



AGENDA REPORT

Meeting Date: November 20, 2012

Item Number: F-6

To: Honorable Mayor & City Council

From: Cheryl Friedling, Deputy City Manager

Subject: A. AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND ROLEX WATCH USA, INC. FOR SPONSORSHIP OF THE BEVERLY HILLS CENTENNIAL
B. LICENSE AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND TJB GEARY'S, LLC FOR USE OF THE BEVERLY HILLS SHIELD CENTENNIAL TRADEMARK

Attachments: 1. Rolex Watch USA, Inc. Agreement
2. TJB Geary's LLC Agreement

RECOMMENDATION

Staff recommends that the City Council move to approve an agreement between the City of Beverly Hills and Rolex Watch USA, Inc. for sponsorship of the Beverly Hills Centennial and a license agreement between the City of Beverly Hills and TJB Geary's, LLC for use of the Beverly Hills Shield Centennial Trademark.

INTRODUCTION

The City is celebrating its 100th Anniversary in 2014 with a portfolio of signature events, initiatives and commemorative merchandise.

To provide additional financial support for the year-long celebration, the City has established a Beverly Hills Centennial Celebration Sponsorship Program to attract luxury brands to partner with the City for this once-in-a-lifetime co-branding opportunity.

DISCUSSION

Rolex Watch USA, Inc.'s sponsorship offer – in partnership with Geary's of Beverly Hills – has been accepted by the Centennial Liaison Committee (Chairman Dick Rosenzweig, Councilmember Brucker, and Councilmember Bosse) as the City's first Centennial sponsor.

This sponsorship will provide Rolex Watch USA, Inc. and its supplier, Gearys of Beverly Hills with brand visibility, logo usage, admission to signature Centennial events and related promotional/advertising opportunities. As part of the sponsorship agreement, a separate license agreement is also required to provide Gearys with licensing rights during the centennial year. It is important to note that this sponsorship provides Rolex with marketing exclusivity in the category of watches.

FISCAL IMPACT

In return for sponsorship benefits, Rolex Watch USA, Inc. will pay the City a sponsorship fee of \$300,000. Of that amount, \$60,000 will be paid to The Argus Group, the New York based agency retained by the City to secure sponsorships.



Noel Marquis,
Interim Director of Administrative
Services

Approved By

Cheryl Friedling,
Deputy City Manager



Approved By

Attachment 1

**AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND ROLEX WATCH
USA, INC. FOR SPONSORSHIP OF THE BEVERLY HILLS CENTENNIAL**

THIS AGREEMENT is made on November 20, 2012, by and between the City of Beverly Hills, a municipal corporation (“Event Operator”) and Rolex Watch USA, Inc., a New York corporation (“Sponsor”).

A. The City is celebrating its 100th Anniversary and will launch a year of signature centennial events during the calendar year 2014 (“Event”).

B. The City has established the Beverly Hills Centennial Celebration Sponsorship Program to attract luxury brands to partner with the City for this once in a lifetime branding opportunity.

C. Sponsor desire to participate in the Beverly Hills Centennial Celebration Sponsorship Program pursuant to the terms and conditions set forth in this Sponsorship Agreement.

NOW, THEREFORE, in consideration of the above recitals, the parties agree as follows:

1. Sponsorship Rights and Obligations.

(a) Consideration During the Term and for consideration of the Sponsorship payment Event Operator shall provide to Sponsor the benefits set forth in Exhibit A, which is attached herein and incorporated in full (“Sponsorship Benefits”). Notwithstanding, Sponsor recognizes and agrees that part of the Sponsorship Benefits include brand visibility, participation and admission to certain “Signature Centennial Events” and “Customizable Sponsor Events” as listed in Exhibit A. Such events are subject to change by the Event Operator and the Event Operator has the right to substitute equivalent similar events in the place of those listed therein. The determination of an equivalent event is in the reasonable discretion of the Event Operator taking into the consideration the size, scale and visibility of the event to be replaced. To the extent possible, the Sponsor shall be consulted in the development of equivalent sponsorship events.

(b) Sponsorship. Event Operator hereby grants to Sponsor marketing exclusivity in the category of watches and timepieces, which includes clocks (“Product Category”). Accordingly, Sponsor shall be the exclusive watch and timepiece sponsor for the Event (“Sponsorship”). Sponsor and Event Operator agree that certain potential sponsors of luxury brands have a significant presence in the Product Category. Accordingly, Event Operator agrees that the exclusivity provided herein for the Sponsorship Fee will prohibit the Event Operator from entering into a sponsorship agreement for the Event with the following companies: Cartier, David Yurman and Chanel. Sponsor may use such Sponsorship rights in connection with the advertising and promotion of Sponsor and its products and services in such manner as Sponsor may deem appropriate, subject to Event Operator’s prior approval, which shall not be unreasonably withheld.

(c) Exclusivity. Event Operator warrants that it has not granted and will not grant any Sponsorship rights of any nature to the Event to or on behalf of any manufacturer, distributor, developer, marketer or seller of any goods within the Product Category listed herein.

(d) Advertising Materials. Sponsor shall provide the form of logo and/or Marks, as defined below, to be used by Event Operator for all materials used in advertising and promoting the Event and the Sponsorship.

(e) Ambush Marketing. Event Operator shall immediately inform Sponsor if it learns of any act of “Ambush Marketing” (as defined herein), and Event Operator will use immediate, reasonable efforts within its control to combat such Ambush Marketing. “Ambush Marketing” shall mean any attempt by a third party in the Product Category to capitalize on the goodwill, reputation and popularity of the Event by creating an association between itself and the Event. In this regard, Event Operator shall use reasonable efforts within its control to minimize the ability of entities not affiliated with the Event to imply an affiliation with the Event, which may include the use of “cease and desist” letters, sending out anti-ambush letters to certain companies and advertising agencies, engaging in a proactive program to portray ambush marketers generally as damaging to the Event and meeting with Sponsor periodically to review Sponsor's concerns and to discuss Event Operator’s plan of action to address such concerns.

2. Event Operator Obligations:

(a) Promotion of the Sponsorship. Event Operator shall use its best efforts to promote the Sponsorship, including, without limitation, conducting advertising, promotional and public relations activities in connection with the Event. In the course of planning, developing, promoting, and marketing the Sponsorship, Event Operator shall at all times portray Sponsor in a positive fashion.

(b) Advertising Materials. Event Operator shall provide the form of logo and Marks to be used by Sponsor for all materials used in advertising and promoting the Event and the Sponsorship.

(c) Management of the Event and Third Party Relationships. Event Operator shall be solely responsible for the management of all aspects of the Event and securing and maintaining any third party rights necessary to provide the Sponsorship benefits rights set forth in Exhibit A.

(d) Operations and Permits. Event Operator shall be solely responsible for arranging all operational aspects of the Event and Sponsorship including, but not limited to, the set-up of the Event, managing communications with the media, if any. Event Operator shall be responsible for obtaining all permits, licenses, and other evidences of permission necessary for the planning, developing, marketing, and production of the Event.

3. **Sponsorship Fee.** In consideration of Sponsorship rights granted hereunder, Sponsor agrees to pay to Event Operator a fee in the amount set forth in Exhibit A attached hereto (the "Sponsorship Fee"). The Sponsorship Fee shall be payable in accordance with the schedule set forth in Exhibit A.

4. **Ownership Rights. Licenses and Limitations.**

(a) **Marks.** Each party to this Agreement ("Owner") hereby grants to the other party ("Licensee") a non-exclusive, non-transferable, royalty free license to use and reproduce accurately the Owner's name, logos, service marks and trademarks as shown on Exhibit B ("Marks"), as such Marks may be altered by the Owner from time to time, as may be necessary for the parties to perform their obligations under this Agreement. Each Licensee agrees that all use of the Owner's Marks shall be of the high standard and of such style, appearance and quality as is consistent with the image of Owner's use of the Marks generally. All use of the Owner's Marks and the goodwill generated thereby shall inure to the benefit of each respective Owner. Each Licensee hereby acknowledges the Owner's rights and interests in the Owner's Marks and agrees not to claim any right, title or interest in or to such Marks or to at any time challenge or attack Owner's rights in or to such Marks for any reason whatsoever. Except as expressly provided herein, no other right or license with respect to any copyrights, trademark rights or other proprietary rights is granted under this Agreement. All rights not expressly granted hereunder by a party are expressly reserved to each respective party.

(b) **Promotional Material.** Licensee must obtain Owners written approval for all publicity, promotional and advertising material bearing Owner's Marks or otherwise marketing the Sponsorship prior to the initial use of such materials. Owner agrees that any material submitted by Licensee shall not be unreasonably disapproved and, if it is disapproved, the Owner shall advise Licensee of the specific grounds of disapproval. Owner will have five (5) business days to approve or disapprove any and all advertising and promotional materials that include Owner's Marks.

5. **Representations and Warranties.** Each party represents and warrants that (I) it has the full right and power to enter into this Agreement and fully perform its obligations hereunder; (ii) it has the full right to grant the license to use the Marks pursuant to the terms and requirements set forth herein; and (iii) the execution and delivery of this Agreement and the performance of its obligations hereunder will not violate or conflict with any other agreement to which it is a party or violate or infringe upon the rights of any third party.

6. **Term and Termination.**

(a) **Term.** The term of this Agreement shall commence on the date first set forth above and continue through completion of the Event, which is scheduled to be on December 31, 2014 (the "Term"). Upon the expiration of this Agreement, the parties shall immediately discontinue any and all use of the other party's Marks and each party will return to the other party any materials provided under this Agreement.

(b) **Termination.** Either party may terminate this Agreement (i) if the other party fails to comply with any of its material obligations hereunder and provided that the breach can be

remedied, does not remedy such failure within ten (10) business days after being called upon to do so by written notice or such longer time if the other party agrees to an extension; or (ii) immediately, if the other party becomes bankrupt or insolvent or enters into a liquidation or enters into any arrangement with its creditors, or has a receiver appointed to run its business. The City may terminate this Agreement upon thirty days written notice if the Event is cancelled or due to Sponsor's breach as described in the prior sentence, subject to the obligations contained in paragraph (c) herein.

(c) **Obligations Upon Termination.** Upon the termination of this Agreement, the parties shall immediately discontinue any and all use of the other party's Marks and each party will return to the other party any materials provided under this Agreement. In the event of termination, the following shall also apply:

1) In the situation where the Event Operator cancels the Event in its discretion and thus terminates the Agreement, the Event Operator will return to Sponsor the Sponsorship Fee less any monies expended by the Event Operator for reasonable and agreed upon services rendered and benefits received hereunder by Sponsor, as determined by the Event Operator in its reasonable discretion, prior to the cancellation of the Event.

2) In the situation where the Agreement is terminated by the Event Operator, as a result of Sponsor's breach, no refund shall be provided to the Sponsor and Sponsor agrees that the Event Operator may seek another sponsor in the Product Category notwithstanding the provisions herein.

The above constitutes the sole remedy of Sponsor in the case of termination.

7. **Indemnification.** Each party will defend, indemnify and hold each other harmless from and against any and all third party claims, liabilities, judgments, damages, costs and expenses, including reasonable attorneys fees, with respect to, arising out of, or in connection with (i) any breach of any provision of this Agreement or any agreement, representation or warranty made by the other party (ii) any negligent act or omission by the other party, its employees, servants, agents, and the like arising out of its performance of its obligations hereunder ; (iii) any third party claims concerning products or merchandise distributed or sold by the other party; and (iv) for any events and promotional materials produced and distributed by the other party related to the Event. The parties shall provide notice to the other party of any claim, action, or threat of which it learns. Each party shall name the other as an additional insured on their general liability policy.

8. **Miscellaneous.**

(a) **Independent Parties.** Nothing in this Agreement is intended to create, nor shall anything herein be construed or interpreted as creating, an agency, a partnership, a joint venture or any other relationship between Event Operator and Sponsor except as expressly set forth herein, and both parties understand that, except as otherwise expressly agreed to herein, each shall be responsible for its own separate debts, obligations and other liabilities. Sponsor shall not, at any time, or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of Event Operator.

(b) Notices. Any notice sent pursuant to this Agreement will be in writing and either (i) hand delivered; (ii) transmitted by facsimile or its equivalent; or (iii) mailed by certified or registered mail, return receipt requested, postage, or (iv) dispatched by expedited delivery service, to the following:

Event Sponsor: City of Beverly Hills
455 N. Rexford Drive
Beverly Hills, California 90210
Attention:
City Manager

Sponsor: Rolex Watch U.S.A., Inc.
665 Fifth Avenue
New York, New York, 10022
Attention:
Carla Uzel, Public Relations Manager and
Peter Nicholson, Vice President,
Director of Communications

or such other person or address as either party may designate in writing pursuant to the provisions of this section. Any notice mailed will be deemed to have been received two (2) days after it is mailed; any notice dispatched by expedited delivery service will be deemed to have been received one day after it is dispatched; and any notice sent by facsimile will be deemed to have been received on the date it is faxed.

(c) Entire Agreement. This Agreement and the Exhibits attached hereto constitute the entire agreement between the parties regarding the subject matter discussed herein and supersede all prior or contemporaneous discussions, representations, correspondence and agreements, whether oral or written, pertaining thereto. This Agreement may be amended or modified only by a writing duly executed by the parties.

(d) City Representative. The City Manager or his designee shall represent the City in the implementation of this Agreement.

(e) Responsible Principal. Carla Uzel, Public Relations Manager shall be principally responsible for Sponsor's obligations under this Agreement and shall serve as principal liaison between Event Operator and Sponsor. In addition, Event Operator shall copy Peter Nicholson, Vice President, Director of Communications, on all correspondence to Sponsor.

(f) Waiver. The failure of either party at any time or times to demand strict performance by the other of any of the terms, covenants or conditions set forth herein will not be construed as a continuing waiver or relinquishment thereof and each may at any time demand strict and complete performance by the other of said terms, covenants and conditions.

(g) Successors and Assigns. Except as otherwise provided herein, Sponsor shall not have the right to assign, sell, lease, license or sublicense, in whole or in part, any of its rights or

obligations hereunder. Event Operator agrees that the Sponsorship Benefits are provided to Sponsor, but that Sponsor will be providing and utilizing Sponsorship Benefits together with its retail partner Gearys of Beverly Hills ("Gearys"). Event Operator shall grant to Gearys authority to utilize the Marks in addition to the Sponsor's use subject to a separate license agreement. All references herein and on Exhibit A to inclusion of Sponsor, Sponsor's brand, Sponsor's logo and the like shall be deemed to refer to both the Rolex brand and logo and the Gearys' brand and logo.

(h) No Warranties. Except as otherwise provided in this Agreement, no representations, warranties or guarantees of either party not contained in this Agreement shall be binding on the parties.

(i) Governing Law. The domestic law of the State of California shall govern the interpretation and implementation of this Agreement. Jurisdiction shall be in state or federal court located in the County of Los Angeles.

(j) Damages. Under no circumstances shall either party be liable for indirect, incidental, consequential, special or exemplary damages (even if it has been advised of the possibility of such damages) arising under any provision of this Agreement, such as, but not limited to, loss of revenue or anticipated profits or lost business.

(k) Attorney's Fees. In the event that any party commences any legal action or proceeding to enforce or interpret the provisions of this Agreement, the prevailing party shall be entitled to recover its costs of suit, including reasonable attorney's fees.

(l) Severability. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be valid under applicable law. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force and effect.

(m) Survival of Representations. The representations, warranties, indemnification, and confidentiality provisions set forth in this Agreement shall be continuing and shall survive the termination of this Agreement.

(n) Force Majeure. If Event Operator is unable, after making a continued good faith effort to do so, to fulfill its obligations pursuant to this Agreement due to conditions beyond its control (including without limitation) a strike, boycott, war, act of terror, act of God, labor troubles, riot, delay of commercial carriers, restraint of public authority or for any other reason, the Sponsor is not entitled to a refund of any Sponsorship Fees. In such case, the Event Operator may substitute an event with an equivalent event as determined in the reasonable discretion of Event Operator. No party, however, shall be responsible for events beyond its reasonable control.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of this day and date as first appears above.

CITY OF BEVERLY HILLS
A Municipal Corporation

WILLIAM W. BRIEN, M.D.
Mayor of the City of
Beverly Hills, California

ROLEX WATCH USA, INC., A NEW
YORK CORPORATION



PETER NICHOLSON,
Vice President, Director of Communications

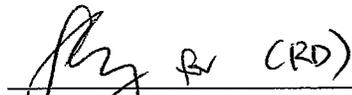
ATTEST:

Approved as to content:

(SEAL)
BYRON POPE
City Clerk

JEFFREY C. KOLIN
City Manager

Approved as to form:



LAURENCE S. WIENER
City Attorney



CHERYL FRIEDLING
Deputy City Manager



KARL KIRKMAN
Risk Manager

EXHIBIT A

SPONSORSHIP BENEFITS AND SPONSORSHIP FEE

The following sets forth the Sponsorship Benefits of a Silver Partner Package for the Beverly Hills Centennial Event to be held throughout the calendar year of 2014 (January 1, 2014 through and including December 31, 2014). The Sponsorship Fee to be paid to Event Operator shall be \$300,000 with \$150,000 to be paid within ten days of approval of this Agreement to be paid by Rolex Watch USA, Inc. The remaining \$150,000 shall be made in two installments of \$75,000 each with the first installment due March 31, 2013 and the second installment due June 30, 2013. Event Operator shall issue an invoice to Rolex Watch USA, Inc. The Event Operator through the City Manager and Sponsor may agree in writing to alternative installment dates; however inclusion of Sponsor in collateral material will not be made unless Sponsorship Fee is paid in full regardless of the installment due date.

Event Operator hereby grants to Sponsor the following Sponsorship Benefits subject to the terms and conditions of the Sponsorship Agreement:

1. The Inclusion of Sponsor in the title of the Event as a Silver Sponsor.
2. Inclusion of Sponsor's brand throughout the Event, subject to Sponsor's prior approval. Event Operator is solely responsible for the cost and development of all creative materials for the Event that incorporate Sponsor's logo. Sponsor will provide Event Operator with Sponsor's logo(s) in Sponsor's desired format. The exact size and placement of Mark and logo shall be agreed upon by the parties.
3. Sponsor has the right to use the Event name and details in all advertising and promotion of Sponsor's products and services. Sponsor may use provided photographs in press materials, subject to Event Operator prior approval as set forth in the Agreement.
4. Inclusion of Sponsor's logo and identification as Silver Sponsor on all Centennial marketing collateral.
5. Inclusion of Sponsor's Mark or logo on signage at press events.
6. Invitation to Centennial press and media events including Mark or logo recognition on signage at press events.
7. Inclusion of Sponsor's logo on Event web site, if applicable.
8. Admission to certain "Signature Centennial Events" as follows:
 - Six tickets to 100th Anniversary Gala at Greystone Mansion
 - Six tickets to the Rodeo Drive Walk of Style™ Grand Fashion Gala

- Six tickets to “Filmed in Beverly Hills” Movie Festival in conjunction with the Academy of Motion Picture Arts & Sciences*
9. One (1) customizable event experience from the list provided by Event Operator as agreed upon by Sponsor and Event Operator.
 10. Inclusion of Sponsor Mark or logo on 150 Centennial Street Banners for up to 50 days of exposure in City’s key commercial areas. Mark or logo placement/size; location of banners; and dates of exposure are determined by Event Operator in its sole discretion after consultation with Sponsor.
 11. On-site presence, product placement and gift bag inclusion (if Sponsor so desires) at Signature Centennial Events and Customizable Sponsor Event. Any product to be distributed or included in gift bags shall be provided by the Sponsor and meet the guidelines established by the Event Operator to ensure consistency with the branding of the Event.
 12. Event Operator shall provide Sponsor with a list of Event sponsors upon execution of this Agreement and shall update this list periodically as sponsors are either added or removed.

*Contingent upon approval/confirmation with Academy of Motion Picture Arts & Sciences

EXHIBIT B





ROLEX

GEARYS

BEVERLY HILLS

SINCE 1930

Attachment 2

**LICENSE AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND TJB
GEARYS, LLC FOR USE OF THE BEVERLY HILLS SHIELD CENTENNIAL
TRADEMARK**

This permission agreement (the "Agreement"), is between City of Beverly Hills ("Licensor") and TJB Gearys, LLC, a California Limited Liability Company ("Licensee").

RECITALS

WHEREAS, Licensor is the sole and exclusive owner of the **BEVERLY HILLS SHIELD DESIGN** trademark (the "Property") as set forth in Exhibit A;

WHEREAS, Licensee desires to obtain from Licensor a non-exclusive license to use the Property in the manner set forth herein in connection with the advertising and promotion of the City of Beverly Hills' 100 Centennial Celebration ("Event") and Licensee's sponsorship of said Event.

WHEREAS, Licensee's Supplier, Rolex Watch USA, Inc., a New York corporation, has entered into a Sponsorship Agreement with the City of Beverly Hills for the sponsorship of the Event and under that agreement is provided certain sponsorship benefits that it desires to share with Licensee ("Sponsorship Agreement");

WHEREAS, the Sponsorship Agreement contemplates the entering of a license agreement between the Licensor and Licensee to allow Licensee the use of the Property;

AGREEMENT

NOW THEREFORE, in consideration of the foregoing recitals and the mutual promises and undertakings contained herein and for other good and valuable consideration, the adequacy of which is hereby acknowledged, the parties, each intending to be legally bound hereby, hereby promise and mutually agree as follows:

1. **License.**

a. Licensor hereby grants to Licensee for the term of this Agreement the non-exclusive, limited, non-transferable right and limited license to use the Property solely as follows: for use by the Licensee in all materials for the advertising and promotion of the Event and the sponsorship in the manner described and contemplated in the Sponsorship Agreement, which is attached hereto and incorporated herein as if set forth in full as Exhibit B.

b. Licensee represents and warrants that it will not harm or misuse the Property or bring the Property into disrepute.

c. This license shall pertain only to the use of the Property as described in Section 1a above and does not extend to any other trademark, product or service. Licensee shall not use the Property in any other manner or for any other purpose, including any commercial use.

d. Licensee shall not modify or change the property without the prior written consent of City.

e. License shall not use any colorable imitation of the Property, or any variant for of the Property.

f. License shall not be entitled to sublicense any of its rights under this Agreement.

g. Upon termination of this Agreement, Licensee shall discontinue all use of the Property and shall not use it again in any manner whatsoever.

h. Licensee shall not file applications or seek registration with the United States Patent and Trademark Office or anywhere in the world for or use of the Property (or any variant, colorable imitation, translation and/or simulation) in connection with any goods and/or services which are not the subject of a license agreement with the City.

i. Licensee must obtain Licensor's written approval for all publicity, promotional and advertising material bearing the Property or otherwise marketing the sponsorship as set forth in the Sponsorship Agreement prior to the initial use of such materials. Licensor agrees that any material submitted by Licensee shall not be unreasonably disapproved and if it is disapproved, Licensor shall advise Licensee of the specific grounds of disapproval. Licensor will have five (5) business days to approve or disapprove any and all advertising and promotional materials that include the Property.

2. Term. This Agreement shall be in full force and effect for the same period as the Sponsorship Agreement.

3. Termination. If the Sponsorship Agreement is terminated, this License Agreement shall automatically terminate without any action or notice by the Licensor. In addition, Licensor shall have the right to terminate this Agreement immediately effective upon the telefaxing of written notice to Licensee at the telefax number set forth below, without prejudice to any rights it may have, whether pursuant to the provisions of this Agreement, in law, in equity, or otherwise, upon the occurrence of any one or more of the following events:

a. Licensee fails to perform any of its material obligations provided for in this Agreement and fails to cure any such material breach within ten (10) days of its receipt of written notice regarding said breach from Licensor, provided, however, that once Licensor has provided Licensee with three (3) such notices, it may terminate this Agreement without providing such opportunity to cure; or

b. Licensee is unable to pay its debts when due, or makes any assignment for the benefit of creditors, or files any petition under the bankruptcy or insolvency laws of any jurisdiction, county or place, or has a receiver or trustee appointed for its business or property, or is adjudicated bankrupt or insolvent, or has substantially all of its assets seized or attached or is liquidated or dissolved.

4. Trademark Notice. Licensee warrants that it will provide a legally sufficient trademark notice in connection with each use of the Property authorized by this Agreement by causing the letters TM to be imprinted prominently, indelibly, and legibly, directly after the Property each time the Property is used as authorized in Section 1a above together with the following statement: "The **BEVERLY HILLS SHIELD DESIGN** is a trademark of the City of Beverly Hills." Upon written notice of federal registration of the Property by Licensor, the Licensee shall immediately begin to use the ® designation.

5. No Right to Assign. The license hereby granted is and shall be personal to the Licensee. Neither this Agreement nor any interests herein may be sublicensed, transferred, directly or indirectly, or assigned by Licensee, in whole or in part, by law or otherwise, without the prior written consent of Licensor and any attempt to sublicense, assign or otherwise transfer such rights shall be null and void.

6. Ownership Rights. Any and all rights in and to the Property which are not expressly granted to Licensee are hereby reserved by Licensor. Licensee acknowledges Licensor's exclusive rights in the Property and further acknowledges that the Property is famous, unique and original and that Licensor is the owner thereof. Licensee acknowledges the value, goodwill and rights of Licensor in the Property. Licensee agrees that the Property is, and shall remain, the property of Licensor and that Licensee obtains no right, title, or interest in or to the Property except for the limited rights set forth in this Agreement. Licensee waives all claim of and to ownership of any rights in the Property and agrees that it shall not at any time dispute or contest, directly or indirectly, Licensor's ownership of the Property, Licensor's exclusive right and title to the Property and right to use the Property, or the validity of the Property, nor shall Licensee assist others in doing so.

7. Indemnification. Licensee will indemnify, defend and hold harmless Licensor, and each of its officers, employees, elected and appointed officials, attorneys, agents, and representatives from and against any and all claims, losses, damages, causes of action, liabilities, costs and expenses (including, without limitation, reasonable legal expenses and attorneys' fees) resulting from, arising from or out of, or in any way related to Licensee's use of the Property as set forth herein (including, but not limited to, any actions based on false or misleading advertising), Licensee's use of the Property in any manner not authorized by this Agreement, and/or any other acts or omissions of Licensee which are not expressly authorized by this Agreement.

8. Entire Agreement. This Agreement constitutes the entire agreement and understanding of the parties with respect to the subject matter hereof, and supersedes all previous negotiations and agreements, oral or written, with respect thereto. No representation, promise, inducement, statement or intention has been made by any parties hereto that is not embodied herein, and no party shall be bound or liable for any alleged representation, promise, inducement, or statement not set forth herein. There are no representations, warranties, promises, covenants or understandings other than those contained herein.

9. Survival. The provisions of Sections 6 and 7 of this Agreement shall survive any expiration or termination of this Agreement.

10. Modifications. This Agreement may be modified, amended, superseded, or cancelled only by a written instrument signed by both of the parties hereto, and any of the terms, covenants, representations, warranties or conditions hereto may be waived only by a written instrument executed by the party to be bound by any such waiver.

11. Attorneys' Fees. In the event of any dispute between the parties hereto arising out of the subject matter of this Agreement, the out-of-pocket costs, expenses, and reasonable attorneys' fees of the prevailing party incurred in resolving, settling or litigating the dispute shall be paid by the other party in addition to any other relief or damages to which the prevailing party may be entitled.

12. Jurisdiction and Disputes. This Agreement shall be governed by the laws of the State of California. All disputes under this Agreement shall be resolved by the courts of the State of California, including the United States District Court for the Central District of California, and the parties consent to the jurisdiction of such courts, agree to accept service of process by mail, and hereby waive any jurisdiction or venue defenses otherwise available to them.

13. Counterparts. This Agreement may be executed and delivered in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

14. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed given (i) if delivered personally or sent by facsimile transmission (confirmed electronically), on the date given, (ii) if delivered by a courier express delivery service, on the date of delivery, or (iii) if by certified or registered mail, postage prepaid, return receipt requested, seven (7) days after mailing, to the parties addressed as follows, or to such other addresses as such party may designate by written notice in the manner provided herein:

If to Licensor:

City of Beverly Hills
455 N. Rexford Drive
Beverly Hills, California 90210-4817
FAX: (310) 285-1056

With a copy to:

Larry Wiener, Esq.
City Attorney
City of Beverly Hills
455 North Rexford Drive
Beverly Hills, CA 90210-4817
FAX: (310) 285-1056

If to Licensee:

Tom Blumenthal, President and CEO
TJB Gearys, LLC
351 N. Beverly Drive
Beverly Hills, California 90210

15. Non-Waiver. The waiver, express or implied, by any of the parties hereto of any right hereunder or with respect to any failure to perform or breach hereof by the other party hereto, shall not constitute or be deemed a waiver of any other right hereunder or of any other failure to perform or breach hereof by any such other party hereto, whether of a similar or dissimilar nature thereto.

16. No Agency or Joint Venture. The parties hereto understand and agree that this Agreement does not make them an agent or legal representative of each other for any purpose whatsoever, and that no partnership, franchise or joint venture is intended to be created hereby. No party hereto is granted, by this Agreement or otherwise, any right or authority to assume or create any obligation or responsibility, express or implied, on behalf of or in the name of the other party hereto, or to bind the other party hereto in any manner whatsoever.

17. Authority. Each party hereto represents and warrants that its execution, delivery and performance of this Agreement has been duly and validly authorized, and that this Agreement is binding upon and enforceable against such party in accordance with the terms hereof.

18. Effective Date. The Agreement shall be effective on the same date the Sponsorship Agreement is effective. If the Sponsorship Agreement is not executed or otherwise effective, this License Agreement is automatically null and void.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have each caused this Agreement to be signed in its name by a duly authorized officer or representative thereof.

EXECUTED this _____ day of _____, 2012, in the City of Beverly Hills, California.

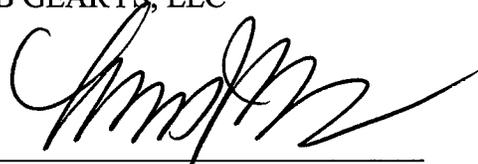
CITY OF BEVERLY HILLS
A Municipal Corporation

WILLIAM W. BRIEN, M.D.
Mayor of the City of
Beverly Hills, California

ATTEST:

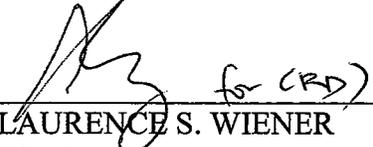
_____ (SEAL)
BYRON POPE
City Clerk

TJB GEARYS, LLC

A handwritten signature in black ink, appearing to read 'Tom Blumenthal', written over a horizontal line.

TOM BLUMENTHAL,
President and CEO

Approved as to form:


LAURENCE S. WIENER
City Attorney

Approved as to content:

JEFFREY C. KOLIN
City Manager


CHERYL FRIEDLING
Deputy City Manager/Public Affairs


KARL KIRKMAN
Risk Manager

EXHIBIT A

[Depiction of Shield]



EXHIBIT B
[Sponsorship Agreement]

**AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND ROLEX WATCH
USA, INC. FOR SPONSORSHIP OF THE BEVERLY HILLS CENTENNIAL**

THIS AGREEMENT is made on November 13, 2012, by and between the City of Beverly Hills, a municipal corporation (“Event Operator”) and Rolex Watch USA, Inc., a New York corporation (“Sponsor”).

A. The City is celebrating its 100th Anniversary and will launch a year of signature centennial events during the calendar year 2014 (“Event”).

B. The City has established the Beverly Hills Centennial Celebration Sponsorship Program to attract luxury brands to partner with the City for this once in a lifetime branding opportunity.

C. Sponsor desire to participate in the Beverly Hills Centennial Celebration Sponsorship Program pursuant to the terms and conditions set forth in this Sponsorship Agreement.

NOW, THEREFORE, in consideration of the above recitals, the parties agree as follows:

1. Sponsorship Rights and Obligations.

(a) **Consideration** During the Term and for consideration of the Sponsorship payment Event Operator shall provide to Sponsor the benefits set forth in Exhibit A, which is attached herein and incorporated in full (“Sponsorship Benefits”). Notwithstanding, Sponsor recognizes and agrees that part of the Sponsorship Benefits include brand visibility, participation and admission to certain “Signature Centennial Events” and “Customizable Sponsor Events” as listed in Exhibit A. Such events are subject to change by the Event Operator and the Event Operator has the right to substitute equivalent similar events in the place of those listed therein. The determination of an equivalent event is in the reasonable discretion of the Event Operator taking into the consideration the size, scale and visibility of the event to be replaced. To the extent possible, the Sponsor shall be consulted in the development of equivalent sponsorship events.

(b) **Sponsorship.** Event Operator hereby grants to Sponsor marketing exclusivity in the category of watches and timepieces, which includes clocks (“Product Category”). Accordingly, Sponsor shall be the exclusive watch and timepiece sponsor for the Event (“Sponsorship”). Sponsor and Event Operator agree that certain potential sponsors of luxury brands have a significant presence in the Product Category. Accordingly, Event Operator agrees that the exclusivity provided herein for the Sponsorship Fee will prohibit the Event Operator from entering into a sponsorship agreement for the Event with the following companies: Cartier, David Yurman and Chanel. Sponsor may use such Sponsorship rights in connection with the advertising and promotion of Sponsor and its products and services in such manner as Sponsor may deem appropriate, subject to Event Operator’s prior approval, which shall not be unreasonably withheld.

(c) Exclusivity. Event Operator warrants that it has not granted and will not grant any Sponsorship rights of any nature to the Event to or on behalf of any manufacturer, distributor, developer, marketer or seller of any goods within the Product Category listed herein.

(d) Advertising Materials. Sponsor shall provide the form of logo and/or Marks, as defined below, to be used by Event Operator for all materials used in advertising and promoting the Event and the Sponsorship.

(e) Ambush Marketing. Event Operator shall immediately inform Sponsor if it learns of any act of “Ambush Marketing” (as defined herein), and Event Operator will use immediate, reasonable efforts within its control to combat such Ambush Marketing. “Ambush Marketing” shall mean any attempt by a third party in the Product Category to capitalize on the goodwill, reputation and popularity of the Event by creating an association between itself and the Event. In this regard, Event Operator shall use reasonable efforts within its control to minimize the ability of entities not affiliated with the Event to imply an affiliation with the Event, which may include the use of “cease and desist” letters, sending out anti-ambush letters to certain companies and advertising agencies, engaging in a proactive program to portray ambush marketers generally as damaging to the Event and meeting with Sponsor periodically to review Sponsor's concerns and to discuss Event Operator’s plan of action to address such concerns.

2. Event Operator Obligations:

(a) Promotion of the Sponsorship. Event Operator shall use its best efforts to promote the Sponsorship, including, without limitation, conducting advertising, promotional and public relations activities in connection with the Event. In the course of planning, developing, promoting, and marketing the Sponsorship, Event Operator shall at all times portray Sponsor in a positive fashion.

(b) Advertising Materials. Event Operator shall provide the form of logo and Marks to be used by Sponsor for all materials used in advertising and promoting the Event and the Sponsorship.

(c) Management of the Event and Third Party Relationships. Event Operator shall be solely responsible for the management of all aspects of the Event and securing and maintaining any third party rights necessary to provide the Sponsorship benefits rights set forth in Exhibit A.

(d) Operations and Permits. Event Operator shall be solely responsible for arranging all operational aspects of the Event and Sponsorship including, but not limited to, the set-up of the Event, managing communications with the media, if any. Event Operator shall be responsible for obtaining all permits, licenses, and other evidences of permission necessary for the planning, developing, marketing, and production of the Event.

3. **Sponsorship Fee.** In consideration of Sponsorship rights granted hereunder, Sponsor agrees to pay to Event Operator a fee in the amount set forth in Exhibit A attached hereto (the "Sponsorship Fee). The Sponsorship Fee shall be payable in accordance with the schedule set forth in Exhibit A.

4. **Ownership Rights. Licenses and Limitations.**

(a) **Marks.** Each party to this Agreement ("Owner") hereby grants to the other party ("Licensee") a non-exclusive, non-transferable, royalty free license to use and reproduce accurately the Owner's name, logos, service marks and trademarks as shown on Exhibit B ("Marks"), as such Marks may be altered by the Owner from time to time, as may be necessary for the parties to perform their obligations under this Agreement. Each Licensee agrees that all use of the Owner's Marks shall be of the high standard and of such style, appearance and quality as is consistent with the image of Owner's use of the Marks generally. All use of the Owner's Marks and the goodwill generated thereby shall inure to the benefit of each respective Owner. Each Licensee hereby acknowledges the Owner's rights and interests in the Owner's Marks and agrees not to claim any right, title or interest in or to such Marks or to at any time challenge or attack Owner's rights in or to such Marks for any reason whatsoever. Except as expressly provided herein, no other right or license with respect to any copyrights, trademark rights or other proprietary rights is granted under this Agreement. All rights not expressly granted hereunder by a party are expressly reserved to each respective party.

(b) **Promotional Material.** Licensee must obtain Owners written approval for all publicity, promotional and advertising material bearing Owner's Marks or otherwise marketing the Sponsorship prior to the initial use of such materials. Owner agrees that any material submitted by Licensee shall not be unreasonably disapproved and, if it is disapproved, the Owner shall advise Licensee of the specific grounds of disapproval. Owner will have five (5) business days to approve or disapprove any and all advertising and promotional materials that include Owner's Marks.

5. **Representations and Warranties.** Each party represents and warrants that (I) it has the full right and power to enter into this Agreement and fully perform its obligations hereunder; (ii) it has the full right to grant the license to use the Marks pursuant to the terms and requirements set forth herein; and (iii) the execution and delivery of this Agreement and the performance of its obligations hereunder will not violate or conflict with any other agreement to which it is a party or violate or infringe upon the rights of any third party.

6. **Term and Termination.**

(a) **Term.** The term of this Agreement shall commence on the date first set forth above and continue through completion of the Event, which is scheduled to be on December 31, 2014 (the "Term"). Upon the expiration of this Agreement, the parties shall immediately discontinue any and all use of the other party's Marks and each party will return to the other party any materials provided under this Agreement.

(b) **Termination.** Either party may terminate this Agreement (i) if the other party fails to comply with any of its material obligations hereunder and provided that the breach can be

remedied, does not remedy such failure within ten (10) business days after being called upon to do so by written notice or such longer time if the other party agrees to an extension; or (ii) immediately, if the other party becomes bankrupt or insolvent or enters into a liquidation or enters into any arrangement with its creditors, or has a receiver appointed to run its business. The City may terminate this Agreement upon thirty days written notice if the Event is cancelled or due to Sponsor's breach as described in the prior sentence, subject to the obligations contained in paragraph (c) herein.

(c) Obligations Upon Termination. Upon the termination of this Agreement, the parties shall immediately discontinue any and all use of the other party's Marks and each party will return to the other party any materials provided under this Agreement. In the event of termination, the following shall also apply:

1) In the situation where the Event Operator cancels the Event in its discretion and thus terminates the Agreement, the Event Operator will return to Sponsor the Sponsorship Fee less any monies expended by the Event Operator for reasonable and agreed upon services rendered and benefits received hereunder by Sponsor, as determined by the Event Operator in its reasonable discretion, prior to the cancellation of the Event.

2) In the situation where the Agreement is terminated by the Event Operator, as a result of Sponsor's breach, no refund shall be provided to the Sponsor and Sponsor agrees that the Event Operator may seek another sponsor in the Product Category notwithstanding the provisions herein.

The above constitutes the sole remedy of Sponsor in the case of termination.

7. Indemnification. Each party will defend, indemnify and hold each other harmless from and against any and all third party claims, liabilities, judgments, damages, costs and expenses, including reasonable attorneys fees, with respect to, arising out of, or in connection with (i) any breach of any provision of this Agreement or any agreement, representation or warranty made by the other party (ii) any negligent act or omission by the other party, its employees, servants, agents, and the like arising out of its performance of its obligations hereunder ; (iii) any third party claims concerning products or merchandise distributed or sold by the other party; and (iv) for any events and promotional materials produced and distributed by the other party related to the Event. The parties shall provide notice to the other party of any claim, action, or threat of which it learns. Each party shall name the other as an additional insured on their general liability policy.

8. Miscellaneous.

(a) Independent Parties. Nothing in this Agreement is intended to create, nor shall anything herein be construed or interpreted as creating, an agency, a partnership, a joint venture or any other relationship between Event Operator and Sponsor except as expressly set forth herein, and both parties understand that, except as otherwise expressly agreed to herein, each shall be responsible for its own separate debts, obligations and other liabilities. Sponsor shall not, at any time, or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of Event Operator.

(b) Notices. Any notice sent pursuant to this Agreement will be in writing and either (i) hand delivered; (ii) transmitted by facsimile or its equivalent; or (iii) mailed by certified or registered mail, return receipt requested, postage, or (iv) dispatched by expedited delivery service, to the following:

Event Sponsor: City of Beverly Hills
455 N. Rexford Drive
Beverly Hills, California 90210
Attention:
City Manager

Sponsor: Rolex Watch U.S.A., Inc.
665 Fifth Avenue
New York, New York, 10022
Attention:
Carla Uzel, Public Relations Manager and
Peter Nicholson, Vice President,
Director of Communications

or such other person or address as either party may designate in writing pursuant to the provisions of this section. Any notice mailed will be deemed to have been received two (2) days after it is mailed; any notice dispatched by expedited delivery service will be deemed to have been received one day after it is dispatched; and any notice sent by facsimile will be deemed to have been received on the date it is faxed.

(c) Entire Agreement. This Agreement and the Exhibits attached hereto constitute the entire agreement between the parties regarding the subject matter discussed herein and supersede all prior or contemporaneous discussions, representations, correspondence and agreements, whether oral or written, pertaining thereto. This Agreement may be amended or modified only by a writing duly executed by the parties.

(d) City Representative. The City Manager or his designee shall represent the City in the implementation of this Agreement.

(e) Responsible Principal. Carla Uzel, Public Relations Manager shall be principally responsible for Sponsor's obligations under this Agreement and shall serve as principal liaison between Event Operator and Sponsor. In addition, Event Operator shall copy Peter Nicholson, Vice President, Director of Communications, on all correspondence to Sponsor.

(f) Waiver. The failure of either party at any time or times to demand strict performance by the other of any of the terms, covenants or conditions set forth herein will not be construed as a continuing waiver or relinquishment thereof and each may at any time demand strict and complete performance by the other of said terms, covenants and conditions.

(g) Successors and Assigns. Except as otherwise provided herein, Sponsor shall not have the right to assign, sell, lease, license or sublicense, in whole or in part, any of its rights or

obligations hereunder. Event Operator agrees that the Sponsorship Benefits are provided to Sponsor, but that Sponsor will be providing and utilizing Sponsorship Benefits together with its retail partner Gearys of Beverly Hills (“Gearys”). Event Operator shall grant to Gearys authority to utilize the Marks in addition to the Sponsor’s use subject to a separate license agreement. All references herein and on Exhibit A to inclusion of Sponsor, Sponsor’s brand, Sponsor’s logo and the like shall be deemed to refer to both the Rolex brand and logo and the Gearys’ brand and logo.

(h) No Warranties. Except as otherwise provided in this Agreement, no representations, warranties or guarantees of either party not contained in this Agreement shall be binding on the parties.

(i) Governing Law. The domestic law of the State of California shall govern the interpretation and implementation of this Agreement. Jurisdiction shall be in state or federal court located in the County of Los Angeles.

(j) Damages. Under no circumstances shall either party be liable for indirect, incidental, consequential, special or exemplary damages (even if it has been advised of the possibility of such damages) arising under any provision of this Agreement, such as, but not limited to, loss of revenue or anticipated profits or lost business.

(k) Attorney’s Fees. In the event that any party commences any legal action or proceeding to enforce or interpret the provisions of this Agreement, the prevailing party shall be entitled to recover its costs of suit, including reasonable attorney’s fees.

(l) Severability. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be valid under applicable law. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force and effect.

(m) Survival of Representations. The representations, warranties, indemnification, and confidentiality provisions set forth in this Agreement shall be continuing and shall survive the termination of this Agreement.

(n) Force Majeure. If Event Operator is unable, after making a continued good faith effort to do so, to fulfill its obligations pursuant to this Agreement due to conditions beyond its control (including without limitation) a strike, boycott, war, act of terror, act of God, labor troubles, riot, delay of commercial carriers, restraint of public authority or for any other reason, the Sponsor is not entitled to a refund of any Sponsorship Fees. In such case, the Event Operator may substitute an event with an equivalent event as determined in the reasonable discretion of Event Operator. No party, however, shall be responsible for events beyond its reasonable control.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of this day and date as first appears above.

CITY OF BEVERLY HILLS
A Municipal Corporation

WILLIAM W. BRIEN, M.D.
Mayor of the City of
Beverly Hills, California

ATTEST:

BYRON POPE (SEAL)
City Clerk

ROLEX WATCH USA, INC., A NEW
YORK CORPORATION

PETER NICHOLSON,
Vice President, Director of Communications

Approved as to form:

LAURENCE S. WIENER
City Attorney

Approved as to content:

JEFFREY C. KOLIN
City Manager

CHERYL FRIEDLING
Deputy City Manager/Public Affairs

KARL KIRKMAN
Risk Manager

EXHIBIT A

SPONSORSHIP BENEFITS AND SPONSORSHIP FEE

The following sets forth the Sponsorship Benefits of a Silver Partner Package for the Beverly Hills Centennial Event to be held throughout the calendar year of 2014 (January 1, 2014 through and including December 31, 2014). The Sponsorship Fee to be paid to Event Operator shall be \$300,000 with \$150,000 to be paid within ten days of approval of this Agreement to be paid by Rolex Watch USA, Inc. The remaining \$150,000 shall be made in two installments of \$75,000 each with the first installment due March 31, 2013 and the second installment due June 30, 2013. Event Operator shall issue an invoice to Rolex Watch USA, Inc. The Event Operator through the City Manager and Sponsor may agree in writing to alternative installment dates; however inclusion of Sponsor in collateral material will not be made unless Sponsorship Fee is paid in full regardless of the installment due date.

Event Operator hereby grants to Sponsor the following Sponsorship Benefits subject to the terms and conditions of the Sponsorship Agreement:

1. The Inclusion of Sponsor in the title of the Event as a Silver Sponsor.
2. Inclusion of Sponsor's brand throughout the Event, subject to Sponsor's prior approval. Event Operator is solely responsible for the cost and development of all creative materials for the Event that incorporate Sponsor's logo. Sponsor will provide Event Operator with Sponsor's logo(s) in Sponsor's desired format. The exact size and placement of Mark and logo shall be agreed upon by the parties.
3. Sponsor has the right to use the Event name and details in all advertising and promotion of Sponsor's products and services. Sponsor may use provided photographs in press materials, subject to Event Operator prior approval as set forth in the Agreement.
4. Inclusion of Sponsor's logo and identification as Silver Sponsor on all Centennial marketing collateral.
5. Inclusion of Sponsor's Mark or logo on signage at press events.
6. Invitation to Centennial press and media events including Mark or logo recognition on signage at press events.
7. Inclusion of Sponsor's logo on Event web site, if applicable.
8. Admission to certain "Signature Centennial Events" as follows:
 - Six tickets to 100th Anniversary Gala at Greystone Mansion
 - Six tickets to the Rodeo Drive Walk of Style™ Grand Fashion Gala

- Six tickets to “Filmed in Beverly Hills” Movie Festival in conjunction with the Academy of Motion Picture Arts & Sciences*

9. One (1) customizable event experience from the list provided by Event Operator as agreed upon by Sponsor and Event Operator.
10. Inclusion of Sponsor Mark or logo on 150 Centennial Street Banners for up to 50 days of exposure in City’s key commercial areas. Mark or logo placement/size; location of banners; and dates of exposure are determined by Event Operator in its sole discretion after consultation with Sponsor.
11. On-site presence, product placement and gift bag inclusion (if Sponsor so desires) at Signature Centennial Events and Customizable Sponsor Event. Any product to be distributed or included in gift bags shall be provided by the Sponsor and meet the guidelines established by the Event Operator to ensure consistency with the branding of the Event.
12. Event Operator shall provide Sponsor with a list of Event sponsors upon execution of this Agreement and shall update this list periodically as sponsors are either added or removed.

*Contingent upon approval/confirmation with Academy of Motion Picture Arts & Sciences

EXHIBIT B

