvals, or services, provided such agreements are reasonable and not detrimental to the City. These agreements may include, but are not limited to, joint powers agreements under the provisions of the Joint Exercise of Powers Act (Government Code Section 6500, et seq.) or the provisions of other laws to create legally binding, enforceable agreements between such parties. To the extent allowed by law, Developer shall be a party to any such agreement, or a third party beneficiary thereof, entitled to enforce for its benefit on behalf of the City, or in its own name, the rights of the City or Developer thereunder or the duties and obligations of the parties thereto. Developer shall reimburse the City for all costs and expenses incurred in connection with seeking and entering into any such agreement provided that Developer has requested it. Developer shall defend the City in any challenge by any person or entity to any such agreement, and shall reimburse the City for any costs and expenses incurred by the City in enforcing any such agreement. Any fees, assessments, or other amounts payable by the City thereunder shall be borne by Developer, except where Developer has notified the City in writing, prior to the City entering into such agreement, that it does not desire for the City to execute such agreement.

7.10.3. Impact Fees.

This Agreement shall not limit any impact fees, linkage fees, exaction, assessments or fair share charges or other similar fees or charges imposed by other governmental entities and which the City is required to collect or assess pursuant to applicable law (e.g., school district impact fees pursuant to Government Code Section 65995).

7.11. Relationship Of The Parties.

It is understood and agreed by the Parties hereto that the contractual relationship created between the Parties hereunder is that Developer is an independent party and not an agent of the City. Further, the City and Developer hereby renounce the existence of any form of joint venture or partnership between them and agree that nothing herein or in any document executed in connection herewith shall be construed as making the City and Developer joint venturers or partners.

7.12. Dispute Resolution.

7.12.1. Dispute Resolution Proceedings. The Parties may agree to dispute resolution proceedings to fairly and expeditiously resolve disputes or questions of interpretation under this Agreement. These dispute resolution proceedings may include: (a) procedures developed by the City for expeditious interpretation of questions arising under development agreements; (b) non-binding arbitration as provided below; or (c) any other manner of dispute resolution which is agreed upon by the Parties.

7.12.2. Arbitration. Any dispute between the Parties that is to be resolved by arbitration shall be settled and decided by arbitration conducted by an arbitrator who must be a former judge of the Los Angeles County Superior Court or Appellate Justice of the Second District Court of Appeals or the California Supreme Court. This arbitrator shall be selected by mutual agreement of the Parties.

7.12.3. Arbitration Procedures. Upon appointment of the arbitrator, the matter shall be set for arbitration at a time not less than thirty (30) nor more than ninety (90) days from the effective date of the appointment of the arbitrator. The arbitration shall be conducted under the procedures set forth in the Code of Civil Procedure Section 638, et seq., or under such other procedures as are agreeable to both Parties, except that provisions of the California Code of Civil Procedure pertaining to discovery and the provisions of the California Evidence Code shall be applicable to such proceeding.

7.12.4. Extension Of Agreement Term. The Term of this Agreement as set forth in Section 7.2 shall automatically be extended for the period of time in which the Parties are engaged in dispute resolution to the degree that such extension of the Term is reasonably required because activities which would have been completed prior to the expiration of the Term are delayed beyond the scheduled expiration of the Term as the result of such dispute resolution.

7.13. Cooperation In The Event Of Litigation. In the event of any Litigation instituted by a third party or other governmental entity or official challenging the validity of any provision of this Agreement, the Signage Ordinance, or the Existing Development Approvals, the Parties hereby agree to affirmatively cooperate in defending said action.

7.13.1. Coordination and Notice. In the event any Litigation should arise, the City shall notify Developer in writing of such Litigation not later than five (5) business days after service upon City and shall transmit to Developer any and all documents (including, without limitation, correspondence and pleadings) received by, or served upon, City in connection with such Litigation. Upon receipt of such notice from the City, Developer shall retain and appoint legal counsel ("Counsel" for purposes of this Section) with respect to the Litigation. The Parties acknowledge that Counsel will appear and represent Developer in connection with such Litigation and such Counsel shall, at the request of the City Attorney, cooperate with the City Attorney and shall coordinate legal strategy and otherwise cooperate with City in connection with the Litigation. The City Attorney or his designee shall appear on behalf of the City in any such Litigation and shall at all times retain final authority and control over all documents to be filed on the City's behalf and all actions to be taken by the City with respect to Litigation. The City and

Developer shall cooperate in the defense of the Litigation, and each shall make its records (other than documents privileged from disclosure) and personnel available to the other as may be reasonably requested in connection with the Litigation.

7.13.2. Joint Defense. It is understood and agreed that Counsel shall represent Developer and that the City shall not be considered the client of Counsel, nor Developer the client of the City Attorney. Both Developer and the City understand that the requirements of cooperation contained in this Agreement apply only as to matters reasonably necessary for the accomplishment of the defense of the Litigation and shared information is intended to be, and must be, kept confidential.

7.14. Hold Harmless and Insurance.

7.14.1. Developer Hold Harmless. Developer hereby agrees to and shall indemnify, save, hold harmless and defend the City, and its elected and appointed representatives, boards, commissions, officers, agents, and employees (collectively, "the City" in for purposes of this Section), from any and all claims, costs, and liability for any damages, personal injury or death which may arise, directly or indirectly, from Developer or Developer's contractors, subcontractors, agents, or employees' operations, acts or omissions in connection with the construction of the Project or implementation of the Signage Ordinance, whether such operations, acts or omissions be by Developer or any of Developer's contractors, subcontractors, by any one or more persons directly or indirectly employed by, or acting as agent for Developer or any of Developer's contractors or subcontractors. Developer further agrees to and shall indemnify, save, hold the City harmless in any action brought by a third Party (1) challenging the validity of this Agreement or (2) seeking damages which may arise directly or indirectly from the negotiation, formation, execution, enforcement or termination of this Agreement. Developer specifically agrees that it will indemnify City for its costs of defense of such litigation, including the costs of attorneys fees which may be incurred by or payable by the City. Nothing in this Section shall be construed to mean that Developer shall hold the City harmless and/or defend it from any claims that arise from, or are alleged to have arisen from, the negligent acts, or negligent failure to act, on the part of the City. City agrees that it shall fully cooperate with Developer in the defense of any matter in which Developer is defending and/or holding the City harmless.

7.14.2. Insurance. Without limiting its obligation to hold the City harmless, Developer shall provide and maintain at its own expense, at all times during the Term of this Agreement, the following program of insurance concerning its operations hereunder. The insurance shall be provided by insurer(s) satisfactory to the City on or before the Effective Date of this Agreement. The program of insurance provided shall specifically identify this Agreement and shall contain express conditions that the City is to be given written notice at least thirty (30) days prior to any modification or termination of coverage. Such insurance shall be primary to and not contributing with any other insurance maintained by the Developer, shall name the City as an additional insured, and shall include, but not be limited to, either comprehensive general liability insurance endorsed for Premises/Project Site Operations, Products/Completed Operations, Contractual, Broad Form Property Damage, and Personal Injury or Builder's All-Risk Insurance, with a combined single limit of not less than [-----per occurrence.

From time to time, but not more often than once every two (2) years, Developer shall increase the coverage limits of the insurance required under this Section if so directed by the City after a determination by the City that such an increase is justified using customary and reasonable risk management methods and principles.

7.15. Notices. Any notice or communication required hereunder between the City or Developer must be in writing, and may be given either personally or by registered or certified mail, return receipt requested or by overnight courier. If given by registered or certified mail, the same shall be deemed to have been delivered and received on the first to occur of (i) actual receipt by any of the addressees designated below as the Party to whom notices are to be sent, or (ii) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If personally delivered or delivered by courier, a notice shall be deemed to have been given when delivered to the Party to whom it is addressed. Any Party hereto may at any time, by giving ten (10) days' written notice to the other Party hereto, designate any other address in substitution of the address, or any additional address, to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below:

If to the City:

Director of Planning
City of Los Angeles
City Hall Room 561-C
200 North Spring Street
Los Angeles, California 90012

with copies to:

General Manager
Department of Transportation
City of Los Angeles
Room 1200, City Hall
200 North Spring Street
Los Angeles, California 90012

City Administrative Officer
1500 floor, City Hall East
200 No. Main Street
Los Angeles, California 90012

City Attorney, City of Los Angeles
Real Property/Environment Division
Managing Assistant
1800 City Hall East,
200 N. Main Street
Los Angeles, California 90012

If to Developer:

TrizecHahn Hollywood LLC
4350 La Jolla Village Drive, Suite 400

San Diego, CA 92122-1233
Attn.. General Counsel

with copies to:

Allen, Matkins, Leck, Gamble & Mallory, LLP
515 South Figueroa Street
Los Angeles, California 90071
Attn.: Jerold B. Neuman, Esq.
Michael J. Kiely, Esq.

7.16. Estoppel Certificates. Any Party may, at any time, deliver written notice to any other Party requesting such Party to certify in writing that, to the best knowledge of the certifying Party, (i) this Agreement is in full force and effect and a binding obligation of the Parties, (ii) this Agreement has not been amended or modified either orally or in writing, and if so amended, identifying the amendments, and (iii) the requesting Party is not in default in the performance of its obligation set forth in this Agreement or, if in default, to describe therein the nature and amount of any such defaults. A Party receiving a request hereunder shall execute and return such certificate within thirty (30) days following the receipt thereof. Any third Party including a Mortgagee shall be entitled to rely on the Certificate.

7.17. Recordation. As provided in Government Code Section 65868.5, the City Clerk of Los Angeles shall record a copy of this Agreement with the Registrar-Recorder of the County of Los Angeles within ten (10) days following its execution by both Parties. Developer shall provide the City Clerk with the fees for such recording prior to or at the time of such recording.

7.18. Constructive Notice And Acceptance. Every person who now or hereafter owns or acquires any right, title, interest in or to any portion of the Development Site is and shall be conclusively deemed to have consented and agreed to every provision contained herein, whether or not any reference to this Agreement is contained in the instrument by which such person acquired an interest in the Development Site.

7.19. Severability. If any provisions, conditions, or covenants of this Agreement, or the application thereof to any circumstances of either Party, shall be held invalid or unenforceable, the remainder of this Agreement or the application of such provision, condition, or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

7.20. Time Of The Essence. Time is of the essence for each provision of this Agreement of which time is an element.

7.21. Waiver. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the Party against whom enforcement of a waiver is sought and refers expressly to this Section. No waiver of any right or remedy with respect to any occurrence or event shall be deemed a waiver of any right or remedy with respect to any other occurrence or event.

7.22. No Third Party Beneficiaries. The only Parties to this Agreement are the City and Developer and their successors-in-interest. There are no third Party beneficiaries and this Agreement is not intended, and shall not be construed to benefit or be enforceable by any other person whatsoever.

7.23 Expedited Processing. Developer and the City agree to cooperate in the expedited processing of any legal action seeking specific performance, declaratory relief or injunctive relief, to set court dates at the earliest practicable date(s) and not cause delay in the prosecution/defense of the action, provided such cooperation shall not require any Party to waive any rights.

7.24 Entire Agreement. This Agreement and the documents, agreements and exhibits referenced herein or attached hereto set forth and contain the entire understanding and agreement of the Parties with respect to the rights and obligations contained herein, and there are no oral or written representations, understandings or ancillary covenants, undertakings or agreements except as expressly referred to herein, and no testimony or evidence of any such representations, understandings, or covenants shall be admissible in any proceedings of any kind or nature to interpret or determine the provisions or conditions of this Agreement

7.25 .Legal Advice; Neutral Interpretation; Headings, and Table Of Contents

Each Party has received independent legal advice from its attorneys with respect to the advisability of executing this Agreement and the meaning of the provisions hereof. The provisions of this Agreement shall be construed as to their fair meaning, and not for or against any Party based upon any attribution to such Party as the source of the language in question. The headings and table of contents, used in this Agreement are for the convenience of reference only and shall not be used in construing this Agreement.

7.26 Counterparts. This Agreement is executed in duplicate originals, each of which is deemed to be an original. This Agreement, not counting the Cover Page, and Table of Contents, consists of X pages and X Exhibits which constitute the entire understanding and agreement of the Parties. The Exhibits are identified in the List of Exhibits, which is contained in the Table of Contents of this Agreement.

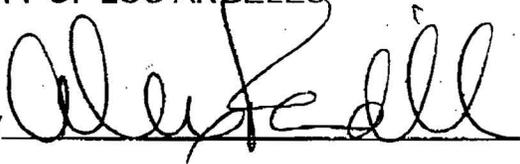
IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first written above.

TRIZECHAHN HOLLYWOOD LLC

By _____

Date _____

CITY OF LOS ANGELES

By 

Date NOV 5 2002

APPROVED AS TO FORM AND LEGALITY

ALLEN MATKINS LECK GAMBLE & MALLORY LLP

By _____
(For TrizecHahn Hollywood LLC)

Date _____

ROCKARD J. DELGADILLO, CITY ATTORNEY

By 
Susan D. Pfann
Assistant City Attorney

Date Nov 4, 2002

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first written above.

TRIZECHAHN HOLLYWOOD LLC

By  _____

Date 11-5-02 _____

CITY OF LOS ANGELES

By _____

Date _____

APPROVED AS TO FORM AND LEGALITY

ALLEN MATKINS LECK GAMBLE & MALLORY LLP

By  _____
(For TrizecHahn Hollywood LLC)

Date 11-5-02 _____

ROCKARD J. DELGADILLO, CITY ATTORNEY

By _____
Susan D. Pfann
Assistant City Attorney

Date _____

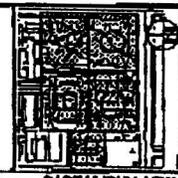
EXHIBIT A

H&H

HOLLYWOOD
&
HIGHLAND

- 1. Lobby
- 2. Ticket Booth
- 3. Box Office
- 4. Stage
- 5. Dressing Room
- 6. Rehearsal Room
- 7. Office
- 8. Restroom
- 9. Elevator
- 10. Staircase
- 11. Corridor
- 12. Entrance
- 13. Exit
- 14. Fire Escape
- 15. Mechanical Room
- 16. Storage
- 17. Utility
- 18. Janitor
- 19. Security
- 20. Signage

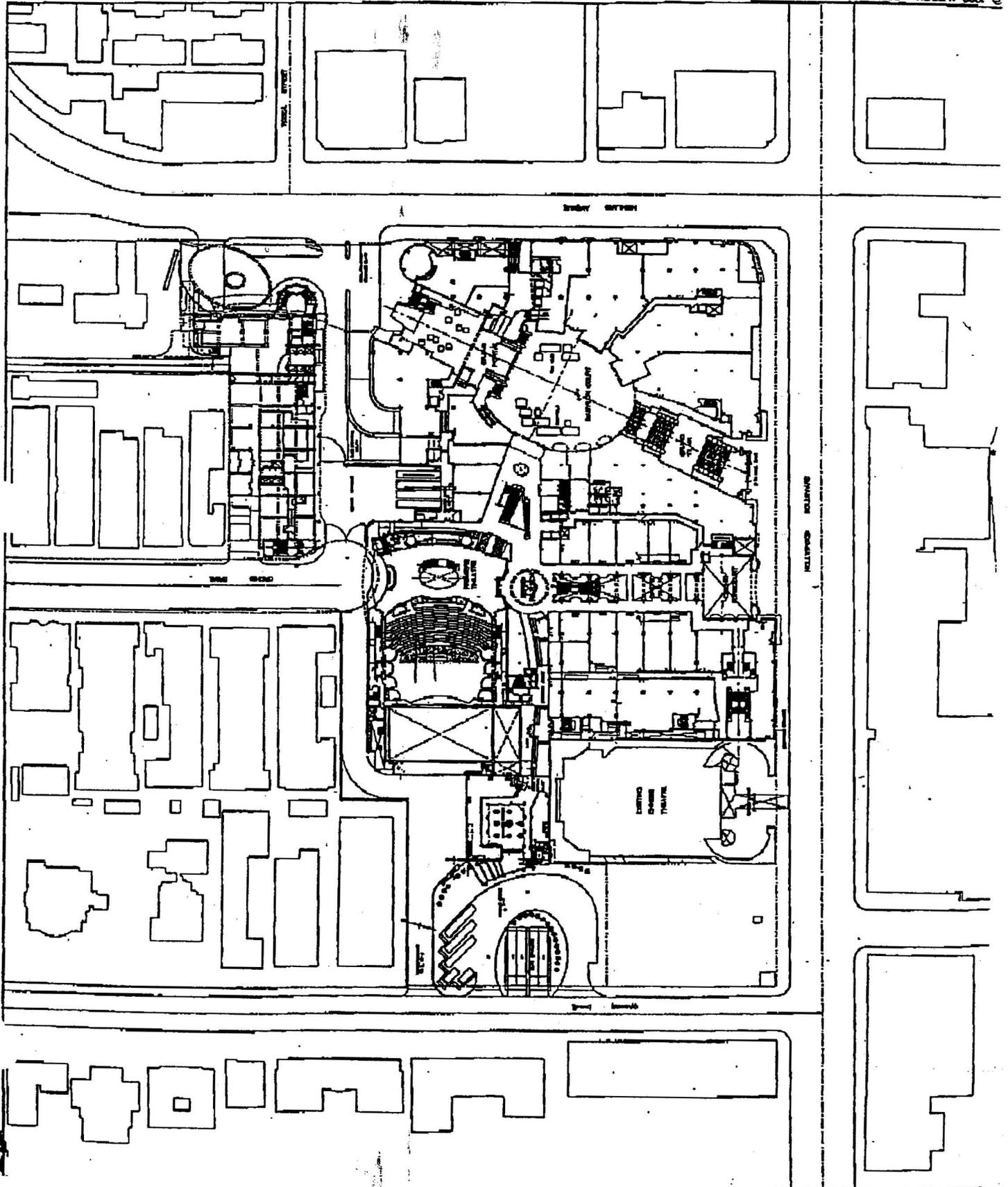
PROPOSED
RENOVATION



LEVEL 2
SITE PLAN
EL. 400'-0"

A-12

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ENTITLEMENTS RE: 6801 HOLLYWOOD BOULEVARD

Item	Date	Description
1.	9/15/98	City Plan Case No. 98-0203 (ZC), Zone Change to C4 2-D City Planning Commission;
2.	10/7/98	Vesting Tract Map No. 52496 (VTM No. 52496) City Council;
3.	12/16/98	CF 98-1766-S2, CD 13, Conditions of Approval and Variance Appeal (BZA 5614, 5615, 5616, 5617)(ZA 98-0449 CUB, CUX, CUZ, ZV) City Council;
4.	6/9/99	VTM No. 52496, Letter of Modification/Revised Map re condition F-1. Darryl Fisher, Deputy Advisory Agency;
5.	6/15/99	VTM No. 52496, Letter of Clarification re Orchid Street Vacation Daryl Fisher, Deputy Advisory Agency
6.	9/16/99	VTM No. 52496, Letter of Correction re conditions B.2, E.16, F.16, A.7, A.8, and M.3 Darryl Fisher, Deputy Advisory Agency;
7.	11/17/99	CPC 99-2674, VTM 52496, CPC 98-0203, Amendment of Council's Instructions Re Removal of [T] Tentative Conditions Con Howe, Planning Director;
8.	12/20/99	Case No. ZA 98-0449(CUB)(CUX)(CUZ)(ZV), Letter of Clarification Emily Gabel-Luddy, Associate Zoning Administrator;
9.	2/22/00	VTM 52496 Letter of Clarification re conditions C.6 and C.15 Emily Gabel-Luddy, Deputy Advisory Agency
10.	3/6/00	Case No. ZA 98-0449(CUB)(CUX)(CUZ)(ZV), Letter of Clarification Emily Gabel-Luddy, Associate Zoning Administrator
11.	6/23/00	CF 00-1231, City Council Action approving Final Map No. 52496-01
12.	10/12/00	Case No. ZA 2000-3409(CUB) Conditional Use Permit for sale of alcoholic beverages in a duty free shop, John Perica, Associate Zoning Administrator;
13.	11/21/00	VTM No. 52496, Letter of Clarification re Condition F-1 Emily Gabel-Luddy, Deputy Advisory Agency;
14.	12/21/00	VTM No. 52496, Letter of Clarification re Condition F-1 Emily Gabel-Luddy, Deputy Advisory Agency;
15.	1/16/01	Case No. ZA 2000-4320(CUB)(CUX) Conditional Use Permit to allow the sale and dispensing of alcoholic beverages in three restaurants and two stand alone bars; live entertainment and dancing in one restaurant; and extend hours for one stand alone bar, Jon Perica, Associate Zoning Administrator;
16.	2/22/01	Case No. ZA 98-0449(CUB)(CUX)(CUZ)(ZV), Reissued Letter of Clarification re Condition No. 14, Governors' Ballroom to include terrace and pre-function areas and that the hotel has maintained exiting deemed to be approved and CUP locations for sales of alcoholic beverages, Jon Perica, Associate Zoning Administrator;
17.	3/28/01	VTM No. 52496 Recorded as Instrument No. 01-0513983, in Book 1258, at Page 1 of Maps in the County of Los Angeles;
18.	6/28/01	Ordinance No. 174063 City Council
19.	2/13/02	CF 98-1766-S2 Zone Variance Appeal for Off-Site Parking and Transit Programs for Employees (CPC 2001-1940-DA-ZV), City Council;

COMPOSITE*
LICENSE AGREEMENT

TRIZECHAHN HOLLYWOOD LLC,
a Delaware limited liability company

as Licensor,

TRIZECHAHN HOLLYWOOD HOTEL LLC,

a Delaware limited liability company

as Hotel Owner,

and

THE ACADEMY OF MOTION PICTURE ARTS AND SCIENCES,
a California non-profit corporation

as Academy.

*** (An assemblage of the original License Agreement dated as of April 20, 1999 and the First Amendment to License Agreement dated October 15, 2001; additions/replacements attributable to the First Amendment are set forth in bold)**

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**COMPOSITE
LICENSE AGREEMENT**

This License Agreement (this “License” or “License Agreement”) and the First Amendment to License Agreement were each entered into by and between TRIZECHAHN HOLLYWOOD LLC, a Delaware limited liability company (“Licensor”), ACADEMY OF MOTION PICTURE ARTS AND SCIENCES, a California nonprofit corporation (“Academy”), and, for certain limited purposes as further set forth in this License, TRIZECHAHN HOLLYWOOD HOTEL LLC, a Delaware limited liability company, in its capacity as owner of the “Hotel,” as that term is defined below (in such capacity, “Hotel Owner”).

RECITALS

A. Licensor is the developer of that certain mixed use retail/entertainment complex, to be located at the northwest corner of Hollywood Boulevard and Highland Avenue in the Hollywood area of the City of Los Angeles, California (the “Project”). The Project shall be deemed to include the parking facility servicing the same, the land upon which the Project and the parking facility are located, and all other improvements located on such land. That certain hotel and related facilities located adjacent to the Project and currently owned by Hotel Owner is herein referred to as the “Hotel.” Hotel Owner is renovating the Hotel concurrently with the construction of the Project (the “Hotel Renovations”).

B. Licensor, Hotel Owner and Academy each desire to enter into an agreement for the operations specified in this License. As part of such agreement, Academy desires to use and Licensor and Hotel Owner each desire to grant to Academy a license for the use of those portions of the Project and Hotel specified in this License.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and the covenants to be performed hereunder, Licensor, Hotel Owner and Academy agree as follows.

SECTION 1.

THE LICENSE AREA

1.1 Construction of License Area. Licensor shall construct the Project and the “License Area,” as that term is defined in Section 1.2, below, in accordance with the terms of the Work Letter attached hereto as Exhibit B. Hotel Owner shall complete the Hotel Renovations in accordance with the “Design Development Drawings,” as defined in Section 1.3 of the Work Letter, and the applicable terms of the Work Letter. In order to effect such construction, Licensor acknowledges that it is necessary to, and Licensor therefor shall, acquire, or cause the City of Los Angeles or the Los Angeles Community Redevelopment Agency to acquire, the property generally known as the Madison surface parking lot.

1.2 Use and Definition of License Area; Delivery Condition.

1.2.1 Use and Definition of License Area. In consideration of the payment by Academy to Licensor of the "License Fees," as that term is defined in Section 3.1 of this License, Licensor and Hotel Owner shall allow Academy the right to use, and access to, pursuant to the terms of this License, those areas of the Project and the Hotel set forth below, as more particularly set forth on Exhibit A, attached to this Amendment (collectively, the "License Area"), and such other areas of the Project as Licensor, Hotel Owner and Academy may mutually designate from time to time. The License Area shall consist of the following areas, provided that to the extent of any discrepancy between the descriptions set forth below and Exhibit A, Exhibit A shall control:

(i) the "Theatre," consisting of the Theatre structure, stage, staging and audience areas, lobbies, backstage areas which serve the Theatre, offices which serve the Theatre, loading dock areas which serve the Theatre, and other areas as shown on Exhibit A;

(ii) the "Governors Ballroom Area," consisting of the ballroom, storage rooms, and other areas as shown on Exhibit A, and including the designated bay(s) of the "East Retail Loading Dock" defined below, the "Kitchen Area," consisting of the kitchen and food services areas of the Governors Ballroom, and the service elevator which travels between the Kitchen Area and the Theatre Loading Dock, as designated on Exhibit A;

(iii) the "Pool Deck Area," consisting of the pool deck of the Hotel which is adjacent to the Governors Ballroom Area, as shown on Exhibit A;

(iv) the "Arrivals Area," consisting of the Hollywood Boulevard Frontage and those certain portions of the Orchid Walk Area as are included in the Arrivals Area for a particular Presentation, as more particularly set forth in Section 4 of the Operational Addendum attached hereto as Exhibit C;

(v) the "Hollywood Boulevard Frontage," consisting of that certain portion of the sidewalk owned by Licensor on Hollywood Boulevard between Highland Avenue and Orange Drive as is included in the Arrivals Area for a particular Presentation, as more particularly set forth in Section 4 of the Operational Addendum;

(vi) the "Pathway," consisting of the path to be used by guests for ingress and egress between the Arrivals Area, the Theatre and the Governors Ballroom for the applicable Presentation, as shown on Exhibit A;

(vii) the "Orchid Walk Area," consisting of the forecourt, lower and upper arcade walkway, and rotunda, as shown on Exhibit A;

(viii) the "Production Access Area," consisting of the circular bus drive and areas providing ingress and egress to the Theatre and the cable tunnel, as shown on Exhibit A;

(ix) the “Parking Area,” consisting of all of the Project parking areas, as shown on Exhibit A, but not including the “Valet Parking Area” defined below;

(x) the “Valet Parking Area,” consisting of those certain areas of Level P1 of the Project parking facility designated for the construction of temporary facilities, security offices, and other ancillary uses as shown on Exhibit A;

(xi) the “Press Area,” consisting of those certain areas of the Project and Hotel shown on Exhibit A, including the Hotel’s “Junior Ballroom” and adjacent meeting rooms, designated for the construction of temporary press facilities and interview rooms;

(xii) the “Hotel Meeting Rooms,” consisting of the rooms on Level 435 of the Hotel located directly over the “Junior Ballroom,” and the “Business Center” of the Hotel, as designated on Exhibit A;

(xiii) the “Security Offices Area,” consisting of the area within the Valet Parking Area designated for Security Offices on Exhibit A; and

(xiv) the “East Retail Loading Dock,” consisting of the southernmost loading dock in the east retail loading dock area on Level 400 of the Project.

1.2.2 Delivery Condition; Covenants Regarding Use.

(i) Theatre. On the commencement of Academy’s period of exclusive use of the Theatre, as such period is set forth in Section 9.2 of this License, Licensor shall deliver the Theatre to Academy “broom clean,” with the Theatre manager office, storage, dressing and other areas empty and ready for use by Academy. Notwithstanding the foregoing, certain areas, which shall be mutually agreed upon by Academy and Licensor, such as the janitorial closets, may remain stocked with supplies and related equipment.

(ii) Elevator. During Academy’s period of exclusive use of the Theatre, the elevator located approximately at the intersection of grid lines H and 10 on the page of Exhibit A showing Theatre Level 390, shall be “locked out” so that it will not stop at Level 390.

(iii) Governors Ballroom. On the commencement of Academy’s period of exclusive use of the Governors Ballroom Licensor shall deliver the Governors Ballroom, other than the Kitchen Area, to Academy, empty and “broom clean,” with storage areas empty and ready for use by Academy. Notwithstanding the foregoing, certain areas, which shall be mutually agreed upon by Academy and Licensor, such as the janitorial closets, may remain stocked with supplies and related equipment. Additionally, Academy shall have the right, on reasonable prior request to Licensor, subject to the terms of this License, to use the furniture or equipment of Licensor which is generally used by Licensor in the Governors Ballroom (not including the Kitchen Area). Such use of furniture or equipment shall be at no cost or expense to Academy. Academy shall be responsible for any damage to such furniture or equipment resulting from such use.

(iv) Kitchen Area. On the commencement of Academy's period of exclusive use of the Kitchen Area, Licensor shall deliver the Kitchen Area to Academy, empty and "broom clean," with storage areas empty and ready for use by Academy. Licensor shall make available to Academy, or cause any food service tenant or operator then occupying the Kitchen Area (the "Food Service Operator") to make available to Academy, the kitchen fixtures and major items of kitchen equipment located in the Kitchen Area. Academy shall be responsible for any damage caused by its use of any such fixtures or equipment. Academy will provide its own cookware, servingware, dishes, utensils and other minor items of equipment necessary for the Presentation (or make arrangements with such Food Service Operator to use its such property) at Academy's sole cost and expense. At least five (5) days prior to the Presentation, the refrigerators, freezers and other food storage areas within the Kitchen Area, shall be emptied and cleaned and Academy shall return the same to Licensor (or such Food Service Operator) in like condition one (1) day following the Presentation. In connection with Licensor's delivery of the Kitchen Area to Academy as set forth above, if Academy has not entered into a separate agreement with the Food Service Operator to provide food services for the Presentation, Academy shall pay to Licensor, as compensation for the use of the fixtures and major items of kitchen equipment, and the costs of emptying and cleaning the food storage areas within the Kitchen Area, an amount equal to Two Thousand Five Hundred Dollars (\$2,500.00) for each day during the Annual Use Period which Academy has exclusive use of the Kitchen Area (which daily amount shall be increased annually by an amount equal to the annual increase in the Consumer Price Index for all Urban Consumers for the Los Angeles-Anaheim-Riverside area, published by the US Department of Labor).

(v) Security Offices Area. Licensor shall have the right to relocate the Security Offices Area within the Project after the day following the Presentation, to a location reasonably acceptable to Academy, and reasonably coordinated in advance with the Academy and its security team.

(vi) Arrivals Area. **Licensor shall deliver the Arrivals Area and provide access to the Arrivals Area as set forth in, and subject to the terms of, the Operational Addendum for the applicable Presentation.**

(vii) Crew Feed. In addition to the License Area, Licensor shall provide Academy with a location at the Project, reasonably acceptable to Academy, where Academy can set up its "crew feed" area, sufficient to allow for sit-down meals (lunch and dinner) for approximately 600 persons in one hour in reasonable proximity to the Theatre, during the period commencing three (3) days prior to the Presentation, and continuing through the day of the Presentation.

(viii) Ingress, Egress and Bathrooms. In addition to the License Area, Academy shall have the right to use certain areas of the Project for ingress and egress (including, without limitation, on the day of the Presentation, the service exit corridor on the west side of Orchid Walk at level 380 of the Project). Additionally, (a) all of the Project public restrooms; shall be open and available for use by Academy and its invitees, and (b) Academy shall have the right, on reasonable prior notice to Licensor, and when accompanied by a representative of Licensor, to access the Project mechanical and utility rooms as necessary to prepare for the Presentation.

(ix) Kitchen Service Elevator. On the day after the Presentation Academy shall have the right to use the service elevator connecting to the Kitchen Areas for the purpose of removing trash and other items from the Governors Ballroom.

1.3 Initial Year of License Term; Failure to Complete Project.

1.3.1 Initial Presentation Requirements. With respect to the Presentation scheduled for March, 2002 (the "Initial Presentation"), Licensor and Hotel Owner hereby covenant and agree to cause the Project to be "Presentation Ready," as that term is defined in Section 1.3.3, below, on or before January 1, 2002. In connection therewith, Licensor and Hotel Owner shall (i) demonstrate to the Academy, on or before January 1, 2002, that the Known Conflicts have been resolved, and (ii) demonstrate to the Academy, on or before January 1, 2002, that the Licensor Offsite Conditions have been or will be met in the manner and to the extent required by the terms of Section 9.6 of the License. Provided that the Project is Presentation Ready on or before January 1, 2002, Academy shall stage the Presentation scheduled for March, 2002, at the Project in accordance with the terms of the License Agreement, as amended hereby.

1.3.2 Failure to be Presentation Ready. If Licensor has failed to cause the Project to be Presentation Ready on or before January 1, 2002, then either party shall have the right to terminate this License by notice given to the other on or before January 15, 2002. Upon termination of this License by either party pursuant to the terms of this Section 1.3.2, Licensor shall pay to Academy the "Termination Damages," defined in, and subject to the limitation set forth in, Section 12.4. of the License Agreement.

1.3.3 Presentation Ready. As used in this License, the term "Presentation Ready" shall mean that all of the following have occurred: (i) "Substantial Completion," as defined in Section 2 of the Work Letter, has occurred, with a demonstration by Licensor that any punch list items will be completed in a timely manner and so as not to cause any interference with the preparations for, and staging of the Presentation, and in any event prior to the commencement of Academy's exclusive use period of any areas to which any particular punch list items relate, (ii) all "Presentation Conflicts," as that term is defined in Section 4.3.2, below, have been resolved in accordance with the requirements of such Section 4.3.2, (iii) the "Licensor Offsite Conditions," as such term is defined in Section 9.6, below, have been satisfied in accordance with the requirements of such Section 9.6, and (iv) in lieu of the requirements of Schedule 1 of the Work Letter, Licensor has delivered to Academy certifications in the form set forth on Exhibit G attached hereto, or in another form reasonably acceptable to Academy, from the parties listed on such Exhibit G, or any substitute for any such party as is mutually reasonably agreed upon by Academy and Licensor.

1.3.4 Construction Drawings. Notwithstanding anything to the contrary contained in Sections 1.3 and 1.4 of the Work Letter, the parties hereto acknowledge and agree as follows:

1.3.4.1 As used in this Section 1.3.4, the term “Baseline Construction Drawings” shall have the meaning set forth in Exhibit E attached to this Amendment.

1.3.4.2 Academy hereby approves the Baseline Construction Drawings and, except as set forth in this Section 1.3, (i) Academy shall have no right to require any changes in the Final Construction Drawings and, (ii) notwithstanding anything to the contrary contained in the License, except with respect to future changes as set forth in Section 13.3 of the License Agreement, as amended hereby, Academy shall have no further rights to approve or disapprove of the design or construction of the Project.

1.3.4.3 Licensor and Hotel Owner shall complete the construction of the Project and the Hotel in accordance with the Baseline Construction Drawings; subject however, to such deviations therefrom which would not require Academy’s consent as a change, alteration, addition or improvement pursuant to Section 13.3 of the License Agreement, as amended hereby.

1.3.5 Resolution of Presentation Conflicts. Licensor shall resolve the Known Conflicts in order to meet the requirements of Section 4.3.2.2 of the License Agreement as soon as practicable and in any event on or before January 1, 2002. Academy agrees that various methods of resolving the Known Conflicts may be acceptable, provided the Known Conflicts are resolved on or before January 1, 2002, and provided that the resolution meets the standard set forth in Section 4.3.2 of the License.

SECTION 2.

LICENSE TERM AND COMMENCEMENT DATE

2.1 License Term. This License shall be for a term of twenty (20) years (the “License Term”), commencing in the year of the Initial Presentation, subject however, to earlier termination as provided elsewhere in this License, including pursuant to Section 12, below. The period each year during which Academy has the right of use of certain portions of the Project and the Hotel pursuant to the terms of this License shall be referred to herein as the “Annual Use Period”. In the event that in any year of the License Term after the Initial Presentation, Academy, in accordance with the terms of this License, is excused from the requirements of Section 9.1, below, and does not stage the Presentation at the Project, the License Term shall be extended by one additional year, so that as of the end of the License Term, Academy will have staged the Presentation at the Project on twenty (20) separate occasions, subject however, to earlier termination as provided elsewhere in this License, including pursuant to Section 12, below.

2.2 Commencement of License Term. The License Term shall commence upon the first day of the calendar year of the Initial Presentation (the “Commencement Date”), and the License Term shall end at 11:59 p.m. on the last day of the Annual Use Period in the final year of the License Term, unless terminated earlier in accordance with the provisions of this License.

2.3 Acceptance of the License Area. Licensor and Hotel Owner shall construct the project, Hotel and the License Area, as applicable, as specifically set forth in this License and in the Work Letter attached hereto as Exhibit B (the "Work Letter"). Licensor and Hotel Owner shall not be obligated to provide or pay for any other improvements for the License Area. Academy acknowledges that neither Licensor nor Hotel Owner, nor any of their respective agents, have made any representation or warranty regarding the condition of the License Area or the Project or with respect to the suitability of any of the foregoing for the conduct of Academy's business or the production of the Presentation, except as specifically set forth in this License and the Work Letter. Subject to any "punch list" to be timely provided by Academy to Licensor following the delivery of the License Area in connection with the Initial Presentation, the taking of possession of the License Area by Licensee shall conclusively establish that the License Area was at such time in good and sanitary order, condition, and repair.

SECTION 3.

LICENSE FEES

3.1 License Fees. During the License Term, Academy shall pay to Licensor the following amounts for the rights granted under the provisions of this License (collectively, the "License Fees"): (i) a basic annual license fee (the "Basic License Fee") equal to (a) for the first year of the License Term, Four Hundred Thousand Dollars (\$400,000.00), and (b) for each year thereafter, an amount equal to one hundred five percent (105%) of the Basic License Fee applicable to the immediately preceding year, and (ii) additional charges consisting of all other sums payable by Academy under the provisions of this License ("Additional Charges"). The Basic License Fee for each year during the License Term shall be payable on or before February 1 of each year of the License Term.

3.2 Payment of License Fees. Academy shall pay the Basic License Fee when due, without notice or demand, and without any abatement, deduction or setoff. Academy shall pay the License Fees in lawful money of the United States, to Licensor at its office at the address set forth in Section 13.4, below, or to such other person or place as Licensor may designate in writing from time to time. Academy hereby acknowledges that the late payment of Basic License Fees will cause Licensor to incur damages, including administrative costs, loss of use of the overdue funds and other costs, the exact amount of which would be impractical and extremely difficult to ascertain. Licensor and Academy therefore agree that if Licensor does not receive a payment of License Fees within ten (10) days after notice from Licensor that the same are due, Academy shall pay to Licensor, as Additional Charges, a late charge of Two Thousand Dollars (\$2,000.00). All Additional Charges shall be payable within thirty (30) days after invoice, unless otherwise provided herein. Notwithstanding anything to the contrary contained in this License, all payments received by Licensor, may in Licensor's sole and absolute discretion, be applied to any arrearages owed by Academy, irrespective of any designation of payment by Academy.

3.3 Interest on Past Due Amounts. In addition to the late charge described above, any amounts owing hereunder which are not paid by Academy within ten (10) days after the date they are due shall bear interest from the date when due until paid at a rate per annum equal to the lesser of (i) the floating commercial loan rate announced from time to time by Bank of America,

a national banking association, or its successor, as its prime rate, plus 2% per annum, or (ii) the highest rate permitted by applicable law.

SECTION 4.

USE AND COMPLIANCE WITH LAW

4.1 Use. Academy shall only use the License Area for the purpose of preparing for, producing and presenting the annual Academy Awards presentation and Governors Ball, as more particularly set forth in Section 9, below, and as otherwise mutually agreed by the parties, and for no other purpose whatsoever.

4.2 Prohibited Uses. Academy shall not at any time conduct its business or use or occupy or permit any person to use or occupy the License Area during the Annual Use Period, or do or permit anything to be done or kept in the License Area, in a manner which: (i) causes or is liable to cause damage to the Project, the License Area or any equipment, facilities or other systems therein; or (ii) constitutes a violation of law. Notwithstanding the foregoing, Licensor agrees that damage or alterations to the License Area which occur during the normal course of preparing for and staging the Presentation shall not be a breach of this Section 4.2, provided that Academy timely complies with the repair and maintenance obligations set forth in Section 6.1, below.

4.3 Compliance and Cooperation.

4.3.1 Compliance by Academy. Academy shall promptly forward to Licensor any notice it receives of the violation of any law involving the use and occupancy of the License Area by Academy. Academy shall, at Academy's sole cost and expense, comply with all laws and, to the extent applicable to Academy's use of the Project, if at all, the recorded covenants, conditions, and restrictions identified on Exhibit C attached hereto (the "Project Documents"), that impose any obligation, order or duty on Academy, arising from or related to: (a) Academy's use of the License Area; or (b) the manner or conduct of Academy's operation of its installations, equipment or other property therein. Licensor hereby represents and warrants to Academy that the Project Documents delivered to Academy or its attorneys, pursuant to cover letters dated March 25, 1999, April 8, 1999, and April 16, 1999 are true, correct and complete, provided that Academy acknowledges that the Hollywood And Highland Reciprocal Easement And Operating Agreement (the "REA") so delivered is not in final form. Licensor shall not permit the modification of the REA in any way that could prevent Licensor from providing to Academy the rights contemplated under this License. Licensor hereby further represents and warranty to Academy that, to its best knowledge, other than the Known Conflicts, no provisions of the project Documents will prevent Licensor from providing to Academy the rights contemplated under this License. For purposes of the foregoing representation and warranty, best knowledge of Licensor shall mean the due inquiry of Douglas Curtis, Douglas Hageman, Jerold Neuman, and Michael Kiely. Academy shall pay all of the costs, expenses, fines, penalties, and damages which may be imposed upon Licensor by reason of or arising out of Academy's failure to fully and promptly comply with and observe the provisions of this Section 4.3. Licensor and Hotel owner each hereby represent and warrant to Academy that, other than the Project Documents, no documents or agreements to which Licensor or Hotel Owner is a party, or which otherwise affect

the Project, will have a material adverse effect on Academy's rights under this License. Where Academy's compliance as required by this Section 4.3 necessitates actions by Academy for which this License requires Licensor's consent, Academy shall obtain Licensor's consent before taking such actions, which consent shall not be unreasonably withheld.

4.3.2 Known Conflicts with Project Documents; New Conflicts. Academy and Licensor have determined that certain provisions of the Project Documents may prevent Licensor from providing to Academy the rights contemplated under this License (the "Known Conflicts"). Such Known Conflicts are set forth in Section 4.3.2.1, below. Any conflicts with the Project Documents other than the Known Conflicts, including any such conflicts that would not result in a breach of Licensor's representation and warranty regarding the Project Documents set forth in Section 4.3.1, above, shall be referred to herein as the "Future Conflicts". Conflicts with the Project Documents which would result in a breach of Licensor's representation and warranty regarding the Project Documents set forth in Section 4.3.1, above, as well as any similar conflicts with documents or agreements other than the Project Documents, or with changes to the Project Documents made after the date hereof, which changes are not approved by Academy, shall be referred to herein as the "New Conflicts". Academy shall not withhold its consent to such changes unless, in the good faith opinion of Academy, the result of such change is such that the Academy cannot prepare for and present the Presentation within the Annual Use Period with (i) no material interference other than as contemplated pursuant to the License during any period of partial access to a License Area or that is inherent in the design of the Project as a mixed-use project and (ii) no material decrease in efficiencies from that currently contemplated. The Known Conflicts, Future Conflicts and the New Conflicts are referred to collectively herein as the "Presentation Conflicts". Notwithstanding anything to the contrary contained herein, no conflict created by Academy's use of the Project or Hotel, and in particular, the License Area, in a manner that is not permitted under the terms of this License, will be deemed to be a Presentation Conflict, and Licensor shall have no obligation to resolve any such conflict.

4.3.2.1 Known Conflicts. The "Known Conflicts" are as follows:

(a) Public Access Rights. Certain of the conditions of approval for the Project require that (i) Licensor provide public access across portions of the Project, and (ii) that Orchid Alley, located adjacent to the Project on the Project's northeast side, remain open for vehicular traffic at all times. Neither of such conditions provide for the suspension of such access rights at anytime.

(b) Ullman Property Rights. The owner of the property located at the southeast corner of Hollywood Boulevard and Orange Drive known as the "Hollywood Spectacular" has (i) a right to use up to 136 parking spaces in the Parking Area, and a corresponding right of access over the Project for pedestrian access to the Parking Area, and (ii) rights to use portions of the Orange Court for vehicular access to the Hollywood Spectacular property.

4.3.2.2 Resolution of Presentation Conflicts. Licensor shall use good faith, commercially reasonable efforts to resolve all Presentation Conflicts in a manner that will provide to Academy the rights contemplated under this License. In connection therewith, Licensor shall seek to effect long term solutions to the Presentation Conflicts, and at any time

that Licensor determines that it will be unable to resolve a particular Presentation Conflict, Licensor shall so notify Academy. Academy will cooperate with Licensor in good faith and with due diligence, but at no third party, out-of-pocket cost or expense to Academy, in order to enable Licensor to modify or amend the Project Documents, obtain variances from applicable governmental agencies, or otherwise resolve any Presentation Conflicts. In particular, Licensor shall use good faith, commercially reasonable efforts to resolve the Known Conflicts prior to the Initial Presentation as follows.

(i) The Project and Orchid Alley shall be closed to all traffic, pedestrian and vehicular, on the day of the Presentation, and all vehicles, other than as expressly allowed pursuant to Section 9.3.4 of this License, shall be removed from the Parking Areas.

(ii) The applicable portions of the License Area shall be closed to pedestrian access during the period of Academy's exclusive use thereof.

(iii) During the period of Academy's exclusive use of the Theatre, public access to Orchid Alley shall be limited so as not to materially interfere with Academy's use of the Theatre for loading and unloading of trucks or the staging of trucks for purposes of expanding the backstage area of the Theatre, and to enable Academy to provide security to the Theatre comparable to that which it would be able to provide if it were not using such area for such purpose. Without limiting the generality of the foregoing, during the fourteen (14) day period prior to the Presentation, Orchid Alley will be closed to all public access, except, to the extent necessary, emergency vehicles other than fire trucks; provided, however, that if the Licensor cannot cause Orchid Alley to be closed to fire trucks, Licensor shall redesign the Theatre and/or adjacent areas of the Project or otherwise provide a solution that will permit Academy to use Orchid Alley for such loading/unloading, staging and security purposes.

(iv) The loading areas for the Hollywood Spectacular shall be constructed so as not to interfere with Academy's use of the License Area as provided in this License.

4.3.2.3 Failure to Resolve Presentation Conflicts. With respect to any Presentation which occurs after the year 2002, if the Known Conflicts are not resolved as set forth above, or if any New Conflict or Future Conflict is not resolved, in each instance at least nine (9) months prior to the date of the applicable Presentation, and in the good faith opinion of Academy, such Presentation Conflict is such that the Academy cannot prepare for and present the Presentation within the Annual Use Period with (i) no material interference other than as contemplated pursuant to the License during any period of partial access to a License Area or that is inherent in the design of the Project as a mixed-use project and (ii) no material decrease in efficiencies from that currently contemplated, then Academy shall have the right to (A) notify Licensor of such Presentation Conflict, which notice shall include a reasonably detailed explanation of the nature of the Presentation Conflict, and, to the extent known by Academy, a description of specific actions that could be taken to cure such Presentation Conflict, and (B) secure the rights to use an alternative venue (the "Back-Up Venue") in which to stage the applicable Presentation. If all such Presentation Conflicts are not resolved to the satisfaction of the Academy on or before the date which is six (6) months prior to the applicable Presentation

(the “Outside Compliance Date”), Academy shall have the right, within five (5) business days after the Outside Compliance Date, to notify Licensor of such failure to cure the Presentation Conflicts, and to stage such Presentation at such Back-Up Venue. Such notification by Academy shall release Licensor from any obligation to make the Project available to Academy to stage the applicable Presentation. In the event Academy fails to deliver such notice within five (5) business days after the Outside Compliance Date, such Presentation Conflicts shall be deemed to have been resolved. In the event all such Presentation Conflicts are resolved (or are deemed to have been resolved) by the Outside Compliance Date, then, notwithstanding the terms of any agreement entered into by Academy with respect to the Back-Up Venue, Academy shall stage such Presentation at the Project and Licensor shall reimburse Academy for its actual, out-of-pocket costs incurred in connection with (i) securing the rights to the Back-Up Venue; (ii) terminating any agreement regarding the Back-Up Venue; and (iii) its preparation for the production of the Presentation at the Back-Up Venue to the extent such costs are unique to the Back-Up Venue (collectively, the “Back-Up Venue Termination Costs”). Academy will use its best efforts to negotiate a fee structure for the Back-Up Venue that will enable Licensor to minimize the Back-Up Venue Termination Costs.

In the event that a Presentation Conflict prevents the staging of the Presentation at the Project for more than two (2) consecutive years, either party shall have the right to terminate this License by giving written notice of such termination to the other within thirty (30) days after the determination has been made, with respect to a particular Presentation, that a Presentation Conflict prevents the staging of such Presentation at the Project. Upon termination of this License by either party pursuant to the terms of this Section 4.3.2.3, other than as a result of a Future Conflict, Licensor shall pay to Academy the Termination Damages in accordance with the terms of Section 12.4 of the License. If either party terminates this License pursuant to the terms of this Section 4.3.2.3 as a result of either a Future Conflict or a Presentation Conflict under the second sentence of Section 4.3.2.2(iii) of the License relating to Licensor’s inability to cause closure of Orchid Alley to fire trucks or otherwise provide an alternate solution as provided therein, Licensor shall not be required to pay the Termination Damages.

4.3.2.4 Pyrotechnics. Licensor and Academy acknowledge that Paragraph B.4 of the Mitigation Plan attached to and incorporated into the decision dated September 16, 1998 of the Los Angeles City Planning Commission regarding Vesting Tract Map No. 52496 Appeal provides that Licensor “shall not permit any pyrotechnics, explosives or fireworks to be utilized within the Project at any time” (such condition, together with all recorded covenants and agreements implementing same being referred to collectively as, the “Pyrotechnics Condition”). It is Licensor’s understanding that the Pyrotechnics Condition does not apply to the interior of any building within the Project and, accordingly, the Pyrotechnics Condition shall not constitute a Project Document with which Academy is obligated to comply pursuant to Section 4.3.1 above in its use of the interior of the Theatre. Notwithstanding the foregoing, in connection with Academy’s use of pyrotechnics, explosives or fireworks (collectively, “Pyrotechnics”) within the Theatre, Academy shall (a) comply with all laws and Project Documents other than the Pyrotechnics Condition, and (b) obtain all necessary permits and licenses from applicable governmental authorities. Academy acknowledges and agrees that the Pyrotechnics Condition does apply to Academy’s use of Pyrotechnics at the Project outside the Theatre. If Academy

desires to use Pyrotechnics at the Project outside the Theatre, it may do so provided that (i) it obtains a variance from or waiver of the Pyrotechnics Condition from the City, and (ii) complies with the conditions set forth in clauses (a) and (b) above. Licensor shall reasonably cooperate with Academy's efforts to obtain any such variances, waivers, permits and/or licenses (collectively, "Pyrotechnics Permits"); provided, however, Licensor makes no representation or warranty that any such Pyrotechnics Permits will be available. Academy's inability to obtain any Pyrotechnics Permits for its use of Pyrotechnics at the Project shall not constitute a basis for termination of this License.

4.4 Service Contracts. Academy shall, to the extent required by any of the Project Documents, or by applicable law, comply with the terms of the City of Los Angeles "Living Wage Ordinance". Any work and/or other services to be performed by, or at the direction of, the Academy or by Licensor, shall be performed by or at the direction of such party, as applicable, so as to avoid any labor dispute that causes or is likely to cause stoppage or impairment of work, deliveries, or any other services in the Project. If there shall be any such stoppage or impairment as the result of any such labor dispute or potential labor dispute, Academy or Licensor, as applicable, shall immediately undertake such action as may be necessary to eliminate such dispute or potential dispute, including, without limitation, (a) removing all disputants from the Project until such time as the labor dispute no longer exists, (b) seeking a temporary restraining order and other injunctive relief with regard to illegal union activities or a breach of contract between Academy or Licensor, as applicable, and any individuals or entities working for, or on behalf of, Academy or Licensor, as applicable, and (c) filing appropriate unfair labor practice charges. The foregoing shall apply to each party only with respect to its particular actions and inactions regarding its own labor force, and shall not apply to any conflict between the respective labor forces.

4.5 Cooperation in Project Operations. Throughout the License Term, and in particular during each Annual Use Period, Academy shall use reasonable, good faith efforts to cooperate with Licensor and Hotel Owner in connection with Licensor's and Hotel Owner's legitimate use of the Project and Hotel, including complying with Licensor's and Hotel Owner's reasonable requests relating to Licensees and Hotel Owner's use of portions of the License Area and the Project that are not then subject to Academy's exclusive use. Likewise, during each Annual Use Period, Licensor and Hotel Owner shall use reasonable, good faith efforts to cooperate with Academy in connection with Academy's legitimate use of the Project and the Hotel, including complying with Academy's reasonable requests relating to Academy's use of portions of the License Area not then subject to Academy's exclusive use.

4.6 Cooperation with Press. During the License Term, and in particular during each Annual Use Period, Licensor shall use commercially reasonable efforts to comply with reasonable requests from media outlets concerning advance publicity and news reports relating to the Presentation. Such efforts shall include reasonable accommodation of such media outlets for the purpose of televising or filming at the Project in the weeks prior to the Presentation.

4.7 Licensor's Development, Maintenance, and Operation of the Project.

4.7.1 General Provisions. Licensor and Hotel Owner shall develop, construct, maintain and manage the Project and Hotel, as applicable, as appropriate for a first-class, "world

landmark” mixed-use project. Licensor and Hotel Owner shall repair and maintain the Project and Hotel, as applicable, including the License Area, in good condition and repair, reasonable wear and tear excepted, and shall provide security, janitorial, and other services as necessary to maintain the first-class appearance and nature of the Project and Hotel.

4.7.2 Use Restrictions. No part of the Project or Hotel shall be used in a manner which would be incompatible with the standards set forth in Section 4.7.1, above. In particular, Licensor agrees that, during the, License Term, no part of the Project or Hotel shall be used for the following:

- (i) An “adult” or pornographic bookstore, video store or rental establishment, nor as a “head shop” or retail sales establishment which sells or leases “adult” paraphernalia;
- (ii) An “adult” bar or club permitting nude, semi-nude or sexually explicit performances;
- (iii) a purveyor of alcoholic beverages for off-site consumption, except for specialty retail boutiques which cater to “high-end” sales of such products;
- (iv) A massage parlor or tattoo parlor;
- (v) A retail or service establishment whose primary business is the sale of tee-shirts;
- (vi) A thrift store or flea market;
- (vii) A discount electronics/retail furniture or similar discount establishment;
- (viii) A “food-court”; provided that the Project may contain a mix of food service establishments ranging from those serving fully prepared “fast” foods to “high-end” restaurants; and
- (ix) An electronic games arcade or attraction, whether or not an entrance fee is charged, except as an incidental use in a retail establishment which is compatible with the first-class, “world-landmark” nature of the Project.

4.8 Licensor’s Use of Theatre.

4.8.1 Prior to Initial Presentation. The Theatre will not be used for any commercial purpose prior to the Initial Presentation. Notwithstanding the foregoing, if the Initial Presentation does not occur prior to the end of April, 2001, Licensor shall have the right to use the Theatre for commercial purposes after April, 2001, or, if it is earlier determined that the Initial Presentation will not occur prior to the end of April, 2001, after the date of such determination (but not after the date which is the earlier to occur of (i) February 1 in the year of the Initial Presentation, and (ii) the commencement of the Annual Use Period in the year of the Initial Presentation), provided that Academy shall have the right to use the Theatre for up to five

(5).consecutive days to host an event at the Theatre (with set up and clean up included) to “debut” the Theatre following its completion and prior to the Initial Presentation. Any such use of the Theatre for such “debut” shall be subject to all of the terms of this License regarding Academy’s use and maintenance of the License Area.

4.8.2 During the License Term. In any calendar year during the License Term, and provided that the Presentation occurs prior to the end of the month of April in such calendar year, Licensor shall not allow the Theatre or Governors Ballroom to be used for the presentation of any other award shows prior to the date of the Presentation. In no event shall the Theatre or Governors Ballroom be used for any award show in which any award relating to movies made for theatrical release is presented. Notwithstanding the foregoing, Licensor may use the Governors Ballroom for (i) presentation of the AFI Life Achievement Award which may be televised, (ii) any untelevised award shows, and/or (iii) any untelevised dinners, parties or other events held in connection with movie award presentations or shows other than the Presentation (whether such other presentations or shows are televised or untelevised).

SECTION 5.

UTILITIES AND SERVICES AND EXCULPATION OF LICENSOR

5.1 Basic Utilities and Services. Licensor and Hotel Owner, as applicable, will furnish to Academy heating, air conditioning, and electrical energy used for lighting and power to the License Area, all in such amounts as are reasonably necessary for the operation of the License Area (but not for supplying electrical or other utilities to, e.g., equipment trucks). Such utilities, and any other utilities used by Academy in the License Area during the Annual Use Period shall be at Academy’s own cost and expense. If such utilities are not separately metered to the License Area, Licensor and Hotel Owner shall have the right to reasonably estimate the amounts and costs of the utilities used by Academy. In any event, Academy shall pay the costs of such utilities to Licensor or Hotel Owner, as applicable, within thirty (30) days after Licensor’s delivery of an invoice therefor to Academy. If Academy performs work outside of the Annual Use Period that involves the use of Project utilities in excess of such utilities as would ordinarily be provided to the portion of the License Area so used by Academy for more than one (1) day, Academy shall pay to Licensor a utility use fee equal to \$500.00 per day. In no event shall Licensor or Hotel Owner be liable in damages or otherwise for any failure or interruption of any utility or service and no failure or interruption of any utility or service shall entitle Academy to terminate this License or to stop making any payments due under this License.

5.2 Exculpation of Licensor and Hotel Owner. Academy hereby agrees that neither Licensor nor Hotel Owner shall be liable for, and Academy hereby waives all claims against Licensor and Hotel Owner for, injury to Academy’s business or any loss of income therefrom, or for any damage to the goods, wares, merchandise or other property of Academy, Academy’s employees, invitees, customers, or any other person in or about the License Area, nor shall Licensor or Hotel Owner be liable for injury to the person of Academy, Academy’s employees, agents or contractors, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air-conditioning or lighting fixtures, or from any

other cause, whether such damage or injury results from conditions arising upon the License Area, the Hotel or the Project, or from other sources or places, and regardless of whether the cause of such damage or injury, or the means of repairing same is inaccessible to Academy, except to the extent resulting from the gross negligence or willful misconduct of Licensor or Hotel Owner. Neither Licensor nor Hotel Owner shall be liable for any damages arising from any act or neglect of any other licensee, tenant, guest or occupant of Licensor or Hotel Owner.

SECTION 6.

REPAIRS, MAINTENANCE AND IMPROVEMENTS TO THE LICENSE AREA; SIGNAGE

6.1 Repairs and Maintenance. Academy shall maintain the License Area in good condition and repair during the portions of the Annual Use Period during which Academy has exclusive use of the corresponding portion of the License Area. On or before the end of each Annual Use Period during the term hereof, Academy shall (i) return the License Area, and other areas of the Project and Hotel used by Academy, to Licensor and Hotel Owner in "broom clean" condition, (ii) make any repairs or replacements necessary to return the License Area, and other areas of the Project and Hotel used by Academy, to the condition it was in as of the commencement of such Annual Use Period, and (iii) **repair any damage to the Project or Hotel caused by Academy or Academy's use of the Project or Hotel, in each instance at Academy's sole cost and expense, reasonable wear and tear excepted. Reasonable wear and tear as stated above shall include normal wear and tear (i.e., wear and tear that would have resulted from the general day-to-day use of the Project and Hotel) as well as normal wear and tear resulting from the staging of the Presentation as currently contemplated by the parties hereto, including through the proper and appropriate use of the equipment in the manner and in the portions of the License Area described in Exhibit B to this Amendment.** Unless otherwise agreed by Licensor in advance, any replacements shall be of the same size, type and quality as the item being replaced. Academy shall be responsible for the obtaining, and expense of, any telephone service and equipment required by Academy, including payments of any deposits therefor, and Academy shall reimburse Licensor for the cost of any janitorial services required by Academy and provided by Licensor during the portion of the Annual Use Period in which Academy has (i) exclusive occupancy of the corresponding portion of the License Area, and (ii) partial access of the License Area, in each instance to the extent such services are attributable to Academy's particular use of the License Area and the cost of providing the same is greater than the cost of providing such services that Licensor would otherwise incur with respect to the License Area.

6.2 Alterations, Additions, and Improvements. Licensor shall, at its sole cost and expense, install the fixtures, equipment, and furnishings to be described in the "Construction Drawings," as that term is defined in the Work Letter. Academy shall at its sole cost and expense, supply and furnish any trade fixtures, equipment and furnishings which are not installed by Licensor pursuant to the Work Letter and are needed for Academy's use of the License Area. All fixtures shall become and remain a part of the License Area and the property of Licensor, regardless of whether the fixtures were installed by Academy or at Academy's expense and shall not be removed by Academy, except that Academy may remove trade fixtures, and, with Licensor's prior approval, which shall not be unreasonably withheld, remove and/or replace

other fixtures on account of obsolescence or technological advance, and, upon Licensor's request, Academy shall remove any other fixtures, equipment or furnishings installed by or on behalf of Academy as designated by Licensor on or before the end of the License Term and repair any damage caused to the License Area or Project by such removal. The timing and manner of completion of any such work, if not performed during the Annual Use Period, shall be approved in advance by Licensor, which approval shall not be unreasonably withheld.

6.3 Academy's Property. All furnishings and other articles of movable personal property installed by or on behalf of Academy and located in the License Area shall remain the property of Academy and may be removed by or on behalf of Academy at any time during the annual Use Period, and, in any event, shall be removed by Academy prior to the end of each Annual Use Period. Academy shall repair, at its sole cost and expense, any damage to the License Area or to the Project resulting from the installation or removal of such property.

6.4 Signage: Identity.

6.4.1 Project and Theatre Identity. Licensor shall have the right to name the project, and the "Theatre Complex," which shall include the physical structure containing the Theatre, but shall not include the interior of the Theatre itself. Academy shall have the right to approve the names given to the Project and the Theatre Complex. Notwithstanding the foregoing, Academy shall not disapprove (i) any name for the Project which is either generic or geographic in nature (e.g., the Hollywood/Highland Project), or which is a derivative of Licensor's name (e.g., the TrizecHahn Project), provided that in no event shall the Project be identified, through signage or other form of identification, by any name related to the industry, or any corporate name or identity which is not then a nationally recognized real estate or real estate management company, or (ii) the names "Ford Center for the Performing Arts" or "AT&T Center for the Performing Arts" or "George Eastman Center for the Performing Arts" or "Thomas A. Edison Center for the Performing Arts" for the Theatre Complex. Except as set forth in Section 9.4.1, below, Academy shall not be required to utilize the name of the Project or the Theatre Complex in connection with the Presentation, the telecast of the Presentation or Academy's use of the Theatre. Furthermore, except as set forth in item (ii), above, Academy may withhold its consent to any name related to the industry (e.g., the Douglas Fairbanks Center), or which is commercial in nature (e.g., the General Motors Center), in its sole discretion. Academy shall have the right to designate a name for the Theatre. Licensor shall not disapprove any name given to the Theatre by Academy that is the name or common name or a former, current or fixture member of the Academy (e.g. the Douglas Fairbanks Theatre), but shall otherwise have the right to disapprove any such name in Licensor's sole discretion. In no event shall Academy extract, as a quid pro quo, any compensation in exchange for designating the name or identity of the Theatre or independently promote the name of the Theatre.

6.4.2 Theatre Identity Signage. In reviewing and approving the Design Development Drawings as provided in the Work Letter, Academy acknowledges that Licensor shall have the right to identify the Theatre Complex by (i) placing a sign bearing the name of the Theatre Complex, no more than three (3) feet wide or high, on the west side of the Orchid Walk entrance portal, positioned in the approximate location as set forth in Exhibit A-1 attached hereto, (ii) placing a sign bearing the name of the Theatre Complex on the top crosspiece of such entrance portal, (iii) placing a sign or identifying marker in the Rotunda Area of the Project, in

the approximate location, and of the approximate size, as set forth on Exhibit A-2, attached hereto, and (iv) subject to the prior approval of Academy with respect to size and positioning, placing a poster display on the south facade of the Project. Commencing two (2) days prior to the Presentation, and continuing through the day of the Presentation, Academy will have the right to drape or otherwise cover the sign referenced in item (ii) above and to use such area for its own signage announcing the Presentation.

6.4.3 Use of Academy Trademarks. Licensor and Hotel Owner agree that, except in connection with a "Best Picture" Award presentation to be located in the Orchid Walk Area, and which shall be subject to Academy's prior approval, not to be unreasonably withheld, delayed or conditioned, neither Licensor nor Hotel Owner shall use, or permit any tenant of the Project, pursuant to its lease, to use, the Oscar statuette or any look-alike statuette; the name or phrases "Oscar(s)," "Oscar Night," "Academy Award(s)," "Academy of Motion Picture Arts and Sciences," "Academy," "A.M.P.A.S.," "Academy Foundation" or "Center for Motion Picture Study"; or any derivative of any such name or phrase (collectively, "Trademarks"). Notwithstanding the foregoing, the terms of this Section 6.4.3 shall not require Licensor to prohibit any of its tenants, pursuant to its lease or otherwise, from using any of such tenant's respective tradenames or trademarks which is a nationally recognized chain or trademark, or a regionally recognized chain or trademark of a company or chain based in the Los Angeles area. Nothing contained herein shall imply any right on the part of Licensor or any of its tenants or invitees to make any use of a Trademark or prohibit Academy from seeking to enforce its rights with respect to the same.

6.4.4 Other Uses of Trademarks. Academy shall entertain discussions with Licensor to allow Licensor to use certain of the Trademarks in connection with a film to be produced by Licensor for presentation in the Theatre to customers and invitees of the Project. The manner of Licensor's use of any Trademarks in such regard shall be subject to the prior approval of Academy, which approval may be granted or withheld in Academy's sole discretion.

6.4.5 Hotel Identity. Licensor shall not allow the Hotel to carry any name related to the industry, or to carry any corporate name or identity which is not then a nationally recognized hotel enterprise.

SECTION 7.

INDEMNITY AND INSURANCE

7.1 Indemnification and Waiver. Academy shall indemnify, defend, and protect Licensor and Hotel Owner, and their respective partners, lenders, parent and subsidiary corporations, and their respective officers, directors, shareholders, beneficiaries, agents, servants, employees, and independent contractors (collectively, the "Licensor Parties"), and hold Licensor Parties harmless from any and all loss, cost, damage, expense, and liability (including, without limitation, court costs and attorneys' fees) incurred in connection with or arising from Academy's use of the Project or Hotel, except to the extent any such loss, etc., is attributable to Licensor's or Hotel Owner's gross negligence or willful misconduct. Licensor and Hotel Owner shall indemnify, defend, and protect Academy, its partners, subsidiary corporations, and their respective officers, directors, members, governors, beneficiaries, agents, servants, employees,

and independent contractors (collectively, the "Academy Parties"), and hold Academy Parties harmless from any and all loss, cost, damage, expense, and liability (including, without limitation, court costs and attorneys' fees) incurred in connection with or arising from Licensor's or Hotel Owner's gross negligence or willful misconduct. Licensor Parties shall not be responsible for any breaking and entering into the License Area, or for the theft of any property owned, rented, used or in any way connected with Academy or anyone associated with Academy while located on or adjacent to the License Area. The provisions of this Section 7.1 shall survive the expiration or sooner termination of this License with respect to any claims or liability occurring prior to such expiration or termination.

7.2 Insurance. Academy shall maintain, during each Annual Use Period throughout the License Term, and at its own cost and expense, commercial general liability insurance, including public liability and property damage insurance in the amount of Ten Million Dollars (\$10,000,000) per occurrence for personal injuries or deaths of persons occurring in or about the License Area, Hotel or Project including a Broad Form Commercial General Liability endorsement covering Academy's contractual liability, including the insuring provisions of this Agreement and the performance by Academy of the indemnity agreements set forth in Section 7.1 hereof. Additionally, if Academy performs work at the Project or Hotel outside of any Annual Use Period, Academy shall maintain, or require its contractors to maintain, commercial general liability insurance in connection with such work in amounts, and to the extent, that such insurance is customarily carried by contractors performing similar work in projects similar to the Project. Licensor and Hotel Owner shall maintain during each Annual Use Period throughout the License Term, and at its own cost and expense, commercial general liability insurance, including public liability and property damage insurance, of the types and in the amounts required pursuant to the Reciprocal Easement Agreement identified on Exhibit C hereto, including a Broad Form Commercial General Liability endorsement covering Licensor's and Hotel Owner's contractual liability, including the insuring provisions of this License and the performance by Licensor and Hotel Owner of the indemnity agreements set forth in Section 7.1 hereof.

7.3 Form of Policies. The minimum limits of policies of insurance required under this License shall in no event limit the liability of any party under this License. All policies required hereunder shall (i) name the other parties hereto and, with respect to the insurance obtained by Academy, any first mortgage lender to the Project or Hotel and any third-party manager of the Project or Hotel, which it so specifies, as well as, if requested by Licensor, the City of Los Angeles (or such City agency or subdivision as may have an ownership interest in any portion of the Project), the Community Redevelopment Agency of the City of Los Angeles, and the Municipal Improvement Corporation of the City of Los Angeles, as an additional named insured; (ii) be issued by an insurance company with a Best's rating of A-/IV or better; (iii) be primary insurance as to all claims thereunder and provide that any insurance carried by the additional insured is excess and noncontributing with any insurance requirement of the insured; (iv) provide that such insurance shall not be canceled or coverage changed unless thirty (30) days prior written notice shall have been given to the additional insured and, with respect to the insurance obtained by Academy, the first mortgage lender to the Project or Hotel specified by Licensor or Hotel Owner; and (v) contain a cross liability endorsement or severability of interest clause acceptable to the additional insured. Each party hereto shall deliver a copy of its policy or

policies or a certificate or certificates thereof to the additional insured on or before the commencement of each Annual Use Period.

7.4 Subrogation. The parties intend that their respective property loss risks shall be borne by insurance carriers to the extent above provided, and each party hereby agrees to look solely to, and seek recovery only from, their respective insurance carriers in the event of a property loss to the extent that such coverage is agreed to be provided hereunder or if higher, to the extent such insurance has been obtained. The parties each hereby waive all rights and claims against each other for such losses, and waive all rights of subrogation of their respective insurers, provided such waiver of subrogation shall not affect the right to the insured to recover thereunder from the insurer. The parties agree that their respective insurance policies are now, or shall be, endorsed such that the waiver of subrogation shall not affect the right of the insured to recover thereunder.

SECTION 8.

PERSONAL LICENSE

It is agreed between Licensor and Academy that this License is personal to Academy and shall not inure to the successors or assigns of Academy, other than an entity succeeding to substantially all of the assets of Academy (including the Trademarks) which succeeds to the mission of the Academy and, in particular, the Presentation. No other person or entity may use any portion of the License Area or conduct Academy's business and any "Transfer," as defined below, shall be null and void and of no further force and effect. As used herein, "Transfer" shall include any attempts to mortgage, pledge or otherwise encumber this License or the License Area or any part thereof in any manner whatsoever or the assignment or other transfer of this License or offer to advertise to do so, whether voluntarily, involuntarily, by operation of law or otherwise. Any dissolution of Academy's existence, other than in connection with the succession to substantially all of the assets of Academy (including the Trademarks) by an entity which succeeds to the mission of the Academy and, in particular, the Presentation, shall be deemed a Transfer of this License subject to the above prohibition.

SECTION 9.

PRODUCTION AND PRESENTATION OF ACADEMY AWARDS SHOW

9.1 The Presentation. During the License Term, except as otherwise expressly set forth in this License, Academy agrees that it shall use the License Area only for the purposes of preparing for and presenting its annual awards show, commonly known as "The Academy Awards Show," and the traditional honoree's banquet following such show, commonly known as the "Governors Ball," and thereafter dismantling and removing the trade fixtures, equipment and other items of personal property used in connection therewith. The Academy Awards Show and Governors Ball are referred to herein collectively as the "Presentation". The Presentation shall be held annually during the month of March or April. Academy shall determine the precise date on which the Presentation will be held (the "Presentation Date") on or before July 1 of the calendar year preceding the date of the Presentation, and shall notify Licensor of such

Presentation Date immediately following such determination. During the License Term, except as provided in Sections 1.3, 10.5, or 11.4, Academy shall not use any other venue other than the License Area for the Presentation.

9.2 Access to and Use of License Area. During each Annual Use Period, Academy shall have the right to partial access to, and/or exclusive use of, the various portions of the License Area for the periods set forth herein.

License Area Sub Area	Partial Access	Exclusive Access
Theatre Area	28 days prior, 8 days after	21 days prior, 4 days after
Governors Ballroom Area		
• Ballroom(s), including prefunction area, storage rooms, elevator and access	14 days prior, 4 days after	12 days prior, 2 days after
• Kitchen Area	None.	5 days prior, 2 days after
• Access and Loading areas (as designated on Exhibit A)	14 days prior (1 bay, 6-7 hrs/day), 6 days prior (2 bays, 4-5 hrs/day), 2 days after (2 bays, 4-5 hrs/day)	Close of Business* the day prior, 6 a.m. the day after
Pool Deck	None.	Close of Business the day prior, 6 a.m. the day after
Arrivals Area	As provided in the Operational Addendum.	As provided in the Operational Addendum.
East Retail Loading Dock (Can be used after hours)	14 days prior (1 bay, 6-7 hrs/day), 6 days prior (2 bays, 4-5 hrs/day), 2 days after (2 bays, 4-5 hrs/day)	Close of Business the day prior, 6 a.m. the day after
Orchid Walk Area		
• Forecourt	21 days prior, 5 days after	4 days prior
• Lower Walkway	21 days prior, 5 days after	4 days prior
• Upper Walkway	As necessary to install cable and lighting, to access cable ways, and to otherwise prepare for the Presentation	9 p.m. the day prior, 6 a.m. the day after
• Lower Rotunda	14 days prior, 1 day after	9 p.m. the day prior, 6 a.m. the day after
• Upper Rotunda	7 days prior, 1 day after	9 p.m. the day prior, 6 a.m. the day after
Hollywood Boulevard Frontage	14 days prior, 1 day after	Close of Business the day prior, 6 a.m. the day after
Production Access Area	28 days prior, 8 days after	21 days prior, 2 days after
Press Area	None.	12 days prior, 5 days after
Valet Parking Area	None.	10 days prior, 2 days after
Security Offices Area	None.	28 days prior, 8 days after

License Area Sub Area	Partial Access	Exclusive Access
Hotel Meeting Rooms	None.	9 days prior, 2 days after
• Business Center	None.	Close of Business the day prior, 6 a.m. the day after

In addition to such use during each Annual Use Period, Academy shall be permitted reasonable access to the Project for the purpose of laying power and communication cables, and making related connections to such cables, provided that (i) for such purposes, to the extent practicable, Academy shall use the dedicated cable ways installed in the Project for such purposes, (ii) except at the times and in the portions of the License Area that Academy has exclusive use, Academy shall not leave cable exposed and unattended without Licensor's prior approval, and (iii) such access shall not unreasonably interfere with the use of or access from or to other occupants or invitees of the Project.

9.2.1 Partial Access. For the purposes of this License, "partial access" shall mean such access as is necessary to enable Academy to perform its preparatory work for the Presentation without unreasonably interfering with the use of or access of the Project or the License Area by other occupants or invitees of the Project. Notwithstanding the foregoing, with respect to (i) the portions of the Hollywood Boulevard Frontage and the Orchid Walk Area included in the Arrivals Area during the period commencing fourteen (14) days prior to the Presentation, and continuing through the date which is five (5) days after the Presentation, and (ii) the ballroom areas of the Governors Ballroom Area during the entire period of partial access to such areas prior to and after the Presentation, "partial access" shall mean such access as is necessary to enable Academy to prepare for the Presentation, including, if necessary, temporary prohibitions on other uses, or temporary closures, of all or portions of such Arrivals Area and Governors Ballroom Area; provided that in performing such work, Academy shall interfere with the use of or access to the Project or the License Area by other occupants or invitees of the Project as little as is practicable. Additionally, during the period of Academy's exclusive access to the Orchid Walk Area (as determined in accordance with the terms of Section 4.1.3 of the Operational Addendum), Academy shall allow the retail tenants whose stores line the Orchid Walk to use the Orchid Walk as an emergency exit from those stores, and shall not take any actions that would prevent such use (*i.e.*, by blocking such exitways), as necessary to allow such stores to remain open during such exclusive use period (not including the day of the Presentation).

9.2.2 Initial Presentation Phase-In Period. Notwithstanding the time periods set forth above in this Section 9.2, and in Section 9.3, below, Licensor and Hotel Owner agree that, in connection with the Initial Presentation only, each such time period shall be increased by twenty-five percent (25%) (e.g., a twelve day period shall be extended to be a fifteen day period). Any partial days resulting from such 25% increase shall be "rounded up" to a full day. Notwithstanding the foregoing, in no event shall the time periods relating to (i) the closure of the project on the Presentation Date, as set forth in Section 9.5, below, be extended pursuant to this Section [clause (ii) deleted] or (iii) the period of Academy's use of the Press Area be extended to commence prior to the date which is fourteen (14) days prior to the date of the Presentation.

Additionally, with respect to the time periods for Academy's use of the Parking Areas, as set forth in Section 9.3.1, below, the twenty-five percent (25%) increase shall apply only to the time periods during which Academy is provided 720 or 1100 spaces (which time periods shall be increased to 10 days prior to the Presentation, and 3 days prior to the Presentation, respectively).

9.2.3 Review of Required Annual Use Period. From time to time during the License Term, Academy will review the actual amount of time required for partial access and/or exclusive use of the various portions of the License Area and the Hawthorn Lot. If Academy reasonably determines that it requires less (or with respect to the partial access period of the Hollywood Boulevard Frontage only, more) time than the time periods granted by this License in order to adequately prepare for the Presentation without any material increase in costs or decrease in efficiency, Academy shall notify Licensor of such fact, and Academy and Licensor will mutually agree on a modified access schedule. With respect to the Hollywood Boulevard Frontage, the partial access period shall not be increased by more than five (5) days in the aggregate.

9.3 Parking.

9.3.1 Parking Spaces Provided. During the Annual Use Period, Licensor shall provide Academy with parking spaces in the Parking Areas, in the amounts set forth below, at the lowest parking rate (which may include applicable taxes) then generally charged to any user of similar areas of the Project parking facilities. Notwithstanding the foregoing, Academy shall not be required to pay any amounts for any non-parking uses of the Parking Area as contemplated by the terms of this License (i.e., for the Security Offices Area).

<u>Period of Annual Use Period</u>	<u>Number of Parking Spaces Provided</u>
Commencing 21 days prior to the Presentation Date	50
Commencing 14, days prior to the Presentation Date	80
Commencing 10 days prior to the Presentation Date	130
Commencing 7 days prior to the Presentation Date	720
Commencing 2 days prior to the Presentation Date	1100
During the 2 days after the Presentation Date	175

Academy and Licensor shall cooperate reasonably and in good faith in order to minimize the aggregate number of parking spaces required in the Project by, for example, using valet parking and/or offsite parking arranged by Licensor and approved by Academy, which such approval shall not be unreasonably withheld or delayed. The costs of offsite parking areas used by Academy shall be paid by Academy or the persons utilizing such areas. Such costs shall be based on the prevailing parking rates charged in such areas.

9.3.2 Exclusive Use of Parking Areas. During the period commencing upon the close of business of all of the tenants of the Project on the day prior to the Presentation Date, and continuing until 2:00 a.m. on the day after the Presentation Date, Academy shall have the exclusive use and control of the Parking Areas, subject to the terms of Section 9.3.4, below, regarding the use of portions of the Parking Area by the owners of the Hotel, at no charge to Academy.

9.3.3 General Conditions. In connection with Academy's use of the Parking Area as set forth above, (but not in connection with Academy's use under Sections 9.2 or 9.3.2, above), Academy shall abide by all reasonable rules and regulations which are prescribed from time to time for the orderly operation and use of the Parking Area and shall cooperate in ensuring that Academy's employees and visitors also comply with such rules and regulations. Licensor specifically reserves the right to change the size, configuration, design, layout and all other aspects of the Parking Area at any time (provided that such changes do not materially interfere with the preparation and staging of the Presentation, and provided that no such work shall occur during the Annual Use Period) and Academy acknowledges and agrees that Licensor may, without incurring any liability to Academy, from time to time (but not during the Annual Use Period), close-off or restrict access to the Parking Area, for purposes of permitting or facilitating any such construction, alteration or improvements. Licensor may delegate its responsibilities hereunder to a parking operator in which case such parking operator shall have all the rights of control attributed hereby to the Licensor (provided that such operator shall be bound by all of the obligations of Licensor hereunder).

9.3.4 Hotel Parking Uses. Academy acknowledges that the Hotel Owner may not be able to reasonably procure parking areas outside of the Project, and may, therefore, be required to continue to use up to three hundred (300) spaces in the Parking Area on the day of the Presentation. Any such use shall be valet only, and members of the public shall not be allowed access to the Parking Areas in connection with such use. As a condition of such use of the Parking Area by the Hotel, Licensor and/or the Hotel Owner shall comply with and use the valet parking security plan implemented by Academy in Academy's sole, good faith discretion, which shall provide that any cars parked in the Parking Areas during the Presentation will be subject to inspection by Academy, including inspection of the trunk of such cars. Any incremental costs resulting from allowing such use of the Parking Area by the Hotel, including costs of additional valet or security personnel, shall be borne by Licensor.

9.3.5 Valet/VIP Parking. The first 130 parking spaces provided to Academy shall be provided on Level P2, in contiguous blocks of spaces. Academy shall have the right, at Academy's sole cost and expense, to temporarily mark such spaces as reserved spaces for the use of Academy, and to individually identify reserved "VIP" spaces within such areas.

9.4 Marketing Agreements.

9.4.1 Broadcast Agreements. In each of the broadcast agreements entered into by Academy with respect to the Presentation, Academy shall include a provision requiring broadcasters to describe the Presentation as the “Academy Awards from the [approved name of the Theater, e.g. Bob Hope Theatre] in the [approved name of the Theater Complex, e.g. Ford Center for the Performing Arts] from Hollywood and Highland, California,” or such other description approved in writing by Licensor. Notwithstanding the foregoing, Academy may, at its option, omit the name of the Theatre, but not the name of the Theatre Complex or the Project, from the foregoing description.

9.4.2 Presentation Tickets. Academy shall allow Licensor to purchase, at face value and subject to the same restrictions imposed on other holders of tickets, (i) twenty (20) tickets to each Presentation held at the Project during the License Term, and, (ii) if the Theatre as finally constructed contains more than 3335 seats, ten (10) additional tickets to the Academy Awards Show, but not the Governors Ball, on the same terms. Academy shall provide such tickets to the Academy Awards Show in blocks of not less than two (2) contiguous seats (and shall endeavor to provide blocks of not less than four (4) contiguous seats), and shall provide such tickets to the Governors Ball in not more than three (3) tables. In no event shall Licensor sell such tickets, or give away such tickets in connection with any promotions or charitable event. Licensor may, however, invite sponsors, major tenants or advertisers at the Project to attend the Presentation using Licensor’s tickets, provided that such individuals agree not to sell or otherwise give away the tickets, and further provided that all invitees shall remain subject to the same restrictions imposed on other holders of tickets. Additionally, Licensor may make certain of its tickets available to any permitted recipient of the naming rights of the Theatre Complex, subject to all of the limitations set forth herein.

9.4.3 Additional Events. Academy will entertain discussions regarding holding other ceremonies leading up to the Presentation, such as the nominee announcements, fashion shows and the Scientific and Technical Awards Dinner, at the Project, and in such context, Licensor shall be given the opportunity to purchase a reasonable allocation of additional tickets to such ceremonies.

9.5 Project Closure. Licensor shall maintain operational control of the Project throughout the Annual Use Period and Presentation Date, and shall cause other tenants and occupants of the Project, as well as the adjacent “Chinese Theatre,” to close for business to the public from the normal closing business hours of the day preceding the Presentation, and to remain closed until such businesses’ normal opening hours on the day after the Presentation Date. Other than in connection with (i) its general maintenance and security operations at the Project, and (ii) the operation of certain of the Project restaurants on the evening of the Presentation to serve Academy’s invitees only, Licensor shall not use the Project for any purpose on the day of the Presentation without the prior approval of Academy, which approval may be withheld in Academy’s sole discretion.

9.6 Offsites. Licensor shall obtain, prior to the Initial Presentation as set forth in **Section 1.3** of this License, the consents, permits and agreements from third parties identified on **Exhibit D** attached to this Amendment as Licensor’s primary responsibility

(the "Licensor Off-Site Conditions"). Academy shall use its best efforts to obtain the consents, permits and agreements from third parties identified on Exhibit D as Academy's primary responsibility (the "Academy Off-Site Conditions") for the Initial Presentation prior to January 1, 2002. If Academy is unable to satisfy the Academy Off-Site Conditions by such date, Academy shall have the right, within five (5) business days thereafter to notify Licensor of such failure and to stage the Initial Presentation at a Back-Up Venue. Such notification by Academy shall release Licensor from any obligation to make the Project available to Academy to stage the Initial Presentation at the Project. In the event Academy fails to deliver such notice by such date, the Academy Off-Site Conditions shall be deemed to have been satisfied. In no event shall Academy be entitled to recover Back-Up Venue Termination Costs or Termination Damages on account of a failure of an Academy Off-Site Condition within respect to the Initial Presentation.

With respect to any Presentation after March, 2002, each of the Licensor Offsite Conditions must be satisfied on or before the date which is nine (9) months prior to the date of the applicable Presentation, or Licensor must demonstrate to Academy on or before such date that such Conditions will be satisfied in a timely manner and so as not to cause any interference with the preparations for, and staging of the Presentation, and in any event prior to the commencement of the applicable Annual Use Period. All of the consents, permits and agreements required to satisfy the Licensor Offsite Conditions are subject to the prior approval of Academy, which approval shall not be withheld if, in the good faith opinion of Academy, they enable Academy to prepare for and present the Presentation within the Annual Use Period with (i) no material interference, other than as contemplated pursuant to the License during any period of partial access to a License Area, or that is inherent in the design of the Project as a mixed-use project and (ii) no material decrease in efficiencies from that currently contemplated. If Licensor is unable to satisfy the Licensor Offsite Conditions, as set forth herein, or Academy is unable to satisfy the Academy Offsite Conditions, in either instance as necessary to meet the requirements set forth above at least nine (9) months prior to the date of the applicable Presentation, Academy shall have the right to secure a Back-Up Venue in which to stage the applicable Presentation. If all such Offsite Conditions are not satisfied, as set forth herein, on or before the Outside Compliance Date, Academy shall have the right, within five (5) business days after the Outside Compliance Date, to notify Licensor of such failure to meet the Offsite Conditions, and to stage such Presentation at the Back-Up Venue. Such notification by Academy shall release Licensor from any obligation to make the Project available to Academy to stage the applicable Presentation. In the event Academy fails to deliver such notice within five (5) business days after the Outside Compliance Date, such Offsite Conditions shall be deemed to have been satisfied. In the event all such Conditions are satisfied, or deemed satisfied as set forth above, then, notwithstanding the terms of any agreement entered into by Academy with respect to the Back-Up Venue, Academy shall stage such Presentation at the Project and, if the condition leading to the securing of the Back-Up Venue was a Licensor Offsite Condition, Licensor shall reimburse Academy for its Back-Up Venue Termination Costs. Academy will use its best efforts to negotiate a fee structure for the Back-Up Venue that will enable Licensor to minimize the Back-Up Venue Termination Costs.

Each party hereto shall reasonably cooperate with the party primarily responsible for obtaining a consent, permit or agreement hereunder, including under this Section 9.6, but at no third-party out-of-pocket cost to such cooperating party, in each instance to facilitate the Presentation.

In the event that an Offsite Condition prevents the staging of the Presentation at the Project for more than two (2) consecutive years, either party shall have the right to terminate this License by giving written notice of such termination to the other within thirty (30) days after the determination has been made, with respect to a particular Presentation, that an Offsite Condition prevents the staging of such Presentation at the Project. Upon termination of this License by either party pursuant to the terms of this Section 9.6 as a result of a failure of a Licensor Offsite Condition, Licensor shall pay to Academy the Termination Damages in accordance with the terms of Section 12.4 of the License. If either party terminates this License pursuant to the terms of this Section 9.6 as a result of a failure of an Academy Offsite Condition, Licensor shall not be required to pay the Termination Damages.

9.6.1 Hawthorn Lot. Academy agrees that the Licensor Offsite Condition originally identified as the “Hawthorn Lot” on Exhibit D to the License (the “Hawthorn Lot Condition”) may be satisfied by Licensor arranging for the use of properties of suitable size and location to meet the Academy’s needs for staging and operation of press and international broadcaster facilities, including satellite and microwave vehicles placed in an area suitable for satellite and microwave transmission, production trucks, trailers, support vehicles and tents, all as determined in Academy’s reasonable discretion, and that the precise method of satisfying such Condition may differ from year to year. Notwithstanding the foregoing, Academy hereby agrees that the Hawthorn Lot Condition may be satisfied by Licensor with respect to any Presentation by Licensor arranging for Academy to have the exclusive use of any of the following groupings of properties for the exclusive access period of the applicable Annual Use Period; provided, however, that no such property, and no property adjacent thereto, has been altered or improved from its present condition, other than as contemplated in Section 9.6.1(D), below, in a manner that would prevent such property from being certified by National TeleConsultants, or other such consultant mutually agreed to by Licensor and Academy, as being suitable for microwave and satellite reception and broadcasting. For each Annual Use Period, Academy shall be entitled to use such property or properties for (i) nine (9) days prior, and two (2) days after, the Presentation with respect to the property to be used for the international broadcasters, and (ii) three (3) days prior, and one (1) day after, the Presentation with respect to the property to be used for satellite parking for press vehicles; increased, however, for the Initial Presentation as contemplated in Section 9.2.2 of the License; and subject to the provisions of Section 9.2.3 of the License Agreement, as amended hereby, with respect to subsequent Presentations.

A. Quality/CUNA/Hawthorn. The surface parking lot currently leased and operated by Quality Parking Service, Inc., as shown on Exhibit F (the “Quality Lot”), and the surface parking lot owned by CUNA Mutual Life Insurance Company, as shown on Exhibit F attached (the “CUNA Lot”), together with a closure by the City of Hawthorn Avenue between Highland Avenue and Orange Avenue, subject to a fire lane

remaining open, together with the granting of the right to park press vehicles on the closed portions of Hawthorn Avenue (the "Hawthorn Closure").

B. Grant/CUNA/Hawthorn. The use of the surface parking lot owned by Yorkbury Investments, Inc., operated by Grant Parking, as shown on Exhibit F (the "Grant Lot"), together with the use of the CUNA Lot and the Hawthorn Closure.

C. Hollywood ITC/Hawthorn. The use of a new parking structure constructed on the Quality Lot, CUNA Lot, and Grant Lot, suitable for use by Academy in accordance with the criteria set forth above (the "ITC Structure"), together with the Hawthorn Closure. For the one Annual Use Period during which the ITC Structure may be under construction, the Academy shall accept the use of the Hollywood High School athletic field as contemplated in the original Exhibit D to the License Agreement.

D. Highland Properties/CUNA/Hawthorn. The use of the Highland Properties (as defined below) together with the CUNA Lot and the Hawthorn Closure. "Highland Properties" shall mean the properties known as 1639 and 1651 Highland Avenue, provided that all structures located thereon, other than the existing billboard structure, shall have been demolished, and the properties shall have been properly paved for use as a parking lot.

E. Grant/Highland/Hawthorn. The use of the Grant Lot, the Highland Properties, and the Hawthorn Closure.

F. Quality/Highland/Hawthorn. The use of the Quality Lot, the Highland Properties, and the Hawthorn Closure.

G. Quality/Grant. The use of the Quality Lot and the Grant Lot.

Notwithstanding the foregoing, prior to satisfying the Hawthorn Lot Condition by the use of any option which includes the use of the Highland Properties, National TeleConsultants, or other such consultant mutually agreed to by Licensor and Academy, shall have certified that the properties used to make up such option, taken as a whole, shall have sufficient areas suitable for satellite and microwave transmission to enable Academy to use such properties for staging and operation of press and international broadcast facilities in a manner consistent with its historical configuration.

9.6.2 Cost. The out-of-pocket costs incurred by Licensor, exclusive of any amounts paid to any of its affiliates, in providing for the use of the properties in satisfaction of the Hawthorn Lot Condition (the "Parking Costs") shall be split equally between Academy and Licensor; provided, however, that Academy's share of the Parking Costs shall not exceed (i) \$2,000 per day for the use of the CUNA Lot, (ii) \$2,000 per day for the use of the Quality Lot, or (iii) \$3,000 per day for the use of the Grant Lot; provided further, however, that each of such amounts may be increased by 5% per year following the March, 2002, Presentation. If at any time during the License Term, the Highland Properties are no longer owned or controlled by Licensor or any of its affiliates, or the ITC Structure is developed on one or more of the properties, the out-of-pocket costs incurred by

Licensors in making either of such properties available to Academy shall likewise be split equally between Academy and Licensor. Notwithstanding the foregoing, if Licensor has previously secured a long term right to use certain parking lots or other areas in satisfaction of the Hawthorn Lot Condition, for the time periods set forth in Section 9.6.1, above (the "Original Time-Periods"), then, notwithstanding any reduction of such time periods as set forth in Section 9.2.3, Academy shall continue to have the obligation to bear the portion of the costs of obtaining the rights to use such areas during the Original Time Periods.

9.6.3 Street Closures. As set forth in Exhibit D attached hereto, the Offsite Condition known as the "Street Closure Condition" is an Academy Offsite Condition, and, in accordance with the terms of Section 9.6, above, the failure of Academy to satisfy such condition may allow Academy to secure a Back-Up Venue, and, if applicable, stage a particular Presentation at a Back-Up Venue. Notwithstanding the foregoing, in the event that, at any time during the License Term, Licensor obtains an appropriate and binding Development Agreement from the City of Los Angeles to the effect that the City will provide either (i) a street closure plan which will allow the Academy to stage the Presentation at the Project within the Annual Use Period with (A) no material interference, other than as contemplated pursuant to the License during any period of partial access to the License Area, and (B) no material decrease in efficiencies from that currently contemplated, or (ii) a specific street closure plan for future Presentations which has been approved in advance by Academy, then, during any year of the License Term in which such agreement remains in effect, the Street Closure Condition will be deemed satisfied, and Academy shall have no right to secure a Back-Up Venue or stage the Presentation at a Back-Up Venue, in each case because of a failure of the Street Closure Condition.

9.6.4 Satisfied Conditions. The Offsite Conditions known as (i) "Madison Lot" and (ii) "Street Furniture," as listed in the original Exhibit D to the License Agreement, have been satisfied, and are no longer Offsite Conditions; and the Offsite Condition known as "Cable Pathways" has been satisfied except for the completion of a "signal interference" test to the satisfaction of Academy, and once such test has been so completed, the "Cable Pathways" Condition shall no longer be an Offsite Condition.

9.7 Security Concerns. Licensor and Academy shall cooperate reasonably and in good faith to coordinate the provision of security and access control services during each Annual Use Period and in connection with each Presentation. Provided that Licensor is not denied access to the Project management and security offices, and except in the event of an emergency, Licensor shall require its security personnel to defer to those of Academy during the period the project is otherwise closed pursuant to Section 9.5.

9.8 Hotel Uses. If Hotel Owner provides to Academy an arrangement regarding the use of hotel rooms as favorable to Academy as its current arrangement with Hilton, then, provided that (i) Academy uses commercially reasonable efforts to promote the Hotel for use by the media attendees and other personnel or entities which participate in the Presentation, and (ii) Academy gives the Hotel a promotional mention at the end of the broadcast of the Presentation, Hotel Owner will provide Academy fifty (50) room nights at the Hotel free of charge, and one hundred fifty (150) room nights at the Hotel at half rates during the Presentation. If the

conditions in items (i) and (ii) above are not met by Academy, and irrespective of whether Hotel Owner provides Academy an arrangement regarding the use of hotel rooms as favorable to Academy as its current arrangement with Hilton, Hotel Owner will provide Academy with two hundred (200) room nights at the Hotel at rates no greater than the Hotel's standard prevailing rates. Additionally, if the Hotel Renovations have not been sufficiently completed to allow Hotel owner to provide the rooms required pursuant to this Section 9.8, Licensor and Hotel Owner shall use commercially reasonable efforts to obtain rooms at other hotels in the reasonable vicinity of the Project for the use of Academy and its invitees, at the prevailing rates generally charged by such other hotels.

9.9 **Billboards and Electronic Message Boards.** During the seven (7) day period prior to the Presentation, neither (i) the vertical advertising billboard located on the corner of Hollywood Boulevard and Highland Avenue, (ii) the scrolling electronic message board to be located on the exterior of the Project, nor (iii) any billboard, electronic or other signs which are (a) located on or visible from the Hollywood Boulevard exterior of the Project or (b) on or visible from the Pathway, including elevator signs, shall be used to (x) advertise any movie, (y) advertise any motion picture company, or (z) advertise any theme park or similar attraction carrying the name of any motion picture company.

SECTION 10.

RECONSTRUCTION

10.1 **Destruction Due to Risks Covered by Insurance.** In the event of damage to the License Area and/or the Project by peril fully covered by Licensor's or Hotel Owners insurance on the Project, exclusive of Licensor's self-insured retention, Licensor shall notify Academy, as soon as reasonably practicable, of the estimated period required to repair such damage, and shall, within a period of one hundred twenty (120) days after the date of such damage, commence repair, reconstruction and restoration of the License Area and prosecute the same diligently to completion, in which event this License shall continue in full force and effect. Notwithstanding the foregoing, in the event of any destruction to the Project to an extent of at least twenty percent (20%) of the then full replacement cost of the Project as of the date of destruction, Licensor shall have the option to terminate this License upon giving written notice to Academy of exercise thereof as soon as practicable and in any event within one hundred twenty (120) days after such destruction.

10.2 **Destruction Due to Risks Not Covered by Insurance.** In the event the License Area shall be damaged to any material extent as a result of any casualty not fully covered by Licensor's insurance, exclusive of Licensees self-insured retention, Licensor may, within one hundred twenty (120) days following the date of such damage, commence repair, reconstruction or restoration of the License Area and/or the Project and prosecute the same diligently to completion, in which event this License shall continue in full force and effect, or, within such one hundred twenty (120) day period, elect not to so repair, reconstruct or restore the License Area and/or the Project, in which event this License shall terminate. In either such event Licensor shall give Academy written notice of its intention as soon as practicable and in any event within such one hundred twenty (120) day period.

10.3 Improvements and Waiver of Termination. Notwithstanding anything to the contrary contained herein, in no event shall Licensor be required to restore, repair or reconstruct any alterations, additions or improvements made by Academy to the License Area. Academy waives any right to terminate this License under Sections 1932 and/or 1933(4) of the Civil Code of California or any similar or superseding law.

10.4 Mutual Release. Upon any termination of this License under this Section 10, the parties shall be released thereby without further obligations to the other party coincident with the surrender of possession of the License Area to Licensor, except for items which have accrued and are unpaid prior thereto.

10.5 Basic License Fee Abatement During Reconstruction. In the event that, in Academy's good faith determination, repair, reconstruction and restoration of the License Area or Project as herein provided will prevent Academy from using the License Area for the purposes set forth herein during the Annual Use Period, the Basic License Fee to be paid under this License shall be abated for the entire year of the License Term in which such Annual Use Period occurs (and, if previously paid, refunded to Academy), and Academy will be free to seek an alternative venue at which to stage the Presentation during such year. In the event that the repair, reconstruction and restoration of the License Area is reasonably likely to prevent Academy from staging the Presentation at the Project for more than two (2) consecutive years, Academy shall have the right to terminate this License. Academy shall not be entitled to any compensation or damages from Licensor for interference with Academy's ability to conduct its business or for loss in the use of the whole or any part of the License Area during the Annual Use Period, Academy's personal property or any inconvenience or annoyance occasioned by such damage, repair, reconstruction or restoration.

10.6 Disputes Over Amount of Damage. In the event of damage or destruction as identified in Section 10.1 and/or Section 10.2, Licensor shall estimate the extent of damage and notify Academy within thirty (30) days after the occurrence thereof. Should Academy dispute the accuracy of such estimate, and so notify Licensor within fifteen (15) days after receipt of Licensor's notice, Licensor shall retain, at Academy's cost and expense, a disinterested M.A.I. appraiser who shall evaluate the aforementioned damage. The determination of such appraiser shall be binding upon the parties.

SECTION 11.

EMINENT DOMAIN

11.1 Complete Taking. If the whole of the Project or the License Area is taken by condemnation, sale in lieu of condemnation, or in any other manner for any public or quasi-public use or purpose (collectively, "Eminent Domain"), this License shall terminate as of the earlier of the date of vesting of title on such taking or the date that the condemning purchasing authority takes possession (the "Date of the Taking").

11.2 Partial Taking. If only a portion of the Project or the License Area is taken by Eminent Domain, this License shall be unaffected by such taking, except that if (i) twenty percent (20%) or more of the Project or any material portion of the License Area shall be so

taken, Licensor may terminate this License by giving Academy notice to that effect as soon as practicable and in any event within one hundred twenty (120) days after the Date of the Taking and this License shall terminate as of the date that such termination notice is delivered. If a portion of the Project or the License Area is taken which will have a material negative impact on the image of the Academy or the Presentation or, in the good faith opinion of Academy, prevent Academy from preparing for and presenting the Presentation within the Annual Use Period with (i) no material interference, other than as contemplated pursuant to the License during any period of partial access to a License Area, or that is inherent in the design of the Project as a mixed-use project and (ii) no material decrease in efficiencies from that currently contemplated, then, in any such event, Academy may terminate this License by giving Licensor notice to that effect as soon as practicable and in any event within one hundred twenty (120) days after the Date of the Taking and this License shall terminate as of the date that such termination notice is delivered.

11.3 Award. Licensor and Hotel Owner, as applicable, shall be entitled to receive the entire award or payment in connection with any taking of the License Area, without deduction for any interest vested in Academy by this License. Academy hereby expressly assigns to Licensor all of its right, title and interest in and to every such award or payment, except that Academy shall be entitled to any award expressly granted for the taking of Academy's Personal Property.

11.4 Basic License Fee Abatement During Reconstruction. In the event that, in Academy's good faith determination, repair, reconstruction and restoration of the License Area or Project relating to a taking by Eminent Domain will prevent Academy from using the License Area for the purposes set forth herein during the Annual Use Period, the Basic License Fee to be paid under this License shall be abated for the entire year of the License Term in which such Annual Use Period occurs (and, if previously paid, refunded to Academy), and Academy will be free to seek an alternative venue at which to stage the Presentation during such year. In the event that such repair, reconstruction and restoration of the License Area is reasonably likely to prevent Academy from staging the Presentation at the Project for more than two (2) consecutive years, Academy shall have the right to terminate this License. Except as expressly set forth in Section 11.3, above, Academy shall not be entitled to any compensation or damages from Licensor for interference with Academy's ability to conduct its business or for loss in the use of the whole or any part of the License Area during the Annual Use Period, Academy's personal property or any inconvenience or annoyance occasioned by such damage, repair, reconstruction or restoration.

SECTION 12.

TERMINATION OF LICENSE

12.1 Definition of Default. The occurrence of any one or more of the following events shall constitute a material default and breach of this License by Academy:

(i) The failure by Academy to make, any payment of License Fees hereunder, within ten (10) days after notice that the same is overdue;

(ii) The failure by Academy to observe or perform any of the express or implied covenants, promises, agreements or provisions of this License, where such failure continues for thirty (30) days after notice thereof; provided however, if the nature of the default is such that more than thirty (30) days are required for its cure, then Academy shall not be in default under this License if Academy commences such cure within such thirty (30) day period and thereafter diligently pursues the same to completion; or

(iii) Should Academy institute any proceedings under the Bankruptcy Act, or any similar or superseding statute, whether in such proceeding Academy seeks to be adjudicated a bankrupt or be discharged of its debts or to effect a plan of liquidation, composition or reorganization; or should any involuntary proceeding be filed against Academy under any such bankruptcy laws; or should Academy become insolvent or be adjudicated a bankrupt in any court of competent jurisdiction, or should a receiver or trustee be appointed of Academy's property, or should Academy make an assignment for the benefit of creditors.

12.2 Revocation of License. In the event of any default by Academy, as set forth in Section 12.1, above, Licensor may, in addition to any and all other rights or remedies available to Licensor hereunder, at law or in equity, immediately revoke this License upon written notification to Academy. No delay or omission of Licensor to exercise any right or remedy shall be construed as a waiver of any such right or remedy or of any default.

12.3 Termination of License by Academy. Notwithstanding the terms of Section 2.1, above, and in addition to any other termination rights of Academy hereunder, Academy shall have the right to terminate this License as set forth in this Section 12.3.

12.3.1 Project Condition or Utility. In the event (i) the Project is not maintained in a first-class condition or otherwise in the manner set forth in Section 4.7, above, or (ii) the Theatre has become technically obsolete based on commercially reasonable standards (item (i) or (ii), the "Maintenance Failure"), Academy shall have the right to deliver written notice (the "Maintenance Failure Notice") to Licensor of such condition, which notice shall state with reasonable specificity the particular conditions causing such Maintenance Failure, and, if Licensor fails to cure such particular conditions within the twelve (12) month period following Licensor's receipt of the Maintenance Failure Notice, Academy shall have the right to terminate this License by written notice to Licensor.

12.3.2 Neighborhood Deterioration. In the event the immediate area surrounding the project, and bounded by La Brea Boulevard, Sunset Boulevard, Franklin Street, and Vine Street, shall deteriorate from its condition existing as of the date of completion of the Project, as demonstrated by a material decline in property values or business revenues, or a material increase in vacancy or crime rates in such area, Academy shall have the right to terminate this License by delivering twelve (12) months prior written notice to Licensor.

12.3.3 Image of the Academy. In the event that Academy, or a significant constituency of its board of governors, makes a good faith determination that its association with the Project has (i) had a negative impact on the Presentation, including the pre-production, production or telecast aspects thereof, or the experience of the Presentation by its participants or audience, or (ii) demeaned the image of Academy or the Presentation (item (i) or (ii), the "Image

problem”), Academy shall have the right to deliver twelve (12) months prior written notice (the “Image Problem Notice”) to Licensor of such condition, which notice shall, in any event, not be effective prior to the expiration of the fifth (5th) year of the License Term. In the case of an Image Problem set forth in item (ii), above, this License shall terminate as of the effective date of such notice. With respect to an Image Problem set forth in item (i), above, Academy’s notice shall state with reasonable specificity the particular condition or conditions causing such Image Problem and if Licensor fails to cure such condition or conditions within the twelve (12) month period following the effective date of such notice, Academy shall have the right to terminate this License by an additional written notice to Licensor. Academy’s determination of an image Problem shall in no event be based on an opportunity to host the Presentation at a competing mixed-use venue or a new theater. The factors used by Academy in making its good faith determination of an Image Problem set forth in item (ii), above, may include, but shall not be limited to (a) a substantial increase in the incidence of non-sanctioned uses of the Trademarks for commercial purposes resulting from Academy’s connection to the Project, or (b) significant incidence of publication, marketing or distribution of the Trademarks in connection with a negative connotation of the Project or the Hollywood area of Los Angeles.

12.3.4 Cessation of Presentation. If, at any time during the License Term, Academy no longer holds the Presentation, or the Presentation is no longer telecast by a national television network for any reason other than a voluntary decision by Academy not to continue to televise the Presentation, or to terminate any existing contract for such telecast, Academy shall have the right to terminate this License by delivering Licensor not less than twelve (12) months prior written notice of such termination.

12.3.5 General Termination Right. Academy shall have the further right to terminate this License on not less than two (2) years prior written notice effective any time after the tenth (10th) year of the License Term.

12.3.6 Licensor Default. Notwithstanding anything to the contrary set forth in this License, Licensor shall be in default in the performance of any obligation required to be performed by Licensor pursuant to this License if Licensor fails to perform such obligation, within a reasonable time period with the expenditure of diligent efforts, but in no event more than thirty (30) days after the receipt of written notice from Academy specifying in detail Licensor’s failure to perform; provided, however, if the nature of Licensees obligation is such that more than thirty (30) days are required for its performance, then Licensor shall not be in default under this License if Licensor commences such performance within such thirty (30) day period and thereafter diligently pursues the same to completion.

12.4 Limitation On Academy Remedies. In the event that this License is terminated based on (i) a failure by Licensor to cause the Substantial Completion of the Project and Hotel as required pursuant to the terms of Section 1.3, above, (ii) the failure to resolve any Known Conflict or New Conflict as set forth in Section 4.3, above, (iii) the failure to satisfy any Licensor offsite Condition as set forth in Section 9.6, above, or (iv) any default by Licensor under this License, Licensor shall pay to Academy, in addition to the Back-Up Venue Costs payable pursuant to the terms of Section 1.3.3, above, “Termination Damages” in an amount equal to the total, actual third party out-of-pocket costs incurred by Academy in connection with the negotiation of this License, including the letter of intent setting forth the general terms and

conditions hereof, and its approval of the Design Development Drawings, including preliminary drawings used to create the Design Development Drawings, and Final Construction Drawings. Notwithstanding the foregoing, in no event shall the sum of (i) the total amount of all Back-Up Venue Costs paid by Licensor under this License, and (ii) the Termination Damages, exceed One Million Dollars (\$1,000,000). The payment of the Termination Damages and the Back-Up Venue Costs shall be Academy's sole remedy for the termination of this License, and neither Licensor nor Hotel Owner shall have any further liability whatsoever to Academy.

SECTION 13.

MISCELLANEOUS

13.1 Entry by Licensor. Provided that Licensor uses commercially reasonable efforts to minimize interference with Academy's use of the License Area, Licensor and its agents shall have the right to enter or pass through the License Area at reasonable times (i) to examine the License Area and (ii) to make repairs, alterations, additions and improvements in the License Area, or the Project and equipment. Provided that Licensor uses commercially reasonable efforts to minimize interference with Academy's use of the License Area, Licensor shall be allowed to bring materials and equipment into the License Area as required in connection with repairs, alterations, additions and improvements, without any liability to Academy and without any reduction of Academy's covenants and obligations. Any such entry which occurs during any period of exclusive use of a particular portion of the License Area shall be subject to reasonable prior notice to Academy, and Licensor's compliance with Academy's reasonable security requirements. Notwithstanding the foregoing, Licensor agrees that, except in the case of emergency, it shall not enter those portions of the License Area as to which Academy has exclusive use for the above purposes within the seven (7) day period prior to, and including the date of, the Presentation (provided that such seven (7) day period shall not work to extend any shorter period of exclusive use set forth in Section 9.2, above).

13.2 Project Name and Address. Subject to Academy's rights set forth in Section 6.4.1, above, Licensor reserves the right at any reasonable time, on reasonable prior notice to Academy, to change the Project's or Theatre Complex's name or address, and Licensor shall have no liability to Academy for any cost or inconvenience occasioned thereby.

13.3 Alterations of Project. **Provided that Licensor uses commercially reasonable efforts to minimize interference with Academy's use of the License Area, Licensor reserves the right, at any reasonable time, without incurring any liability to Academy therefor and without affecting or reducing any of Academy's covenants and obligations hereunder, to make such changes, alterations, additions and improvements (for purposes of this Section 13.3, collectively a "Change") in or to the Project and its systems and equipment, as well as in or to street entrances, doors, halls, passages, elevators, stairways, and other public parts of the Project, as Licensor shall deem necessary or desirable. Notwithstanding the foregoing, Academy shall have the right to approve, in a manner consistent with the notice and approval procedures set forth in the Work Letter, any material Change which (i) affects the License Area, (ii) has a material adverse impact on the quality or overall aesthetics of the Project or the exterior of the Hotel, or (iii) would have an impact on the manner in which Academy is able to prepare for and stage the Presentation, in any**

instance without the prior consent of Academy, which consent shall not be unreasonably withheld or delayed. It shall not be unreasonable for Academy to withhold its consent to any Change, if, in the good faith opinion of Academy, the result of such Change is such that the Academy cannot prepare for and present the Presentation within the Annual Use Period with (A) no material interference other than as contemplated pursuant to the License during any period of partial access to a License Area or that is inherent in the design of the Project as a mixed-use project, and (B) no material decrease in efficiencies from that currently contemplated. Licensor shall not, except in the case of emergency, effect any Change in the License Area during the Annual Use Period. Licensor shall give Academy not less than eighteen (18) months prior notice of any Change that might affect Academy's preparation, for, and staging of, the Presentation. Without limiting the generality of the foregoing, Licensor will not make a Change which impacts the cable trays or pathways (or the areas of the Project which affect the use of such trays and pathways or the Presentation) or the Production Access Area (collectively, the "Critical Areas") in a manner which could adversely affect Academy's ability to prepare for and present the Presentation, without the prior approval of Academy, which approval shall not be unreasonably withheld or delayed. If Licensor and Academy cannot agree if a Change to a Critical Area is permitted hereunder, either party shall be entitled to have National TeleConsultants (or other such consultant mutually agreed to by Academy and Licensor) determine if such Change is consistent with the standards set forth in clauses (A) and (B) above.

13.4 Notices. Whenever it shall be required or permitted that notice or demand be given or served by either party to this License to or on the other, such notice or demand must be in writing and must be given either by personal delivery or by mail, and if given by mail shall be deemed sufficiently given if sent by Registered or Certified Mail, postage prepaid, addressed to the addresses of the parties specified below. Notwithstanding anything to the contrary in this Section 13.4, either party may, by written notice to the other, specify a different address for notice purposes. Service of notice shall be deemed complete at the time of delivering the notice if delivered personally or by express or overnight mail or, if sent by registered or certified mail, two (2) days after mailing the same.

Licensor: TrizecHahn Hollywood LLC
4350 La Jolla Village Drive
Suite 700
San Diego, California 92212-1233
Attention: Legal Department

Academy: Academy of Motion Picture Arts and Sciences
Academy Foundation
8949 Wilshire Boulevard
Beverly Hills, CA 90211-1972
Attention: Executive Director

13.5 Estoppel Certificates. Academy agrees from time to time, within ten (10) days after a request by Licensor, to execute and deliver to Licensor an estoppel certificate, in a form reasonably satisfactory to Licensor.

13.6 Broker. Academy and Licensor each covenants, warrants, and represents that no broker was instrumental in bringing about or consummating this License and that it has had no conversations or negotiations with any broker concerning this License. Academy and Licensor each agrees to indemnify, defend and hold the other harmless against and from any claims for any brokerage commissions or finder's fees and all costs, expenses and liabilities, including attorneys' fees, incurred in connection with such claims, which arise by reason of the acts or alleged acts of the other.

13.7 Entire Agreement. This License contains all of the agreements and understandings of the parties and the respective obligations of Licensor, Hotel Owner and Academy in connection therewith. Neither Licensor nor Hotel Owner has made, nor are either of them making, and Academy, in executing and delivering this License, is not relying upon, any warranties, representations, promises or statements, except those that are expressly set forth in this License, including any exhibits hereto. All prior agreements and understandings between the parties have merged into this License, which alone fully and completely expresses the understanding of the parties.

13.8 Amendments. No agreement shall be effective to amend, change, modify or waive any of the provisions of this License, in whole or in part, unless such agreement is in writing, refers expressly to this License and is signed by Licensor and Academy.

13.9 Successors. Except as otherwise expressly provided herein, the obligations of this License shall bind and benefit the successors and assigns of the parties hereto; provided, however, that no assignment, sublease or other transfer in violation of the provisions of Section 8 shall operate to vest any rights in any putative assignee, sublessee or transferee of Academy.

13.10 Force Majeure. Licensor shall have no liability whatsoever to Academy on account of (i) the inability of Licensor to fulfill, or delay in fulfilling, any of Licensor's obligations under this License by reason of strike, other labor trouble, governmental preemption or priorities or other controls in connection with a national or other public emergency, or shortages of fuel, supplies or labor resulting therefrom, or any other cause, whether similar or dissimilar to the above, beyond Licensor's reasonable control; or (ii) any failure or defect in the supply, quantity or character of electricity or water furnished to the License Area, by reason of any requirement, act or omission of the public utility or others furnishing the Project with electricity or water, or for any other reason, whether similar or dissimilar to the above, beyond Licensor's reasonable control. If this License specifies a time period for performance of an obligation of Licensor (other than with respect to the periods set forth in Sections 1.3.2 and 1.3.3 hereof), that time period shall be extended by the period of any delay in Licensor's performance caused by any of the events of force majeure described above.

13.11 Governing Law. Irrespective of the place of execution or performance, this license shall be governed by and construed in accordance with the laws of the State of California.

13.12 Invalidity. If any provision of this License or the application thereof to any person or circumstances shall, for any reason and to any extent, be invalid or unenforceable, the remainder of this License and the application of that provision to other persons or circumstances shall not be affected but rather shall be enforced to the extent permitted by law.

13.13 Captions. The table of contents, captions, headings and titles of this License are solely for convenience of reference and shall not affect its interpretation.

13.14 Presumptions. This License shall be construed without regard to any presumption or other rule requiring construction against the party drafting a document. It shall be construed neither for nor against Licensor or Academy, but shall be given a reasonable interpretation in accordance with the plain meaning of its terms and the intent of the parties.

13.15 Independent Covenants. Each covenant, agreement, obligation or other provision of this License on Academy's part to be performed shall be deemed and construed as a separate and independent covenant of Academy, not dependent on any other provision of this License.

13.16 Time is of the Essence. Time is of the essence of this License and of each provision hereof in which a time of performance is established.

13.17 Submission of License. The submission of this License to Academy or its agent or attorney for review or signature does not constitute an offer to Academy to enter into this License or an option to do so. This instrument shall have no binding force or effect until its execution and delivery by both Licensor and Academy.

13.18 Licensing of the City of Los Angeles. The obligations of Academy under this License shall not be conditioned upon the receipt by Academy of any necessary licenses and approvals from the City of Los Angeles (other than as any such licenses or permits are required to be obtained by Licensor pursuant to the terms of Section 9.3, 9.5, or Exhibit D hereto).

13.19 Parties Relationship. Nothing contained in this License shall be deemed or construed by the parties hereto or by any third party to create the relationship of lessor and lessee, principal and agent or of partnership or of joint venture or of any association whatsoever between Licensor and Academy, it being expressly understood and agreed that none of the provisions contained in this License nor any act or acts of the parties hereto shall be deemed to create any relationship between Licensor and Academy other than the relationship of licensor and licensee.

13.20 Holding Over. In the event Academy remains in possession of the License Area after the expiration of the License Term, or after the expiration of any particular Annual Use Period, and without the execution of a new license, or other written agreement extending such particular Annual Use Period, Academy, at the option of Licensor, shall be deemed to be occupying the License Area as a tenant from month-to-month, subject to all of the terms and conditions, provisions, and obligations of this License insofar as the same are applicable to a month-to-month license, and, in such event Academy shall pay a monthly Basic License Fee equal to two twelfths (2/12ths) the annual Basic License Fee in effect at the time of such holdover. Licensor reserves the right to cancel such month-to-month license upon ten (10) days' notice in writing.

13.21 Exculpation. The obligations of Licensor and Hotel Owner under this License do not constitute personal obligations of the corporate or individual partners which constitute Licensor or Hotel Owner, and Academy shall look solely to the Project and Hotel and to no other assets of Licensor or Hotel Owner for satisfaction of any liability with respect to this License and

will not seek recourse against the corporate or individual partners which are Licensor or Hotel owner herein, nor against any of their personal or corporate assets for such satisfaction. Notwithstanding any contrary provision herein, neither Licensor nor Hotel Owner shall be liable under any circumstances for injury or damage to, or interference with, Academy's business, including but not limited to, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring.

13.22 Attorneys' Fees. Should any litigation be commenced between the parties to this License concerning the License Area, this License, or the rights and duties of either in relation thereto, the prevailing party in such litigation shall be entitled, in addition to such other relief as may be granted in the litigation, to a reasonable sum as and for its attorneys' fees in the litigation which fees shall be determined by the court in such litigation or in a separate action brought for that purpose, and such amounts shall not be subject to the terms of Section 12.4, above.

13.23 Disputes. IF ANY PARTY COMMENCES LITIGATION AGAINST ANOTHER FOR THE SPECIFIC PERFORMANCE OF THIS LICENSE, FOR DAMAGES FOR THE BREACH HEREOF OR OTHERWISE FOR ENFORCEMENT OF ANY REMEDY HEREUNDER, THE PARTIES HERETO AGREE TO AND HEREBY DO WAIVE ANY RIGHT TO A TRIAL BY JURY.

13.24 Nondiscrimination. There shall be no discrimination against or segregation of any person or group of persons on account of race, color, religion, creed, national origin, ancestry, sex, sexual preference/orientation, age, disability, medical condition, Acquired Immune Deficiency Syndrome (AIDS) - acquired or perceived, retaliation for having filed a discrimination complaint, or marital status in the sale, lease, sublease, transfer, use occupancy, tenure or enjoyment of the License Area, nor shall Academy itself, or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the License Area.

13.25 Living Wage. Academy acknowledges that Licensor has informed Academy of the City of Los Angeles' "Living Wage Ordinance" and Licensor's support thereof, and that Licensor encourages Academy to pay its employees the "Living Wage" in accordance with such ordinance.

14. Development Agreement. Certain of the Presentation Conflicts, including the Known Conflicts, and certain of the Offsite Conditions, and in particular the Licensor Offsite Condition known as the Street Closure Condition, are subject to annual agreements with the City of Los Angeles and other governmental agencies and the failure to resolve the same could, in any one year, prevent the staging of the Presentation at the Project. Accordingly, and while Licensor and Academy have agreed to use their best efforts to resolve such Conflicts and satisfy such Conditions, the parties will seek a longer-term solution to the resolution of such Conflicts and the satisfaction of such Conditions. Towards that end, Academy shall cooperate with Licensor in order to reach agreements with such City and other agencies which would enable such Conflicts and Conditions to either be satisfied on a longer term basis, in which event the License, as amended hereby, shall be further amended to reflect such solution(s) in satisfaction or partial satisfaction of

the applicable Conflict and/or Condition. In addition, and since Licensor has not yet resolved the Known Conflicts, Academy shall cooperate with Licensor in order to enable Licensor to include the resolution of such Conflicts in connection with obtaining the consents, permits and agreements from the City of Los Angeles and other governmental agencies necessary to satisfy the Licensor Offsite Condition known as the Street Closure Condition.

15. Operational Addendum. Each of the parties hereto recognize that the staging of the Presentation at the Project, and the preparation therefor, will evolve from time to time as Academy, Licensor and Hotel Owner, as well as the City of Los Angeles and other governmental agencies gain experience with the previous staging of Presentations at the Project. Further, Academy recognizes that Licensor and Hotel Owner want the Presentation, and the preparation therefor, to interfere with their and their respective tenants, invitees and guests' use of the Project as little as is practicable, and Licensor and Hotel Owner recognize that Academy desires to stage the Presentation, and prepare therefor, in as efficient and economical manner as is practicable. In order to capitalize on the experience to be gained in future Presentations and reconcile the competing objectives of the parties, the parties hereto have established the Operational Addendum attached hereto as Exhibit C which clarifies and expands upon certain of the obligations and rights contemplated under the License, as amended hereby, and directs the manner in which the parties will work together in order to reconcile their competing objectives, in particular in light of the need to create an "Arrivals Sequence" each year in cooperation with such City and other agencies. It is intended that the Operational Addendum will be revised from time to time to reflect the experience of the parties and further delineate methods whereby the competing objectives with respect to the Project may be reconciled.

16. Exhibits.

(i) Exhibit A to the License shall be replaced in its entirety and all references to Exhibit A in the License shall refer to Exhibit A as attached to this Amendment.

(ii) Exhibit D to the License shall be replaced in its entirety with Exhibit D attached to this Amendment.

17. Conflicts. Except as specifically amended hereby, the License shall continue to be in full force and effect and is hereby ratified and confirmed. Nothing contained in this Amendment shall in any manner limit or be deemed to limit any of the rights and remedies of the parties pursuant to the License, all of which rights and remedies are expressly reserved by the parties.

18. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile shall be effective as delivery of a manually executed counterpart of this Agreement.