

COUNTY OF LOS ANGELES
DEPARTMENT OF PARKS AND RECREATION
"Creating Community Through People, Parks and Programs"



Tim Gallagher, Director

June 22, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF NEW OPERATING LEASE WITH
THE LOS ANGELES PHILHARMONIC ASSOCIATION
FOR OPERATION OF THE HOLLYWOOD BOWL
(Third District – 3-Vote Matter)**

**JOINT RECOMMENDATION WITH THE CHIEF ADMINISTRATIVE OFFICE THAT
YOUR BOARD:**

1. Find that approval of the Operating Lease is exempt under the California Environmental Quality Act (CEQA).
2. Approve and instruct the Chairman to sign a new Operating Lease with the Los Angeles Philharmonic Association for the operation and maintenance of the Hollywood Bowl for a term of 30 years in substantially the form of the attached lease, after approval as to form by the County Counsel.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The recommended actions would approve a thirty (30) year Operating Lease with the Los Angeles Philharmonic Association (LAPA) for the operation and maintenance of the Hollywood Bowl (Bowl), which has been negotiated to eliminate the annual budgeted Net County Cost for ongoing operation and maintenance expenses under the current operating lease with LAPA. In addition, the lease would expand and extend the facility fee currently included in the ticket prices and require that these funds be deposited into a separate improvement fund.

LAPA, or its predecessor institution, has presented musical and theatrical events at the Hollywood Bowl since 1924, and has done so since August 3, 1973, under an operating lease with the County. The County is authorized by the provisions of Government Code Sections 25536.2 and 25907 to enter into a lease with LAPA for

these purposes, and the new lease would continue the partnership between the County and LAPA at this cultural landmark in a beneficial manner.

The services currently provided at the Hollywood Bowl include an annual symphony concert series and other events that appeal to different segments of the public and maximize use of the facility during the summer season, which lasts from mid-June to mid-October, with other selected events throughout the balance of the year. Under the terms of the new lease, LAPA shall continue to use the Hollywood Bowl as the summer home of the Los Angeles Philharmonic and continue to present its regular annual symphony concert series in substantially the same manner as it has been presented since 1956 and before.

The recommended Operating Lease represents a new funding structure in which LAPA will pay monthly rent to fully offset County costs associated with the ongoing regular maintenance and operation of the Hollywood Bowl, as established in the budget process. The new lease also establishes an interest bearing improvement fund from facility fee charges on the tickets sold, and from certain other revenue sources at the Bowl, so that the facility will continue to have a dedicated source of investment in its infrastructure and other important amenities.

Implementation of Strategic Plan Goals

The proposed Operating Lease will further the Board-approved County Strategic Goal 1 (Service Excellence) and Goal 5 (Children and Families' Well-Being) through the provision of quality symphony concerts and other cultural events at this County cultural landmark.

FISCAL IMPACT/FINANCING

Under the terms of a Memorandum of Understanding with LAPA, approved by your Board on August 8, 2000, the Department currently receives \$800,000 from the facility fee on tickets for events presented by LAPA at the Hollywood Bowl to offset a portion of the operating costs. In addition, the Department receives revenue from parking fees at certain Hollywood Bowl lots.

In Fiscal Year 2003-04 total revenue at the Bowl was budgeted at \$1,427,000, with budgeted expenses of approximately \$1,731,000, for a total budgeted Net County Cost of \$304,000.

The current estimated budget for the Hollywood Bowl is anticipated to be \$2,049,000 in Fiscal Year 2004-05 due to increased maintenance requirements associated with the recently completed shell rehabilitation project.

The Operating Lease replaces the current funding structure by providing for LAPA to pay monthly rent to reimburse the County for all direct costs associated with the operation and maintenance of the leased property based upon an annual budget prepared by the Department with LAPA's concurrence. In addition, the County will receive a portion of the parking revenues from lots at the John Anson Ford Theater. As a result, there will be no Net County Cost associated with budgeted regular maintenance and operation of the Hollywood Bowl under the new lease. If actual expenses exceed the budget in any fiscal year despite good faith negotiations to reduce operating costs, LAPA will be required to reimburse the County for the additional cost in an amount not to exceed five percent of the budgeted costs.

The Operating Lease also provides that on or before August 1, 2004, LAPA shall pay the County \$250,000 in bonus rent. These funds will be used to offset any additional costs associated with the construction of the new shell rehabilitation project above and beyond those amounts already required to be funded by LAPA. Should the funds not be required to offset additional costs for the shell rehabilitation project, the funds will be held in trust by the County and used for additional capital expenses at the Bowl like those funded through the improvement fund.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The term of the Operating Lease is from July 1, 2004, through June 30, 2034. Upon the commencement of this new Operating Lease, the 1973 Lease and the August 8, 2000, Memorandum of Understanding shall be terminated, although by their terms they do not expire until December 2005. The Operating Lease area covers the Hollywood Bowl property which includes the Highland-Camrose Bungalows and the parking facilities and ticketing center adjacent to the John Anson Ford Theater, but not the theater itself, which was taken out of the current operating lease in 1979, and now is operated by the County's Arts Commission.

Government Code Section 25536.2 authorizes your Board to enter into a sole source lease with a nonprofit association such as LAPA for property gift-deeded prior to 1942 for theatrical, musical, or other cultural purposes. Property known as the Hollywood Bowl and property now known as the Ford Theater were gift-deeded to the County in 1924 and 1941, respectively.

The new Operating Lease has been updated to provide a defense and indemnification provision favorable to the County which provides that LAPA will defend and indemnify the County for all activities and operations related to LAPA's use of the facility, excluding only the sole negligence or willful misconduct of the County. LAPA also is required to provide commercial insurance as required by the County's risk manager and to name the County as an additional insured.

LAPA is granted the right to name certain portions of the improvements on the property for major LAPA donors, but only pursuant to a plan that will be submitted to and approved by your Board. All proceeds from any naming plan are to be applied to LAPA's activities at the Bowl. LAPA is prohibited, however, from placing the name of any person or entity on the Bowl shell or to describe the facility by any name other than the "Hollywood Bowl."

During the term, LAPA will also be required to continue to collect a facility fee on tickets for events presented by LAPA in the amount of two and a half percent. Beginning on January 1, 2005, the facility fee also will be collected on tickets for all other events conducted at the Hollywood Bowl. The amount of the facility fee will be reviewed after five years, although an earlier review may be conducted upon mutual agreement of LAPA and the County. The facility fee will be deposited into a separate interest-bearing Hollywood Bowl improvement fund held by LAPA. Funds from the Hollywood Bowl improvement fund can be disbursed by LAPA, with Board of Supervisors approval, for capital expenditures, or expenditures for equipment, services or supplies related to the Hollywood Bowl. As with past practice, a portion of the funds may also be used to offset LAPA's costs in operating the Hollywood Bowl Museum subject to limits included in the lease.

Ticket prices, including the facility fee, and parking fees charged by LAPA are subject to prior approval by your Board after a noticed public hearing. Prices for food and beverages sold at the Hollywood Bowl are subject to prior approval of the Department Director.

LAPA is required to conduct at least 40 performances of orchestra or other musical concerts before a paying audience, of which 20 shall be by the Los Angeles Philharmonic. If the Los Angeles Philharmonic is touring, another orchestra of comparable quality can be substituted if LAPA advises the Department Director in writing. Curfew and sound regulations remain unchanged, so that all events shall continue to conclude no later than 11:00 p.m. on Monday through Saturday nights and no later than 10:30 p.m. on Sunday nights and LAPA is required to ensure compliance with all current sound regulations. The financial penalties for violation of these limits have been updated and the lease provides for further appropriate changes over the term.

ENVIRONMENTAL DOCUMENTATION

The approval of the new Operating Lease for the operation and maintenance of the Hollywood Bowl is exempt under the California Environmental Quality Act (CEQA) under State CEQA Guidelines Sections 15301 and 15323 and Classes 1 (r) and 23 of the Environmental Document Reporting Procedures and Guidelines, adopted by your

Board on November 17, 1987, because this action is a lease consistent with the normal operations of the existing facility for public gatherings for which it was designed and where there is a history of this facility, which is public park with an outdoor amphitheater being used for the same or similar kind of purpose for more than the last three years with no anticipated change in its operation.

IMPACT ON CURRENT SERVICES

Approval of the recommendation ensures a continuation of the tradition of LAPA's summer symphony concerts and other cultural activities at the Hollywood Bowl, and would avoid planned cutbacks due to the elimination of budgeted Net County Cost available for the ongoing annual maintenance and operation costs of this County landmark.

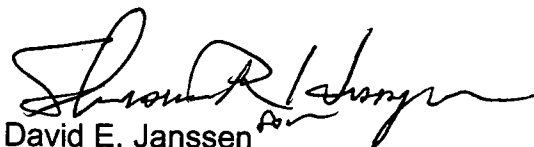
CONCLUSION

Please instruct the Executive Officer-Clerk of the Board to forward one (1) conformed copy each to the Department of Parks and Recreation, Chief Administrative Office, and the Los Angeles Philharmonic Association at 151 South Grand Avenue, Los Angeles, California 90012-3034.

Respectfully submitted,



Tim Gallagher
Director



David E. Janssen
Chief Administrative Officer

Attachment

TG:MM:MJK:tls

c: Executive Office/Clerk of the Board (22)
County Counsel

HOLLYWOOD BOWL LEASE

Dated as of _____, 2004

By and Between

COUNTY OF LOS ANGELES

And

LOS ANGELES PHILHARMONIC ASSOCIATION

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Bowl or Hollywood Bowl	Article 1
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CAO	Article 1
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<u>Defined Term</u>	<u>Article No.</u>
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HOLLYWOOD BOWL OPERATING LEASE

THIS LEASE (the "Lease"), dated as of June ___, 2004, is made and entered into by and between COUNTY OF LOS ANGELES, a public body corporate and politic of the State of California, as landlord ("County"), and LOS ANGELES PHILHARMONIC ASSOCIATION, a California public benefit corporation ("LAPA"), as tenant, with reference to the following facts:

A. County is the owner of that certain parcel of land described in Exhibit A attached hereto (the "Property"). The Property has been improved by public park lands and the Improvements, as defined herein.

B. LAPA (through itself and its predecessor institutions) has presented musical and theatrical events since 1924 in the Property and has done so since January 1 1976 under a Lease from County dated August 3, 1973 (the "1973 Lease").

C. County and LAPA wish to provide for the continued tenancy of the Property by LAPA and wish to enter into a new lease in accordance with California Government Code Sections 25536.2 and 25907.

NOW, THEREFORE, in consideration of the above facts and the covenants herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE 1 CERTAIN DEFINITIONS

For the purposes of this Lease, the following words and terms shall have the meanings indicated. All capitalized terms used in this Lease and not defined in this Article are defined where indicated in the glossary of defined terms attached to the table of contents of this Lease.

Board of Supervisors: The Board of Supervisors of County.

Bowl or Hollywood Bowl: The Property.

Built-in Theater Equipment: All permanent lighting equipment, sound amplification equipment, stage and backstage equipment, and electronic and other technical equipment needed for theatrical and/or musical presentations in the Entertainment Space and permanently installed and/or affixed to the Improvements (including the acoustic canopy installed as part of the shell). The Built-In Theatre Equipment, except for leased items, is the property of County but shall be operated and maintained and replaced, as necessary, by LAPA at its sole expense.

CAO: The Chief Administrative Officer of the County of Los Angeles.

Capital Expenditures: All expenditures for new Improvements and/or replacements or refurbishment of existing Improvements costing in excess of \$50,000 including

replacement and/or installation of equipment affixed to the Property and major maintenance projects consisting of rehabilitation, refurbishment or replacement activities that are performed at irregular intervals or at regular intervals of more than one year.

CPI Adjustment: The amount by which particular costs may be adjusted on an annual basis as provided herein. Such adjustment shall be based upon the US Department of Labor Statistics cost of living index (All-Urban Consumers) for the LA/Riverside/Orange County area for the most recently published 12 month period.

County: As defined in the heading of this Lease.

Department: The Department of Parks and Recreation of County.

Direct Operating Costs: As used herein shall mean the following costs and expenses which County shall pay during any fiscal year of County, or any portion thereof which occurs during the Term, in connection with the management, maintenance, administration, repair, operation, security, gardening, landscaping, cleaning (other than janitorial expenses incurred by LAPA under Section 7.2), all referred to as “operation and maintenance of the Property” including but not limited to the following and except for those specifically identified as excluded:

(i) salaries, wages and all employee benefits for County employees assigned to work at the Property in connection with the operation and maintenance of the Property;

(ii) salaries, wages and employee benefits for County employees not specifically assigned to work at the Property but who provide operation and maintenance for the Property. Such costs shall be computed based upon the actual number of hours that said employees are engaged in providing services to the Property;

(iii) amounts paid in contracting with third parties for operation and maintenance of the Property, including costs for services provided by County departments other than the Department.

(iv) utilities not paid directly by LAPA or any of its subtenants or licensees for the Property;

(v) insurance premiums paid by County, if any, which are applicable to the Property;

(vi) all supplies and services, including, but not limited to, plants, shrubs and trees, uniforms, landscaping, materials, tools, paint, equipment, rubbish disposal, office supplies, and sweeping services used in the operation and maintenance of the Property and also including costs associated with the recruitment of County personnel associated with the Property if such recruitment involves the hiring of an outside firm or advertising and such recruitment is mutually agreed to by County and LAPA, and also including costs for the Caltrans-owned lot used for employee parking;

(vii) acquisition, rental, maintenance and fuel incurred in connection with the operation of vehicles and equipment used in the operation and maintenance of the Property, including reasonable reimbursement of employee mileage when employees utilize their personal vehicles in the conduct of business; and

(viii) legal fees and costs incurred in connection with defending legal claims against County arising out of LAPA's operations and any Alterations of the Property.

If County incurs expenses in connection with the Property which are shared with other properties for which County is responsible, County shall make an appropriate allocation of such expenses.

Direct Operating Costs shall exclude the following:

(a) legal fees and costs incurred as a result of sole negligence or willful misconduct of County;

(b) costs occasioned by casualties of a type that are excluded from coverage under the all-risk property insurance policy required to be maintained by LAPA under Article 17 of this Lease (including earthquake);

(c) Capital Expenditures, except (1) where such costs are incurred as a labor-saving measure or to effect other economies in the operation or maintenance of the Property, including increasing revenue generated by the Property, or (2) where such costs are incurred after the date of this Lease and are required by any new (or change in) laws, rules or regulations of any governmental authority that are enacted after the date of this Lease and are required to continue operation of the Property, or (3) where such costs are incurred to effect repairs on the Property necessary to continue operation of the Property or to correct conditions that represent a health and or safety issue to the public or employees. Upon mutual agreement of County and LAPA, such costs may be amortized over the useful life of the improvements (in no event less than five (5) years) instead of expensed as a Direct Operating Cost in the Lease Year incurred.

(d) depreciation of the real or personal property associated with the Property;

(e) any judgments, fines, penalties, or other costs incurred in connection with any hazardous substance exposure or release, except to the extent that the foregoing is caused by the illegal storage, or the use or disposal of the hazardous substance in question by LAPA or its agents, employees, contractors or concessionaires;

(f) County's general overhead and general administrative expenses;

(g) costs and expenses for which LAPA reimburses County directly or which LAPA pays directly to a third person; and

(h) costs, expenses, taxes, and insurance allocable or related to portions of the Property utilized by County personnel for purposes not associated with the operation and maintenance of the Property or for supporting LAPA uses.

(i) rental of items (except when needed in connection with normal repairs and maintenance of permanent systems or as specifically provided in subparagraph vii above) which if purchased rather than rented would be capitalized under generally accepted accounting principles.

Director: The Director of the Department.

Entertainment Space: Those certain portions of the Property, other than the Ford Theater, which generally consist of the following:

A. The shell, stage, light towers, wardrobe rooms, dressing rooms, loading areas, stacking area, backstage restroom facilities and rehearsal rooms and similar areas which are used for the rehearsal, production and presentation of Events; and

B. The box office, seats, walkways, restroom facilities, picnic areas and similar areas and facilities (other than Parking Facilities) which are used for receiving, seating, handling and discharging patrons during the production and presentation of Events; and

C. The Built-In Theatre Equipment.

Environmental Documents: Those documents as approved, adopted or certified, and as amended or supplemented, by the Board of Supervisors in compliance with the California Environmental Quality Act and /or the National Environmental Policy Act relating to the Improvements or Property prior to or during the Term. These documents, as of the Commencement Date, are:

Negative Declaration for Proposed Service Building at Hollywood Bowl (11/87)

Final EIR for Highland Camrose Master Plan (3/04) as amended by Addendum to the Environmental Impact Report for Highland Camrose Master Plan (9/93)

Notice of Exemption for Hollywood Bowl Picnic Area General Improvements (11/91)

Negative Declaration for Proposed Renovation of Hollywood Bowl (9/94)

Notice of Exemption for Hollywood Bowl Ongoing Operations and Maintenance Project (12/98)

Mitigated Negative Declaration for Back of House and Patron Facilities Enhancement Project (6/99)

Focused Environmental Impact Report for Hollywood Bowl Shell Rehabilitation and Acoustical Improvements (9/00)

Mitigated Negative Declaration for Renovations to Hollywood Bowl Food and Beverages Facilities Project (3/02)

Addendum to Mitigated Negative Declaration for Renovations to the Hollywood Bowl Food and Beverages (2/04)

Event: Any entertainment program or other event presented by LAPA or any of its Permitted Licensees in the Entertainment Space during the Term of this Lease. Unless otherwise approved in writing in advance by Director, Events shall include only orchestral concerts, chamber music ensembles, choral presentations, instrumental artists and other comparable artistic musical presentations, including without limitation, jazz, folk, dance, opera and popular music and theatrical performances, films, lectures and other similar activities.

501(c)(3) Organization: An organization that (a) meets the requirements of Section 145 of the Internal Revenue Code of 1986, as amended, and (b) is operating in reliance on a determination letter from the Internal Revenue Service (which has not been revoked or withdrawn) recognizing such organization's tax exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

Force Majeure Events: War; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; unusually severe weather; unforeseeable or unusual inability to secure necessary labor, materials or tools; acts or omissions of the other party in breach of its obligations under this Lease; acts or failure to act of any public or governmental agency (other than County) or entity or any other causes beyond the control or without the fault of the party claiming an extension of time to perform or excuse from performance.

Ford Theater: The John Anson Ford Theater which is located on the Property but is not part of this Lease.

Hollywood Bowl Design Guidelines: The report entitled "Hollywood Bowl Design Guidelines", County of Los Angeles Department of Parks and Recreation in cooperation with the Los Angeles Philharmonic Association (2002), as it may be amended, which includes inventories of contributing and non-contributing historic structures and features.

Improvements: Any and all buildings, structures and other improvements which may at any time be erected on or affixed to the Property during the term of this Lease. The term "Improvements" also includes, but is not limited to, pedestrian plazas and walkways which are located upon the Property at any time; all fixtures, appliances, machinery, operating equipment and apparatus which are at any time affixed or attached to any of the buildings now or hereafter constructed on the Property; all components of the heating, ventilating and air conditioning equipment located within the buildings; all components of the plumbing, lighting, refrigeration, cleaning, security, sound and electrical systems of such buildings; infrastructure; and landscaping and irrigation systems. The term "Improvements" specifically excludes LAPA's Equipment and concessionaires' equipment not permanently affixed to the Property.

Insurance Requirements: All present or future requirements of any insurer of the Property together with the Improvements or any part thereof pursuant to insurance policies which LAPA is required to maintain hereunder, and the rules, orders, regulations or requirements of the national and local Board of Fire Underwriters or any other similar body having jurisdiction

over the Property together with the Improvements, and those of any appropriate agency, office, department, board or commission thereof.

LAPA: As defined in the heading to this Lease.

LAPA Equipment: All food service equipment owned by LAPA and all office furniture and furnishings owned by LAPA and all replacements and additions thereto; the machinery, apparatus, furniture, furnishings, instruments and other equipment and all temporary or auxiliary structures installed by LAPA, if any, in or about the Property, excluding the Built-In Theatre Equipment. LAPA's Equipment may include specialized lighting equipment, sound amplification equipment, visual equipment and stage or backstage equipment. LAPA's Equipment shall remain the property of and may be removed by LAPA at any time provided such installation and/or removal does not damage the Improvements. County shall not be responsible for any damage to, or loss of, or upgrading, replacement, maintenance or repair of LAPA's Equipment, except that County shall be liable for County's gross negligence or willful misconduct, to the extent not covered by insurance required to be carried by LAPA hereunder, or actually carried by LAPA and LAPA shall be liable for any similar conduct with respect to County equipment and personal property.

Lease Year: Each twelve (12) month period during the Term of this Lease commencing on July 1, 2004.

Legal Requirements: All laws, statutes, ordinances, orders, judgments, decrees, injunctions, rules, regulations, building codes, zoning codes, standards, permits, licenses, and other requirements formally adopted by any federal, state, or local government, and the appropriate departments, commissions, boards, courts, authorities, agencies, officials and officers thereof, now or hereafter in effect, which are or at any time hereafter may become applicable to the Property or any part thereof or to the use or manner of use of all or any part of the Property, or construction thereon, or any of the sidewalks, curbs, streets or ways adjacent thereto. Legal Requirements specifically include, and LAPA's occupancy is subject to compliance with, all Environmental Documents or clearances adopted by the Board of Supervisors or their authorized representatives in relation to the Property, and the Hollywood Bowl Design Guidelines (2002).

Museum: The Edward D. Edelman Hollywood Bowl Museum which is located on the Property.

Non-Occupancy Periods: All times when the Entertainment Space is not being used by LAPA or its Permitted Licensees for the presentation of Events or the preparation therefor.

Office Space: Any portions of the Improvements located from time to time on the Property for the purposes of providing office space for LAPA, which includes the understage offices, those Camrose bungalows described on Exhibit B-3 hereto, and certain portions of the Ticketing Center all as shown on Exhibits B-1, B-2 and B-3 hereto.

Orchestra: The Los Angeles Philharmonic.

Parking Facilities: The parking lots and parking structures which are located on the Property, including the parking lots serving the Ford Theater all of which are shown on Exhibits C-1 and C-2 hereto.

Property: The County-owned real property depicted on Exhibit A hereto, but not including the Ford Theater or any office space occupied by County for purposes not associated with the operation or maintenance of the Property.

Rent: The Rent to be paid to County by LAPA as provided in Article 4 hereof.

Restaurant Facilities: Those facilities which are located on the Property now or hereafter during the Term which are designed for the preparation, service and sale of food and beverages to patrons of the Bowl. The Restaurant Facilities include, but are not limited to, all restaurants, kitchens, and concession stands located or constructed upon the Property.

Retail Space: Any space on the Property which is used for the primary purpose of selling merchandise primarily related to music, theatrical events and other Events presented in the Entertainment Space.

Summer Season: The period from June 15 to October 15 in each Lease Year.

Taking: A transfer during the term hereof of all or any portion of the Property, or any leasehold or other interest therein or right accruing thereto, as the result or in lieu or in anticipation of, the exercise of the right of condemnation or eminent domain by any governmental entity or agency, or any other compensable government activity affecting the Property or any part thereof.

Term: As defined in Section 3.1 hereof.

Ticketing Center: The two-story building located near the Ford Theater which was formerly used as a motel and, as of the date hereof, is used for Office Space and offices for County (on a portion of the second floor) as shown on Exhibit B-2.

Volunteer Cottage: The cottage which is located on the Property.

ARTICLE 2 LEASE OF PROPERTY

2.1 Lease. Upon the conditions, limitations, covenants and agreements set forth below, and for the Term hereinafter set forth, County hereby leases the Property to LAPA.

2.2 Television, Radio and Cable.

LAPA may contract for or otherwise permit performances produced and/or presented by LAPA or its Permitted Licensees in the Entertainment Space to be broadcast by radio, cable or television, Internet, or any other means which may be used to transmit such performances for viewing and/or listening at other locations or to be filmed, taped, transcribed or otherwise recorded for such broadcasting and transmission. LAPA accepts full liability for any

such broadcast or recording and LAPA agrees to indemnify, defend and save County harmless from any and all loss, claims, damage or expense arising out of such broadcast or recording.

2.3 Parking.

LAPA shall use the Parking Facilities to provide parking to serve the patrons of the Entertainment Space and as parking for the use of the Office Space, Museum, Restaurant Facilities and Retail Space and shall be entitled to the net income from such operations during the Term of this Lease. Net income in excess of \$50,000 in any Lease Year received by LAPA for the use of Parking Facilities during Non-Occupancy Periods shall be divided equally between (a) the Hollywood Bowl Improvement Account and (b) LAPA to be applied to activities of LAPA at the Bowl. LAPA shall be responsible for the operation of the Parking Facilities for events held at the Ford Theater and shall pay (i) to the Department, 25% of the net proceeds derived from parking for events held at the Ford Theater which are produced by the Performing Arts Commission or its successor after January 1, 2005 and (ii) to the Performing Arts Commission, \$2.00 of every paid vehicle parking fee derived from parking for any such events which are not produced by the Performing Arts Commission or its successor.

2.4 Intellectual Property Rights.

Subject to the rights of any third parties, County hereby grants to LAPA the right , to be shared exclusively with County, to use graphic reproductions and photographs of the Entertainment Space and any of the Improvements therein, specifically including the Bowl shell, and the name "Hollywood Bowl", provided, LAPA complies in all respects with the rights of any third parties in such images and names and that LAPA indemnifies and holds County harmless from any liability or damages in connection with its use thereof. LAPA shall not grant the right to third parties to such use unless it reasonably believes such use is consistent with the historical and entertainment use of the Bowl and would not disparage or harm the reputation of the Bowl or County. LAPA shall retain all revenues from its grant of any rights to third parties, which revenues shall be applied to activities of LAPA at the Bowl.

2.5 Naming Rights.

County hereby grants to LAPA the right to name certain portions of the Improvements for major donors to LAPA, but only pursuant to a plan with respect thereto which has been submitted to and approved by the Board of Supervisors. All proceeds and interest from such a naming plan (a) shall be applied to activities of LAPA at the Bowl or (b) contributed to an endowment fund of LAPA, the income from which shall be applied to activities of LAPA at the Bowl or (c) applied in a manner set forth in the plan with respect to naming approved by the Board of Supervisors. The rights granted by this Section shall not permit LAPA to place the name of any person or entity on the Bowl shell or to describe the Property by any other name than the "Hollywood Bowl".

ARTICLE 3
TERM OF LEASE

3.1 Term.

The term of this Lease (the “Term”) shall commence on July 1, 2004 (the “Commencement Date”), and end at 11:59 P.M. on June 30, 2034) (the “Expiration Date”), unless sooner terminated as hereinafter provided. County and LAPA agree that the effect of this provision is to terminate by mutual consent, as of the Commencement Date, (a) the 1973 Lease as amended, and (b) the Memorandum of Understanding dated August 2000 between County and LAPA with respect to a temporary facility user’s fee at the Bowl, both of which shall be of no further force or effect except as provided therein.

ARTICLE 4
RENT

4.1 Rent.

(a) During the Term of this Lease, LAPA shall pay to County an amount each Lease Year as Rent hereunder which shall be equal to the Direct Operating Costs paid by County during such Lease Year subject to subparagraph (c) below.

(b) On or before November 15 of each Lease Year during the Term hereof, County and LAPA shall confer with respect to a proposed budget of Direct Operating Costs expected to be incurred by County during the succeeding fiscal year of the County. The negotiations between LAPA and County with respect to such budget shall be “zero based,” i.e. may include suggestions from either party with respect to different approaches to each category of expenses including possible outsourcing of tasks. The parties shall negotiate in good faith in an effort to reach agreement on such budget on or before the following March 1. The budget for the succeeding Lease Year which is approved by LAPA and County is referred to herein as the “Approved Budget”. If, after good faith negotiations, County and LAPA are unable to agree upon an Approved Budget for any Lease Year, the Approved Budget for such Lease Year shall be the Approved Budget for the immediately preceding Lease Year, adjusted by the CPI Adjustment and any Capital Expenditures mutually agreed to be amortized under subparagraph (c) in the definition of Direct Operating Costs. The Approved Budget for the Lease Year commencing July 1, 2004, provides for anticipated Direct Operating Costs of not more than \$ 2,049,000.

(c) County will deliver to LAPA quarterly reports on the Direct Operating Costs paid in the preceding quarter of each Lease Year. If it appears that, in any Lease Year, Direct Operating Costs will exceed the amount of the Approved Budget, County will give Notice thereof to LAPA and confer with LAPA in good faith with respect to possible methods to reduce such Direct Operating Costs. Should Direct Operating Costs exceed the Approved Budget during any Lease Year, LAPA’s obligation to reimburse the County for all Direct Operating Costs under subparagraph (a) above will

be limited to no more than 5 percent above the Approved Budget, unless LAPA agrees to reimburse such expenditures in advance of their occurring.

(d) Nothing in this Lease shall obligate County to provide services to or incur expenditures on behalf of the Property until and unless funds to provide such services or incur such expenditures are appropriated in the County Budget by the Board of Supervisors; provided, however, the Director shall in each Lease Year in good faith use his or her best efforts to obtain appropriations from the Board of Supervisors which will be identified for such purposes and be sufficient to enable County to fulfill its obligations hereunder.

4.2 Rent Adjustment

(a) Within ninety (90) days after the end of each fiscal year of the County, County shall provide a statement (the "Statement") to LAPA showing: (a) the amount of actual Direct Operating Costs incurred by County for such fiscal year, with line item detail by general ledger account of such Direct Operating Costs and (b) the amount of Estimated Rent paid by LAPA for the same fiscal year. If the Statement shows that LAPA's Estimated Rent payments were less than LAPA's actual obligations for Rent for the previous Lease Year, LAPA shall pay the difference between the actual Rent due and the Estimated Rent payments within 30 days of receiving the Statement. If the Statement shows that LAPA's Estimated Rent payments exceeded LAPA's obligations for Rent for such Lease Year, County shall refund such difference when County sends the Statement.

(b) Within 30 days of receiving the Statement, LAPA shall have the right to request copies of supporting invoices and other documentation to reconcile the Statement. County shall provide copies of such supporting invoices and other documentation within thirty (30) days of LAPA's written request therefore. LAPA shall not be in default for failure to pay any amounts due for a period of thirty (30) days from the date of LAPA's receipt of County's supporting documentation. In the event of any dispute or error relating to the amount of Direct Operating Costs, LAPA shall notify County in writing of the amount and/or basis for dispute.

(c) LAPA shall be entitled from time to time to audit and verify the related books and records of County to ensure that the Direct Operating Costs reported by County are in keeping with the provisions of this Section. County shall make available to LAPA all such books and records reasonably requested by LAPA. County shall maintain books and records with supporting invoices and documentation in reasonable detail for the Direct Operating Costs for each fiscal year of County during the Term of this Lease for a period of five years.

(d) No payment on the part of LAPA shall prejudice any or all of its rights under this Section. No failure on the part of the County to invoice LAPA for Rent shall prejudice or waive any or all of its rights under this Section. In the event of any errors, the appropriate party shall make a correcting payment in full to the other party within thirty (30) days after the determination and agreement of the amount of such error.

4.3 Capital Expenditures. On or before the date which is the first anniversary of the Commencement Date and not less often than each five (5) years thereafter during the Term hereof, County and LAPA shall jointly prepare a schedule of proposed Capital Expenditures which are likely to be incurred within the next ten (10) year period at the Property and proposed methods for funding such expenditures.

4.4 Facility User's Fee.

(a) In addition to the Rent specified above, during the Term LAPA shall collect a facility user's fee for each Event in the Entertainment Space (except that no facility user's fee shall be collected for Events not presented by LAPA until January 1, 2005) The facility user's fee will be paid on all tickets sold for the Entertainment Space and will be equal to 2.5 percent of the ticket price (which price shall not include any portion thereof identified as a charitable contribution). Beginning with Events presented on January 1, 2005, the facility user's fee shall be calculated as an addition to the ticket price which shall be provided to the Board of Supervisors with LAPA's request and recommendations on ticket prices which are subject to the Board of Supervisors' approval in accordance with Section 6.6 of this Lease. The facility user's fee is a charge against any person purchasing a ticket to an Event in the Entertainment Space for the privilege of using, and the right to use, the facilities thereof during their presence therein, will not exceed the costs of the services provided, and will be deposited in the Hollywood Bowl Improvement Account established by this Lease.

(b) Beginning in the fifth Lease Year of this Lease, and every fifth Lease Year thereafter, unless requested earlier by mutual agreement of LAPA and the Director, the percentage used to calculate the facility user's fee shall be reviewed as part of the annual budget process between the County and LAPA. Upon mutual agreement between LAPA and County, the percentage used to calculate the facility user's fee may be modified, with the approval of the Board of Supervisors by amendment to this Lease. Neither party hereto shall be under any obligation to enter into any such amendment.

(c) Proceeds from the collection of the facility user's fee shall be deposited monthly by LAPA in a separate interest-bearing account (the "Hollywood Bowl Improvement Account") to be held by LAPA. County shall receive monthly statements of the Hollywood Bowl Improvement Account clearly indicating the amounts deposited, interest earned and disbursements therefrom.

(d) Funds held in the Hollywood Bowl Improvement Account may be disbursed by LAPA only after review of recommendations from LAPA and Board of Supervisors approval for (i) Capital Expenditures or (ii) expenditures for equipment, services or supplies related to the Property in accordance with past practice, or (iii) for reimbursement of LAPA expenses in operating the Museum as provided herein and consistent with the limitations set forth in Section 6.7. As provided in Section 7.5, funds in the Hollywood Bowl Improvement Account shall not be used for the Ticketing Center.

(e) County shall be entitled from time to time to audit and verify the related books and records of LAPA to ensure that the deposits or disbursements from the

Hollywood Bowl Improvement Account are in keeping with the provisions of this Lease. Should any disbursement from the Hollywood Bowl Improvement Account not be in accordance with the provisions of this Section, LAPA shall reimburse the Hollywood Bowl Improvement Account within 30 days in the amount of the erroneous disbursement, plus an amount equal to the interest that would have accumulated on the amount from the time of disbursement until repayment. If funds due to the Hollywood Bowl Improvement Account were not deposited, or were not deposited in a timely manner, LAPA shall pay into the Hollywood Bowl Improvement Account an amount equal to the amount of the deposit that should have been made, and an amount equal to the amount of interest that would have accumulated on the deposit from the time the deposit should have been made to the time the funds were actually deposited.

4.5 Payment Requirements.

LAPA shall make payments equal to one-twelfth (1/12) of the Direct Operating Costs set forth in the Approved Budget for each Lease Year (“Estimated Rent”) to County in monthly installments in lawful money of the United States. Such payments to County will be made on the first day of each calendar month during the Term of this Lease at such office of County as County may direct in advance.

4.6 Late Charge.

In the event LAPA shall fail to make any payment to County within thirty (30) days after the date on which said payment is due, LAPA shall be obligated to pay to County a late charge on any such delinquent payment equal to one and one-half percent (1-1/2%) of the overdue amount.

4.7 Bonus Rent.

On or before August 1, 2004, LAPA shall pay to County the sum of Two Hundred Fifty Thousand Dollars (\$250,000) as Bonus Rent in consideration of the execution and delivery of this Lease by County; provided, however, such sum shall be applied to construction costs of the new shell rehabilitation project to supplement and not supplant previous LAPA pledges to the funding for that project, (or, if such sum exceeds such unpaid construction costs, it shall be held in trust by County, to be spent only for the same purposes as the Hollywood Bowl Improvement Account).

ARTICLE 5
CONDITION OF THE PROPERTY

LAPA shall accept the Property, including the Improvements, in its “as is” condition as of the date hereof. As of the date hereof, neither LAPA nor County has any actual knowledge of any soil condition or subsurface fault or the presence of any Hazardous Materials at, upon, under or within the Property.

ARTICLE 6
USE

6.1 Permitted Uses.

LAPA shall use and occupy the Entertainment Space for the presentation of Events, and cause the Minimum Number of Performances set forth in Section 6.5 hereof to be performed by LAPA. LAPA shall cause the Orchestra to utilize the Property as its summer home and shall, to the extent practicable, continue to present its regular annual symphony concert series in substantially the same manner as it has been presented since 1956 and before. LAPA shall attempt to include in its performances not only its traditional symphony programs but present other Events which may appeal to different segments of the public and shall maximize the use of the Property during the Summer Season. To the extent practicable LAPA shall take such actions as shall be necessary to ensure that all artistic performances will have artistic merit and be of high caliber. LAPA may use (a) the Office Space for general office purposes for administrative and executive staff members of LAPA, including County employees assigned to the Property, except that the LAPA offices in the Camrose bungalows will be used for LAPA and County employees engaged primarily in operation and maintenance of the Property or performances of Events at the Bowl; and (b) the Volunteer Cottage for conferences, receptions and other similar purposes, and (c) the Retail Space for the sales of merchandise relating to musical and theatrical performance and other activities. Selected Events may be scheduled other than during the Summer Season and shall be subject to the approval of Director, which approval shall not be unreasonably withheld.

6.2 Prohibited Uses.

LAPA shall not use or occupy the Property or any part thereof, or permit or suffer the Property or any part thereof to be used or occupied, for any ultra hazardous, unlawful, or illegal business, use or purpose, nor in a manner as to constitute a nuisance of any kind, nor in any manner inconsistent with or in violation of any Legal Requirements, nor in any manner detrimental to the reputation of the Entertainment Space as a world-class entertainment facility or the reputation of County.

In addition, LAPA shall not in the Entertainment Space or any other part of the Property:

- (a) Commit any nuisance or knowingly do or permit to be done anything which may result in the creation or commission of a nuisance.
- (b) Do or permit to be done anything which may interfere more than minimally with the effectiveness or accessibility of plumbing, electrical, heating, ventilating or air conditioning systems or portions thereof, nor do or permit to be done anything which may interfere with the free access and passage to the Property or the public areas adjacent thereto, or the streets or sidewalks adjoining.
- (c) Fail to promptly observe and comply with the provisions of all Legal Requirements and all Insurance Requirements.

(d) Fail to comply with the provisions of Sections 6.3 and 6.4 below.

(e) Permit advertising which, in County's reasonable judgment, is in conflict with or violates any County codes, policies or ordinances in effect from time to time regarding advertising or promotions on County- owned real property.

Immediately upon the discovery of any such unlawful, illegal or ultrahazardous use, or of any use in violation of this Lease, LAPA shall take or cause to be taken all necessary steps, legal and equitable, to discontinue such use, and to remove any occupants or other persons causing such use, in an expeditious manner.

6.3 Sound Standards and Controls.

Any auxiliary sound system used at the Entertainment Space, including the configuration thereof, must be approved by Director. All auxiliary sound must go through the sound console of the Entertainment Space prior to amplification. The sound console must be controlled by an employee of LAPA. LAPA or its representative will be responsible for monitoring the sound levels. County technicians or contractors, such as electricians and sound engineers, may attend each event to review such control. Further, the County may install, maintain, repair sound monitoring devices which are sufficient, in its reasonable discretion to monitor the sound limits as set out herein. The funding required to meet the salaries of the technicians or contractors involved in the monitoring process and any costs associated with the purchase, replacement installation, repair or maintenance of the sound monitoring equipment shall be reimbursed by LAPA.

The sound level limitations shall remain unchanged from the 1978 agreement of the parties. Therefore, the sound level at the property line of the Property may reach 75 dBA for any Event at any time. To allow for crescendos, finales, et al., the 75 dBA level may be surpassed for ten minutes of any hour, but only within the following limits:

above 75 dBA for 10 minutes in any one hour;

above 81 dBA for 5 minutes of the aforesaid ten minutes of any one hour;

above 86 dBA for 2 minutes of the aforesaid ten minutes of any one hour;

never to surpass 89 dBA.

For the purpose of the aforesaid limitations, the successive "one hour" segments of each Event shall be measured from the start of amplification of sound through the sound console, by means of a graphic recorder, sound level meter or similar device which provides a graph of sound levels generated by the performance. Readings will be taken at the critical or susceptible point along the Property line, i.e., the point where the sound is the loudest to persons standing on such line. Any fraction of an hour from the end of a full-hour segment until the end of said amplification at the program's conclusion shall be deemed to be a full "one hour."

Should the sound exceed the above levels, fines will be assessed against LAPA, payable to the Hollywood Bowl Improvement Account, as hereinafter provided for.

LAPA, will be responsible to ensure compliance with such sound regulations. If the sound levels at any entertainment program exceed any of the above limits, not more than \$5,000 for each offense will be paid by LAPA to the Hollywood Bowl Improvement Account within five days after receipt of a Notice from County. For the purpose of this penalty, an offense shall occur in each and every instance where the sound rises from a permissible to an impermissible level, e.g., if the sound in any hour rises to 90 dBA for even a fraction of a minute, then falls to 89 dBA for even a fraction of a minute, and then immediately rises again to 90 dBA, two offenses shall have been committed. When enough offenses have been committed to justify \$30,000 in penalties, LAPA sound technicians at the console shall take immediate action to cause the violation to cease, taking into consideration the effect a shutdown may have upon the audience.

Immediately following the conclusion of the Event, County will notify LAPA if any violations of the agreed sound levels occurred. If a violation has occurred, County will inform LAPA, at the conclusion of the program, that a penalty will be assessed. Within five (5) business days after any violation, County will inform LAPA, in writing, of the violation and the amount of the penalties that must be paid.

County, acting through the Director, shall have the power from time to time to modify the fines set forth above to reflect the CPI Adjustment or otherwise to make such fines equitable and appropriate under the circumstances, by amendment .

6.4 Curfew.

The curfew times will remain unchanged from the 1978 agreement of the parties. Therefore, in order to establish time limitations for the use of amplified sound, Events shall conclude no later than 11:00 p.m. on Monday through Saturday nights and no later than 10:30 p.m. on Sunday nights.

Immediately following the conclusion of the Event, County will notify LAPA if any violations of the curfew occurred. If a violation has occurred, County will inform LAPA, at the conclusion of the Event, that a penalty will be assessed. Within five (5) business days after any violation, County will inform LAPA, in writing, of the violation and the amount of the penalties that must be paid.

To ensure compliance with the curfew, LAPA will have the responsibility of paying, within five days of receipt of a Notice from County the sum of penalties incurred. The penalty fee will be assessed as follows: not more than \$5,000 for each five-minute period the event continues in the first fifteen minutes after the curfew time, and not more than \$7,500 for each of the next two such five-minute periods thereafter and not more than \$10,000 for the next five-minute period. The house lights will be turned on and the main power to the stage cut off thirty minutes after the curfew time. The shutdown will be handled so as to minimize audience disturbance. The penalty amount for each curfew violation will be paid by LAPA to the Hollywood Bowl Improvement Account.

County, acting through the Department, shall have the power from time to time to modify the fines set forth above to reflect the CPI Adjustment or otherwise to make such fines equitable and appropriate under the circumstances.

6.5 Minimum Number of Performances.

During each Summer Season throughout the Term, LAPA shall schedule and cause performances of orchestra or other musical concerts in the Entertainment Space before a paying audience (not including open rehearsals with an invited audience) of at least forty (40) scheduled performances, of which twenty (20) shall be by the Orchestra, (all of such required performances are referred to herein as the “Minimum Number of Performances”). In the event that the Orchestra wishes to tour during all or part of the annual summer symphony concert series, if such a tour would result in LAPA failing to present the Minimum Number of Performances by the Orchestra in any Summer Season required in this Section, it may do so if LAPA gives written notice thereof to the Director prior to April 1, setting forth the proposed booking of substitute orchestras in accordance with this Section. Presentations by orchestras other than the Orchestra while the Orchestra is touring shall be by orchestras of recognized international, national, or regional quality (such as the Hollywood Bowl Orchestra), which are likely to attract significant audiences and shall be given at least the same level of marketing and other support at no additional cost to County. Even if LAPA complies with the provisions hereof regarding substitute orchestras while touring, the Orchestra shall present not fewer than sixty (60) performances in each consecutive period of three Summer Seasons during the Term hereof.

6.6 Prices.

Ticket pricing for Events presented by LAPA will be reasonable and some seats shall be made available at a relatively low price. To assure the implementation of this pricing schedule, the ticket prices and parking fees charged by LAPA shall be subject to prior approval by the Board of Supervisors. Prices for food and beverages sold at the Property shall be subject to the prior approval of the Director.

6.7 Museum.

On or before March 1 of each year of the Term, LAPA shall submit to County a proposed schedule for operating the Museum to provide the general public with an appreciation of the history of the Hollywood Bowl and musical and theatrical events, along with a schedule of proposed costs for the operation during the following County Fiscal Year. County reserves the right to close or limit the hours of operation of the Museum, and/or to restrict operational expenses for the Museum, if it is open, to no more than the amount approved by the Board of Supervisors from the facility user’s fee for County Fiscal Year 2004-2005, which amount may be adjusted annually by the lesser of (i) the CPI Adjustment or (ii) the percent increase in the Approved Budget for Direct Operating Costs for the subject year compared to the prior year. The Director is authorized to act for County with respect to these annual decisions regarding the Museum schedule.

6.8 Park Use.

Consistent with past practice, County, through the Department, and LAPA, will continue to cooperate to provide for certain portions of the Property to be open to the public during day light and other appropriate hours for touring, picnicking, and other similar uses traditionally permitted by County and LAPA consistent with the status of the Property as a public park. Such uses of certain portions of the Property (other than the operation of the Museum and such uses immediately prior to and following an Event or which otherwise relate to LAPA's use) shall be subject to the control and management of County and LAPA shall have no liability in connection therewith.

ARTICLE 7
SERVICES, MAINTENANCE AND OPERATION

7.1 County Obligations.

Subject to appropriations as required in Section 4.1 (d), County, either through its own work forces, or third-party contractors or consultants, shall keep and maintain in good repair and working order and make repairs to and perform maintenance upon the Property as needed, including but not necessarily limited to, the following:

- (a) the structural elements of the Improvements including without limitation, all permanent exterior and interior walls, floors and ceilings, roofs, windows, and stairways;
- (b) mechanical systems (including all heating, ventilating and air conditioning), electrical, plumbing, elevators and escalators and fire/life safety systems serving the Property;
- (c) the Parking Facilities;
- (d) all landscaping in the Property;
- (e) cleaning, janitorial and other operation and maintenance services for the Property (except that LAPA shall be responsible for all cleaning and janitorial services in the Entertainment Space during and immediately following an Event and in the Restaurant Facilities).

Nothing in this section 7.1 shall require County to make Capital Expenditures, until and unless sufficient funding has been identified to complete the project requiring such Capital Expenditures. Nothing in this section shall require County to make Capital Expenditures identified as exceptions in subparagraph (c) of Direct Operating Costs for inclusion in Direct Operating Costs until and unless LAPA agrees to reimburse such costs as provided in subparagraph (c) of Direct Operating Costs or subparagraph (c) of Section 4.1.

7.2 Services Provided by LAPA.

(a) During the Term of this Lease, LAPA shall provide personnel and services appropriate to enable LAPA or its Permitted Licensees to present the Events. LAPA may use County equipment in performing such services but only with qualified personnel (with licenses and/or certifications as needed) and at its own risk. Without limiting the foregoing, LAPA shall provide the following services:

(i) house management, first aid, program magazine distribution;

(ii) general production services;

(iii) supervision of security for all Events and rehearsals which shall include disaster preparedness and crowd control programs;

(iv) cleaning and janitorial services for the Entertainment Space during and immediately following an Event;

(v) maintenance of the interiors (including cleaning and janitorial services) in the Restaurant Facilities, Office Space, the Volunteer Cottage, the Retail Space, and the Museum, in good condition and repair, reasonable wear and tear excepted; and

(vi) installation and maintenance of all telephone equipment including but not limited to telephone and fiber optic intra-building network cable.

(vii) maintenance and service of all security systems serving the Property.

7.3 On-Site Staff.

County shall employ an on-site manager of operations at the Property. Such manager and other employees of County primarily assigned to the Property may also be paid a supplemental salary by LAPA in order to better coordinate its activities in the Property and the Board of Supervisors consents to such supplemental salary in accordance with County Code.

7.4 Modification of Service Responsibilities LAPA and County shall from time to time confer and negotiate in good faith with respect to whether it would be more efficient and/or save costs for LAPA to assume and perform, through third-party contractors or otherwise, some or all of the services to be provided by County in accordance with Section 7.1 hereof. If such efficiencies or cost savings are reasonably apparent, County, acting through the Director, shall cooperate with LAPA in assigning such responsibilities in writing to LAPA.

7.5 Ticketing Center Nothing in this Article shall require either County or LAPA to make Capital Expenditures or to make major repairs or rehabilitate the Ticketing Center. If the Director and the CAO determine, after good faith consultation with LAPA, that the Ticketing Center should be vacated and demolished without making such expenditures, either LAPA or County may elect to make such expenditures (without reimbursement from the other), but neither

shall be required to do so. LAPA shall be entitled to make such repairs, subject to compliance with other provisions in Article 10. If such expenditures are not made, the Ticketing Center shall be vacated and demolished. Funds in the Hollywood Bowl Improvement Account shall not be used for such purposes.

ARTICLE 8
FINANCIAL INFORMATION AND REPORTING

8.1 Financial and Other Information.

(a) County and LAPA shall each keep accurate records and books of account in which full, accurate and correct entries will be made of their respective receipts and expenses in connection with the operation and maintenance of the Property and all dealings or transactions under this Lease, in accordance with appropriate accounting principles. Duly authorized representatives of each party shall, at all reasonable times, have access to and the right to inspect, copy, audit and examine such records and books of account. LAPA shall maintain a standard system of accounting in accordance with generally accepted accounting principles consistently applied, and shall furnish to County, upon the request of County, and within 120 days of the end of each Lease Year, a detailed statement of gross receipts from operations at the Property certified to be correctly taken from the books of LAPA by the chief financial officer of LAPA.

8.2 Reports on Activities.

LAPA shall prepare a written report on its activities at the Property during each Lease Year and deliver such report to County concurrently with the financial report required under Section 8.1 hereof. Such report shall include a narrative report on LAPA operations at the Property during the last Lease Year.

ARTICLE 9
TAXES

LAPA shall pay all taxes of whatever character that may be levied or charged upon LAPA's Equipment or other property on the Property or upon LAPA's operations hereunder, including, without limitation any amusement tax, excise tax, sales tax or other tax, whether the same is computed as a percentage of ticket price or in some other manner. LAPA shall also obtain and pay for all other licenses or permits necessary or required by law for the conduct of its operations hereunder.

ARTICLE 10
ALTERATIONS

10.1 Alterations. LAPA shall not make any alterations, improvements, additions, or utility installations (other than cabling for telephone or computer installations) in or about the Property (collectively "Alterations") other than in conformity with this Section. LAPA shall give written notice of every Alteration to the Director prior to commencing work thereon. No Alteration (a) to a structure or feature listed in the Hollywood Bowl Design Guidelines as

“contributing historic structures or features” or (b). with estimated hard construction costs in excess of \$50,000 (which amount shall be subject to review and amendment each five years through good faith negotiations between Director and LAPA, taking into consideration the CPI Adjustment and any other relevant factors) (a “Major Alteration”) shall be undertaken without the written consent of the County, acting through the Director. In granting such consent, Director may request that LAPA submit sufficient detail regarding cost estimates, proposed time schedules and proposed funding for the Major Alteration and may require delivery and approval of plans, major contracts, environmental documentation and other similar information. The Director may require that major contractors performing any Major Alteration be bonded with performance and/or payment bonds. The Director may require that licensed architects and engineers prepare plans for any Major Alteration for approval. The Director may determine, on behalf of County if any Major Alterations are required to receive prior approval by the Board of Supervisors. County consent to a Major Alteration, if given, shall include a prior review of any new environmental documentation, as required, and a requirement for a finding of consistency with the Hollywood Bowl Design Guidelines. LAPA shall provide County with a set of “as built” plans relating to any Alteration when the work is complete.

10.2 Funding. Unless otherwise approved by the Director in writing, all funds for the costs of any Alteration shall be solely the responsibility of LAPA or shall be paid from the Hollywood Bowl Improvement Account in accordance with the terms of this Lease. The Director agrees to consult with LAPA, as requested, with regard to the feasibility of public-assisted financing methods in connection with proposed Capital Expenditures.

10.3 Construction Meetings. LAPA shall maintain responsibility for conducting regularly scheduled site inspections and job meetings with respect to all Major Alterations. Documentation of such meetings shall be maintained by LAPA and be available for review by County staff.

10.4 Compliance With All Laws and Building Codes. LAPA shall comply with and require its contractors to comply with all Legal Requirements in connection with any Alterations. LAPA shall be responsible for the cost of compliance with the California Environmental Quality Act in connection with any such Alterations.

10.5 Ford Theater Parking Lot. County may, at any time and without first obtaining the consent of LAPA, reconfigure and/or redesign the parking lot serving the Ford Theater. Such work shall be performed at the expense of County without reimbursement from LAPA unless LAPA agrees to contribute to the expense. County shall perform such work only after consultation with LAPA and in a manner which minimizes disruption to the activities of LAPA.

ARTICLE 11 DAMAGE TO OR DESTRUCTION OF PROPERTY OR IMPROVEMENTS

In the event of the occurrence of any casualty resulting in substantial damage to or the destruction of all or a material portion of the Improvements, County shall restore the Improvements only to the extent that there are sufficient insurance proceeds provided to County by LAPA from the insurance required in this Lease available for such restoration. The parties

agree that if the destruction is from a risk not covered by insurance, and the damage is so material that the Bowl can no longer be used for its intended purpose, County may, in its discretion, terminate this Lease without liability for damages of any kind to LAPA, or its Permitted Licensees, licensees or concessionaires. In County's discretion, required restoration may be accomplished either by County, or, by separate agreement, by LAPA. LAPA and County shall cooperate in any restoration, including vacating structures as necessary and removing items of inventory, equipment or improvements as reasonably required for such restoration period. During the course of the restoration of all or any portion of the Improvements, it is agreed that LAPA shall be excused from its obligations hereunder to the extent the Entertainment Space is not suitable for Events and shall be excused from its obligation to pay Rent hereunder to the extent the Property is unusable during such period of restoration.

ARTICLE 12 TAKINGS

12.1 Total Taking.

In case of a Taking of all of the Property, or such a substantial portion of the Property that the part of the Property remaining after such Taking (even if a restoration were undertaken) would be unsuitable or economically unfeasible, in County's reasonable opinion after good faith consultation with LAPA for use as a entertainment venue, then this Lease shall terminate as of the date title vests in the condemning authority or the date the condemning authority is entitled to possession, whichever first occurs. Any Taking of the Property of the character referred to in this Section is referred to herein as a "Total Taking." Awards and other payments on account of a Taking, less costs, fees and expenses incurred in the collection thereof ("Net Awards") shall be applied to restoration of the Property, or if the Taking is a Total Taking, to the parties in accordance with applicable law. The award will be apportioned between the parties in accordance with applicable law, with each party to bear its own cost of litigation.

12.2 Partial Taking.

In the event of any Taking of the Property other than a Total Taking (a "Partial Taking"), (a) this Lease shall remain in full force and effect (and the Term shall not be reduced or affected) as to the portion of the Property remaining immediately after such Partial Taking, and (b) to the extent Net Awards, if any, granted to both County and LAPA shall be sufficient for the purpose, County shall, within a reasonable period of time, in cooperation with LAPA, use such Net Awards to commence and complete, subject to permitted delays as a result of Force Majeure Events, restoration of the Property as nearly as possible to the value, condition and character thereof immediately prior to such Partial Taking.

ARTICLE 13
COMPLIANCE WITH ENVIRONMENTAL LAWS

13.1 Parties' Covenants.

Neither County nor LAPA shall ever cause or permit, with such party's actual knowledge, any Hazardous Material to be placed, held, located, used or disposed of on, under or at the Property or any part thereof or disposed of or discharged from the Property into the atmosphere, soil or any watercourse, body of water or wetlands, at any time during the Term of this Lease, except to the extent placed or used on the Property in the manner permitted by applicable law. For purposes of this Lease, the term "Hazardous Material" means any material or substance defined as a hazardous, toxic or dangerous substance, waste or material in any Federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material, now or at any time hereafter in effect (collectively referred to herein as "Environmental Laws").

13.2 Violation of LAPA's Covenant.

If LAPA causes or, with LAPA's actual knowledge, permits any Hazardous Material to be placed, held, located, used or disposed of on, under or at the Property in violation of LAPA's covenant set forth in Section 13.1 above, LAPA shall contain, abate or control such Hazardous Material and, if necessary, remove and dispose of same in a manner reasonably approved in advance by County and in accordance with all applicable Environmental Laws and Legal Requirements. If LAPA fails to undertake such action within (a) sixty (60) days after LAPA's receipt of written Notice from County requiring LAPA to undertake such action (or such longer period as reasonably may be required, provided LAPA is diligently attempting to complete such action), or (b) such shorter period as may be required by any Environmental Law or Legal Requirement, County may (but shall not be obligated to) cause such action to be taken by a third party contractor or contractors after giving LAPA at least ten (10) business day's Notice of its intention to do so, and the amount of any cost, expense or expenditure therefor shall be paid immediately by LAPA. Any work which County causes to be performed pursuant to clause (b) above shall be performed in a manner reasonably approved in advance by County. If County makes any payment or incurs any costs or expenses in connection therewith, such amounts, together with interest thereon from the date paid by such party, shall be payable by LAPA on demand to the party making such payment or incurring such costs or expenses.

13.3 Violation of County's Covenant.

If County causes or, with County's actual knowledge, permits any Hazardous Material to be placed, held, located, used or disposed of on, under or at the Property in violation of County's covenant set forth in Section 13.1 above, County shall contain, abate or control such Hazardous Material and, if necessary, remove and dispose of same in a manner reasonably approved in advance by County and in accordance with all applicable Environmental Laws and Legal Requirements.

13.4 LAPA's Indemnification.

LAPA hereby indemnifies County and agrees to defend and hold County harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses and claims which at any time or from time to time may be paid, incurred or suffered by, or asserted against, County for, with respect to or as a direct or indirect result of, the violation by LAPA of its covenant contained in Section 13.1 above.

13.5 County's Indemnification.

County hereby indemnifies LAPA and agrees to defend and hold LAPA harmless from and against any and all loss, liability, damages, injuries, costs, and expenses which at any time or from time to time may be paid, incurred or suffered by, or asserted against, LAPA for, with respect to or as a direct or indirect result of, the violation by County of its covenant contained in Section 13.1 above.

13.6 Survival.

LAPA's and County's liability for the undertakings and indemnifications set out in this Article shall survive the termination of this Lease.

ARTICLE 14
COMPLIANCE WITH LEGAL REQUIREMENTS
AND INSURANCE REQUIREMENTS

14.1 Compliance with Legal Requirements.

LAPA's operations in the Property shall comply with all Legal Requirements except that nothing in this Lease shall require LAPA to make structural changes to the Improvements to comply with any existing or future Legal Requirements and nothing in this Lease shall require LAPA to observe or conform to any governmental authorities' requirements or pay any tax, lien, claim, charge or demand so long as the validity or enforceability thereof shall be contested by LAPA in good faith to the extent appropriate and that noncompliance with any Legal Requirement, while contesting the same, shall not constitute a crime or offense punishable by fine or imprisonment.

14.2 Compliance with Insurance Requirements.

Neither County nor LAPA, in connection with the exercise of its rights or the performance of its obligations hereunder, shall permit to be done any act or thing upon the Property which would invalidate or be in conflict with the terms of any fire and/or casualty insurance policies covering the Property, including the fixtures and personal property thereon. Each of County and LAPA shall comply or cause compliance with all present and future Insurance Requirements, and neither shall knowingly do or permit to be done in or upon the Property, or bring or keep anything therein or use the same in any manner, which could result in the denial of such fire and casualty insurance coverage. LAPA's good faith noncompliance with an Insurance Requirement during its contest thereof shall not be deemed a breach of this Lease, provided that LAPA shall prosecute such contest in good faith and with due diligence to a final

determination. Such right to contest applies only to the requirements imposed by insurers under insurance policies, and does not apply to the requirements relating to insurance referred to under Article 17 hereof.

ARTICLE 15
UTILITIES

All utilities, except for telephone, television and other communication services, shall be provided to the Property by County. County shall pay or cause to be paid when due all service charges for gas, water, sewer, electricity, heat, power and all other utilities or services used, rendered or supplied to, upon or in connection with the Property (subject to reimbursement as Direct Operating Costs as provided herein). LAPA shall pay or cause to be paid all charges for telephone or other communications services used, rendered, or supplied to, upon or in connection with the Property. For telephone and television service (or anything else not furnished by County) all deposits, installation costs, meter deposits and service charges shall be paid by the party serviced.

ARTICLE 16
INDEMNIFICATION

16.1 LAPA Indemnity. LAPA shall indemnify, defend and hold harmless County, and its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with LAPA's acts and/or omissions arising from and/or relating to this Lease and its use of the Property and including, but not limited to, liability arising out of or with respect to any copyright infringement or claims by any parties to any performance contracts or other contracts entered into by LAPA with respect to the Bowl, providing such liability is not due to the sole negligence or willful misconduct of County. This indemnity shall apply to all activities and operations at, on or from the Property that relate to LAPA's use, including, but not limited to, ingress, egress and parking. The foregoing is not intended to and shall not relieve any insurance carrier of its obligations under policies required to be carried under this Lease.

16.2 County Indemnity. County shall indemnify, defend and hold harmless LAPA, its elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with County's acts and/or omissions arising from and/or relating to this Lease but only to the extent such acts and omissions constitute the sole negligence or willful misconduct of County.

16.3 Survival. LAPA's and County's liability for the undertakings and indemnifications set out in this Article shall survive the termination of this Lease.

ARTICLE 17
INSURANCE

17.1 Insurance. Without limiting LAPA's indemnification of County and during the Term of this Lease, LAPA shall provide and maintain the following insurance:

(a) General Liability insurance (written on ISO policy form CG 00 01 or its equivalent) and endorsed to name County as an additional insured, with limits of not less than the following:

- (i) General Aggregate: \$10 million
- (ii) Products/Completed Operations Aggregate: \$10 million
- (iii) Personal and Advertising Injury: \$ 5 million
- (iv) Each Occurrence: \$ 5 million

(b) Automobile Liability insurance (written on ISO form CA 00 01 or its equivalent) with a limit of liability of not less than \$1 million for each accident and providing coverage for all “owned”, “hired” and “non-owned” vehicles, or coverage for “any auto” LAPA also shall provide Garagekeeper’s Legal Liability coverage, (written on ISO form CA 99 37 or its equivalent) with limits of not less than \$3 million for this location.

(c) Workers Compensation and Employers’ Liability insurance providing workers compensation benefits, as required by the Labor Code of the State of California and for which LAPA is responsible, and including Employers’ Liability coverage with limits of not less than the following:

- (i) Each Accident: \$1 million
- (ii) Disease - policy limit: \$1 million
- (iii) Disease - each employee: \$1 million
- (d) Commercial Property insurance: Such insurance:

(i) cover damage to County’s property, including improvements and betterments, from perils covered by the Causes-of-Loss Special Form (ISO form CP 10 30) excluding earthquake and including Ordinance or Law Coverage;

(ii) shall be written for the full replacement value of the property, with a deductible no greater than 5% of the property value; and

(iii) proceeds shall be payable to LAPA and County as their interests may appear and be utilized for repair and restoration of the Property.

Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by County, and such coverage shall be provided and maintained at LAPA’s own expense.

17.2 Waivers of Subrogation. LAPA shall obtain appropriate endorsements upon all insurance policies waiving subrogation by the insurer(s) against County.

17.3 Evidence of Insurance. Certificate(s) or other evidence of coverage satisfactory to County shall be delivered to County prior to the Commencement Date. Such certificates or other evidence shall:

- (a) Specifically identify this Lease.
- (b) Clearly evidence all coverages required in this Lease.
- (c) Contain the express condition that insurer will use its best efforts to give written notice by mail to County at least thirty (30) days in advance of cancellation for all policies evidenced on the certificate of insurance.
- (d) Identify any deductibles or self-insured retentions exceeding \$25,000.

17.4 Review of Insurance Requirements. Throughout the Term of this Lease and upon Notice to LAPA, County, acting through the CAO and its risk manager, may review and adjust at any time the types and limits of insurance required under this Lease to a commercially reasonable level. Insurance is to be provided by insurers acceptable to the County with an A.M. Best rating of not less than A:VII, unless otherwise approved by County.

17.5 Failure to Maintain Coverage. Failure by LAPA to maintain the required insurance, or to provide evidence of insurance coverage acceptable to County, shall constitute a material breach of this Lease.

17.6 Notification of Incidents, Claims or Suits. LAPA shall report to County any accident or incident relating to services performed under this Lease which involves injury or property damage which might reasonably be thought to result in the filing of a claim or lawsuit against LAPA and/or County. Such report shall be made in writing within 72 hours of LAPA's knowledge of such occurrence.

17.7 Compensation for County Costs. In the event that LAPA fails to comply with any of the indemnification or insurance requirements of this Lease, and such failure to comply results in any costs to County, LAPA shall pay full compensation for all reasonable costs incurred by County.

ARTICLE 18 LEASE TRANSFER

18.1 Consent Requirement for Lease Transfer.

Except as otherwise provided in this Article, no Lease Transfer shall be valid. For the purposes of this Lease, the term "Lease Transfer" shall mean any assignment, sublease, license agreement, concession agreement, management agreement, mortgage, deed of trust, pledge, encumbrance or any other agreement or instrument pursuant to which LAPA attempts to transfer to any other person any interest in the Property or any portion thereof, or any right to use or occupy the Property or any portion thereof. Any Lease Transfer in violation of this Article shall be void and of no effect.

18.2 Permitted Transfers.

18.2.1 Permitted Licenses.

(a) Subject to the provisions of paragraph (b) below, LAPA shall have the right to license the use of the Entertainment Space and/or Parking Facilities to other parties for the purpose of presenting Events (a “Permitted License”). A holder of a Permitted License may be referred to herein as a “Permitted Licensee”. Each Permitted Licensee shall be entitled to receive in connection with its performances all of the services which are to be provided under this Lease to LAPA in connection with Events presented by LAPA. LAPA may not, however, use Permitted Licensees to fulfill its obligations under Section 6.5 hereof (except as provided herein).

(b) If LAPA intends to enter into any Permitted License which would be effective from and after January 1, 2006 and which would grant to any Permitted Licensee the right to produce four or more Events in each Lease Year during a period of two or more consecutive Lease Years, it shall do so only after notice is given (and an opportunity to submit qualifications and proposals) to potentially interested parties for such Permitted License. County shall be given Notice of such process and a County representative selected by the CAO shall be entitled to participate in the selection process and in any recommendation to LAPA along with other evaluators selected by LAPA, which shall include at least one evaluator selected by the Chair of the LAPA Board of Directors. LAPA need not make its final determination solely on the basis of anticipated revenues from any such Permitted Licensee but shall advise all interested parties and County of its criteria in making the determination. Any agreement previously entered into between LAPA and any other party which would grant any such rights from and after January 1, 2006 shall be void and of no effect to such extent.

18.2.2 Restaurant/Concessions. LAPA may enter into agreements, from time to time, with caterers or restaurant operators for purposes of providing food and beverage services in the Restaurant Facilities. Such agreements and any material amendments thereto are subject to the prior approval of the Director. In addition, LAPA may enter into agreements with third parties with respect to the sales of merchandise in Retail Space.

18.3 No Waiver.

The consent by County to any Lease Transfer hereunder shall not in any way be construed to relieve the assigning party’s permitted assignee from obtaining the consent in writing of County to any further Lease Transfer.

ARTICLE 19
ENTRY BY COUNTY

County, and County’s employees, agents and independent contractors may enter the Property at reasonable times to make reasonable inspections and/or carry out County’s rights and obligations under this Lease; provided, however, that except in the event of an emergency or a security-related matter, County will not enter, and agrees to use reasonable efforts to cause its contractors and agents not to enter, the Entertainment Space in any manner that would interfere

with any performance, or unnecessarily or unreasonably interfere with any rehearsal in the Entertainment Space.

ARTICLE 20
EVENTS OF DEFAULT; TERMINATION

20.1 LAPA Events of Default. Each of the following events (“LAPA Events of Default”) shall constitute events of default hereunder by LAPA:

20.1.1 Lease Transfer. If LAPA participates in any Lease Transfer that is not expressly permitted hereunder.

20.1.2 Failure to Meet Minimum Number of Performances. If LAPA has failed to cause the Minimum Number of Performances to be held in the Entertainment Space in compliance with Section 6.5.

20.1.3 Failure to Perform. If LAPA shall fail to perform or comply with any of the terms or conditions hereof on LAPA’s part to be performed or complied with hereunder and such non-performance or noncompliance shall continue for a period of thirty(30) days after written Notice from County or, if such performance cannot reasonably be completed (it being agreed that money payments must be made) within such thirty(30) day period, subject to permitted delays as a result of a Force Majeure Event, LAPA shall not have commenced such performance in good faith within such thirty(30) day period or shall not diligently and continuously proceed therewith to completion of such performance, within a reasonable period after its receipt of such written Notice.

20.1.4 Failure to Pay Rent. If LAPA shall fail to duly and punctually pay Rent or make other payments to County as required hereunder when due to County within ten (10) days after Notice from County of non-payment thereof.

20.1.5 Liens. If Any lien is filed against the Property because of any act or omission of LAPA and is not removed within thirty (30) days after the filing thereof.

20.2 County Remedies.

20.2.1 Termination. At any time that a LAPA Event of Default shall have occurred and be continuing, (other than an Event of Default under Section 20.1.2 hereof except as provided in Section 20.2.5 hereof) County shall have the right to terminate this Lease by giving Notice of such termination to LAPA, which Notice shall specify the LAPA Event of Default claimed and the date for termination, and upon such date this Lease and LAPA’s leasehold estate and right to possession of the Property under this Lease shall terminate, as if the date of termination were the Expiration Date of the Term. Such option must be exercised if at all, within ninety (90) days after County has knowledge of the Event of Default.

20.2.2 County’s Right to Cure. At any time that an LAPA Event of Default shall have occurred and be continuing, County may, if it so desires in County’s sole and absolute discretion and without any obligation whatsoever to do so, perform or cause to be performed any of LAPA’s unperformed obligations hereunder except, however, County shall not perform or

present any concerts under, or otherwise use in any way, the name of LAPA. County may enter the Property for the purpose of correcting or remedying any LAPA Event of Default and remain therein until such LAPA Event of Default has been corrected or remedied, but such performance by County shall not be deemed either to waive or release or excuse any LAPA Event of Default or the right of County to take any action provided herein or permitted by law in the case of such LAPA Event of Default. The amount of any cost, expense or expenditure incurred by County in connection therewith together with interest thereon from the date paid by County shall be deemed Additional Rent payable by LAPA to County on demand. In addition, at any time that a LAPA Event of Default shall have occurred and be continuing, County may request in writing a written report from LAPA concerning all of its debts and obligations, financial status and prospective income.

20.2.3 Suit for Damages. At any time that any LAPA Event of Default shall have occurred and be continuing, (other than an Event of Default under Section 20.1.2 hereof) County may sue to recover from LAPA any and all damages necessary to compensate County for the detriment proximately caused by LAPA's failure to perform its obligations under this Lease, including, without limitation (a) all amounts payable hereunder which are due, owing and unpaid by LAPA to County at the time any such suit is brought, including, without limitation, recovering the cost incurred by County of performing LAPA's obligations in default hereunder, and (b) in the case of termination, such costs and expenses as County may incur in recovering possession of the Property, removing persons or property therefrom, and in connection with the appointment of and the performance by a receiver to protect the Property. Suit or suits for the recovery of any deficiency or damages may be brought by County from time to time at County's election.

20.2.4 Remedies Cumulative. At any time that a LAPA Event of Default shall have occurred and be continuing, County shall have the right of injunction to restrain the same and the right to invoke any remedy allowed by law or in equity, as if specific remedies, indemnity or reimbursement were not herein provided. The provision in this Lease for any remedy shall not preclude County from exercising any other remedy at law or in equity upon the occurrence of a LAPA Event of Default hereunder, and the rights and remedies given to County in this Lease are distinct, separate and cumulative, and no one of them, whether or not exercised by County, shall be deemed to be in exclusion of any other right or remedy provided herein, by law or equity, or pursuant to any other agreement between County and LAPA.

20.2.5 LAPA Cure Right and Liquidated Damages. If LAPA fails to comply with Section 6.5 by not causing the Orchestra to perform the Minimum Number of Performances by the Orchestra during three consecutive Summer Seasons, County shall give written notice thereof to LAPA and LAPA shall have one (1) additional Lease Year in which to cause the Orchestra to perform the omitted number of required performances in the following Lease Year. If LAPA thereafter continues to be in default under Section 6.5 hereof, it is acknowledged and agreed by the parties that the damages would be impracticable and extremely difficult to fix and it is agreed that the damages for a failure to cause the Orchestra to present the Minimum Number of Performances should be liquidated at \$25,000 for each performance by Orchestra required but not presented during the four year period, which amount shall be payable by LAPA to County within thirty (30) days after the end of the Summer Season. This shall be County's sole remedy for such an Event of Default unless such an Event of Default occurs more than once in any

consecutive ten (10) Lease Years, in which case County shall have the option of collecting such liquidated damages or terminating this Lease in accordance with Section 20.2.1. Such amount shall be deposited in the Hollywood Bowl Improvement Account.

20.3 County Events of Default.

Each of the following events (“County Events of Default”) shall constitute events of default hereunder by County and a breach of this Lease:

20.3.1 Failure to Perform. If County shall fail to perform or comply with any of the terms or conditions hereof on County’s part to be performed or complied with and such non-performance or noncompliance shall continue for a period of thirty (30) days after Notice from LAPA or, if such performance (other than any performance involving the payment of money) cannot reasonably be completed within such thirty (30) day period, subject to permitted delays as a result of a Force Majeure Event, County shall not have commenced such performance in good faith within such thirty (30) day period or shall not diligently and continuously proceed therewith to completion of such performance, within a reasonable period after its receipt of such Notice.

20.4 LAPA’s Remedies.

20.4.1 Termination. At any time that a County Event of Default shall have occurred and be continuing, in addition to the remedies provided below, LAPA shall have the right to terminate this Lease by giving Notice of such termination to County, which Notice shall specify the County Event of Default claimed and the date for termination, and upon such date this Lease and LAPA’s leasehold estate and right to possession of the Property under this Lease shall terminate, as if the date of termination were the Expiration Date of the Term.

20.4.2 LAPA’s Right to Cure. Subject to any applicable conditions and limitations set forth elsewhere in this Lease, at any time that an County Event of Default shall have occurred and be continuing, LAPA may, if it so desires in LAPA’s sole and absolute discretion and without any obligation whatsoever to do so, perform or cause to be performed any of County’s unperformed obligations hereunder. Such performance by LAPA shall not be deemed either to waive or release any County Event of Default or the right of LAPA to take any action provided herein in the case of such default. The amount of any cost, expense or expenditure incurred by LAPA in connection therewith and as a result of an County Event of Default together with interest thereon from the date paid by LAPA shall be payable by County to LAPA on demand.

20.4.3 Suit for Damages. At any time that an County Event of Default shall have occurred and be continuing, or at any time after termination of this Lease pursuant to Section 20.4.1 above, LAPA may sue to recover from County any and all damages necessary to compensate LAPA for the detriment proximately caused by County’s failure to perform its obligations under this Lease.

20.4.4 Remedies Cumulative. In the event of a breach of this Lease by County, LAPA shall have the right of injunction to restrain the same and the right to invoke any remedy allowed by law or in equity, as if specific remedies, indemnity or reimbursement were not herein provided. The provision in this Lease for any remedy shall not preclude LAPA from any other

remedy at law or in equity, including termination, and the rights and remedies given to LAPA in this Lease are distinct, separate and cumulative, and no one of them, whether or not exercised by LAPA shall be deemed to be in exclusion of any other right or remedy provided herein, by law or equity.

ARTICLE 21
501(c)(3) ORGANIZATION

LAPA hereby covenants that LAPA will take all actions required to maintain and LAPA will not take any actions that would threaten LAPA's status as a 501(c)(3) Organization.

ARTICLE 22
ESTOPPEL CERTIFICATES

Each party will execute, acknowledge and deliver to the other party within ten (10) Business Days after a written request therefor, a certificate signed by an officer of LAPA certifying (a) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect as modified, and stating the modifications), and (b) (i) in the case of such a certificate delivered by LAPA, that no Notice has been (x) given by LAPA of any County Event of Default which has not been cured, or (y) received by LAPA of any LAPA Event of Default which has not been cured, except defaults specified in said certificate and that, to LAPA's knowledge, there are then existing no facts which, with the passage of time or delivery of Notice, or both, would constitute an County Event of Default or a LAPA Event of Default hereunder, or (ii) in the case of such a certificate delivered by County, that no Notice has been (xx) given by County of any LAPA Event of Default which has not been cured, or (yy) received by County of any County Event of Default which has not been cured, except defaults specified in said certificate and that, to County's knowledge, there are then existing no facts which, with the passage of time or delivery of Notice, or both, would constitute a LAPA Event of Default or an County Event of Default hereunder.

ARTICLE 23
END OF TERM

Upon the Expiration Date or earlier termination of this Lease, LAPA shall peaceably and quietly quit, surrender and yield up the Property to County in good order and condition, ordinary wear and tear excepted, free and clear of all lettings, occupancies, liens or encumbrances.

ARTICLE 24
NOTICES

Any Notice, demand, request, consent, approval or communication (each of which is herein referred to as a "Notice") which either party desires or is required or permitted to give or cause to be given to the other shall be in writing and shall be delivered or addressed to such other party at the address set forth below or to such other address as that party may from time to time direct by Notice given in the manner herein prescribed, and such Notice shall be deemed to have been given or made when communicated by personal delivery or by independent courier service or by facsimile transmission, or if by mail then the earlier to occur of when actually

received or on the third (3rd) business day after the deposit thereof in the United States Mail in Los Angeles County, California, postage prepaid, registered or certified, addressed as hereinafter provided. All Notices shall be addressed as follows:

If to County: County of Los Angeles
713 Hall of Administration
500 West Temple Street
Los Angeles, California 90012
Attention: Chief Administrative Officer
Facsimile Number: (213) 687-4822

With a copy to: County of Los Angeles
648 Hall of Administration
500 West Temple Street
Los Angeles, California 90012
Attention: County Counsel
Facsimile Number: (213) 626-7446

and: County of Los Angeles
Department of Parks & Recreation
433 S. Vermont Avenue
Los Angeles, California 90020
Attention: Director
Facsimile Number: (213) 738-6444

If to LAPA: Los Angeles Philharmonic Association
151 South Grand Avenue
Los Angeles, California 90012-3034
Attention: President
Facsimile Number: (213) 617-3065

ARTICLE 25
GENERAL PROVISIONS

25.1 Modification and Amendment.

No statement, action or agreement hereafter made shall be effective to amend, waive, modify, discharge, terminate or effect an abandonment of this Lease in whole or in part unless such agreement is (a) in writing, and (b) signed by the party against whom such amendment, waiver, modification, discharge, termination or abandonment is sought to be enforced.

25.2 Successors and Assigns.

Except as specifically set forth herein, the covenants and agreements herein contained shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.

25.3 Table of Contents and Section Headings.

The table of contents and Article and Section headings are inserted herein only for convenience and are in no way to be construed as part of this Lease, or as indicative of the meaning of the provisions of this Lease or the intention of the parties, or as a limitation in the scope of the particular Articles or Sections to which they refer.

25.4 No Partnership or Joint Venture.

Nothing in this Lease shall be deemed to create a partnership or joint venture between the parties or to render either party liable in any manner for the debts or obligations of the other.

25.5 Exhibits.

All exhibits attached hereto and/or referred to in this Lease are incorporated herein as though set forth herein in full.

25.6 Construction.

The parties agree that each party and its counsel have reviewed and revised this Lease and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Lease or any amendments or exhibits hereto.

25.7 Governing Law.

This Lease shall be governed exclusively by the provisions hereof and by the laws of the State of California. All rights, powers and remedies provided herein may be exercised only to the extent that the exercise thereof does not violate any applicable law, and are intended to be limited to the extent necessary so that they will not render this Lease invalid, unenforceable or unrecoverable under any applicable law.

25.8 Counterparts.

This Lease may be executed in several counterparts, each of which shall be deemed an original, and such counterparts shall constitute but one and the same instrument.

25.9 Quiet Enjoyment.

County covenants and agrees that upon LAPA's paying the Rent reserved herein and timely performing and observing all of the covenants and provisions of this Lease on LAPA's part to be performed and observed, LAPA shall peaceably and quietly enjoy the Property without disturbance by anyone claiming by or through County (subject to any Taking or Partial Taking and all Legal Requirements). Subject to the preceding sentence, County makes no warranty whatsoever with respect to title to the Property.

25.10 County's Approvals and Consents.

Except as otherwise expressly provided herein, all approvals and consents of County required pursuant to this Lease, including the approval of any amendment, modification or termination hereof, shall be valid if given or taken by the Director (or such other person as the Director may designate in a Notice delivered to LAPA by County) on behalf of County, and shall be deemed binding upon County.

25.11 Limitation of Liability.

No member, official or employee of either party shall be personally liable to any other party, or any successor in interest, in the event of any default or breach by County or LAPA or for the performance of any obligation or payment which shall become due or owing hereunder.

25.12 No Waiver.

No failure by either party to insist upon the strict performance of any term hereof or to exercise any right, power or remedy consequent upon a breach thereof, shall constitute a waiver of any such breach or of any such term. No waiver of any breach shall affect or alter this Lease, which shall continue in full force and effect, or the respective rights of either party with respect to any other then existing or subsequent breach.

25.13 Third Party Beneficiaries.

There are no third party beneficiaries of this Lease.

25.14 Force Majeure.

Subject to the conditions set forth in this Lease, the performance of either party's obligations hereunder shall not be deemed to be in default where delays or failure to perform are due to Force Majeure Events. The party claiming any such Force Majeure Event shall promptly notify the other party of the occurrence of such delay or failure to perform. Any extension of time for any Force Majeure Event shall be given only for the period of time commencing upon the date that such Force Majeure Event actually prevents the obligated party from performing its obligations hereunder, and ending when such Force Majeure Event ceases to prevent the obligated party from performing its obligations hereunder. Each party agrees to use reasonable efforts to minimize any such period of delay. Notwithstanding the foregoing, Force Majeure Events shall not extend any time periods set forth herein for the payment of any monetary obligation.

25.15 Entire Agreement; Conflicting Provisions.

This Lease sets forth all of the agreements, conditions and understandings between LAPA and County relating to the leasing of the Property by LAPA, and there are no promises, agreements, conditions, understandings, warranties or representations, oral or written, expressed or implied, between the parties other than as set forth or referred to herein.

25.16 Approvals and Consents.

In any instance where the consent or approval of LAPA or County is required in this Lease, except as specifically provided to the contrary, such approval or consent shall be in writing and shall not be unreasonably withheld or delayed.

ARTICLE 26
NON-DISCRIMINATION

LAPA herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, and this Lease is made and accepted upon and subject to the condition that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, age, physical handicap, medical condition, sex, marital status, sexual preference, national origin or ancestry in the leasing, subleasing, licensing, transferring, use, occupancy, tenure or enjoyment of the Property nor shall LAPA itself, or any person claiming under or through it, establish or permit such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of LAPA, lessees, sublessees, subtenants, licensees or vendees in the Property. LAPA agrees to include in each sublease, license agreement and other contract entered into by it with respect to the Property or Property, a covenant by the sublessee or other contracting party to the same effect as LAPA is obligated in the preceding sentence.

ARTICLE 27
COUNTY RIGHT OF USE

County may, without payment of rent to LAPA, during the period commencing on October 15 and ending on June 16 of each Lease Year, use the Entertainment Space and Parking Facilities for County-sponsored theater, musical and other cultural events presented under the aegis of the Board of Supervisors or for other special events. During the year, County may, without payment of rent to LAPA, use the Museum and Volunteer Cottage for County sponsored or hosted activities if such use does not conflict with previously scheduled activities of LAPA. Such use shall be upon written Notice to LAPA not less than ten calendar days prior to the date of the event and shall not conflict or interfere with the presentation or rehearsal of any Event, or interfere with any union agreements to which LAPA is a party; provided, however, LAPA shall give advance Notice to County if it believes that, based on information known to LAPA, such interference with a union agreement is reasonably likely (it being agreed, however, that the failure to do so will not create liability for LAPA and that such Notice, or the failure to give such Notice, will not excuse County from its obligations hereunder. Any revenue received by County in excess of its expenses shall be paid into the Hollywood Bowl Improvement Account.

ARTICLE 28
MEDIATION

Any controversy hereunder (including, without limitation, any controversy or dispute with respect to the existence of an County Event of Default or LAPA Event of Default) which is not resolved by the parties shall be referred to non-binding mediation in accordance with the terms hereof prior to the commencement of any litigation with respect thereto. Either

County or LAPA may initiate the mediation process by providing the other party the names of three potential mediators (each of whom shall be a retired Judge or an attorney at law practicing in Los Angeles County) and the other party shall propose an equal number of potential mediators within ten (10) business days thereafter. The parties shall, within five (5) business days thereafter jointly appoint a mediator from the six so suggested. The mediator so selected shall proceed to meet with LAPA and County and conduct the mediation within thirty (30) business days of his or her selection. The cost of such mediation shall be borne equally by County and LAPA.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date set forth above.

COUNTY OF LOS ANGELES
a body politic and corporate

By: _____
Name: _____
Chairman, Board of Supervisors

LOS ANGELES PHILHARMONIC
ASSOCIATION

By: _____
President

By: _____
Secretary

APPROVED AS TO FORM:
OFFICE OF THE COUNTY COUNSEL

By _____
HELEN S. PARKER
Principal Deputy Counsel

HOLLYWOOD BOWL OPERATING LEASE LEASE EXHIBITS SUMMARY

The lease exhibits for the Hollywood Bowl Performing Arts Complex (Hollywood Bowl) include visual descriptions of the lease area, office space (including offices at the Ticketing Center and Camrose Park) and parking areas. The exhibits are described in more detail as follows:

Exhibit A Lease Area Hollywood Bowl

Exhibit A defines the lease area of the Hollywood Bowl with a boundary and shaded delineation. The lease area is defined as the developed areas, excluding Camrose Bungalow D and a portion of Camrose Bungalow M, of the County Park which are currently used by the Los Angeles Philharmonic Association for facility operation and production of theatrical events.

Exhibit B-1 Office Space Hollywood Bowl

Exhibit B-1 defines the areas used for office space with the Hollywood Bowl. These areas include the Food Service Offices, Bowl Store Offices, Box Office, Operation & Production Offices, County Maintenance Offices and the Camrose Offices (excluding Camrose Bungalow D and a portion of Camrose Bungalow M).

Exhibit B-2 Office Space Ticket Center

Exhibit B-2 defines the areas used for office space within the Ticketing Center at 2630 Cahuenga Boulevard East in Los Angeles. These offices are located on both the first and second floors, excluding a seven hundred and fifty (750) square feet area on the second floor.

Exhibit B-3 Office Space Camrose Park

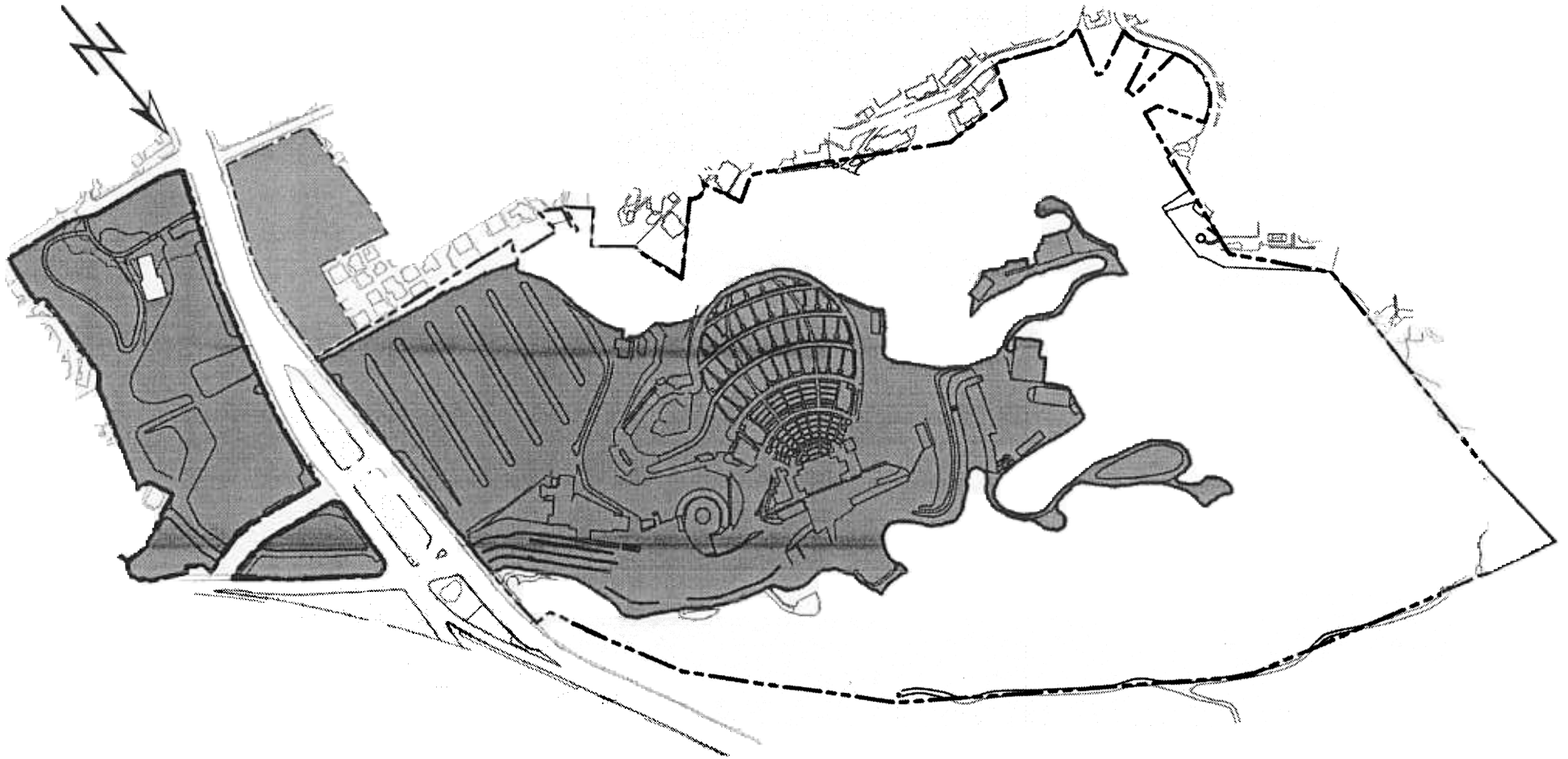
Exhibit B-3 defines the areas used for office space with Camrose Park at 2101 North Highland Avenue. The office area includes Bungalows A, B, C, G and a portion of Bungalow M.

Exhibit C-1 Parking Hollywood Bowl

Exhibit C-1 defines the areas used for parking facilities at the Hollywood Bowl. These parking facilities include the Odin and Fairfield lots (adjacent to Highland Avenue) and the Hollywood Bowl Main Parking lots.

Exhibit C-2 parking Ticketing Center

Exhibit C-2 defines the areas used for parking facilities at the Ticketing Center. The areas defined include A1 through A4.



Except Bungalow D and portion of Bungalow M

HOLLYWOOD BOWL PERFORMING ARTS COMPLEX COUNTY REGIONAL PARK

--- Property Line

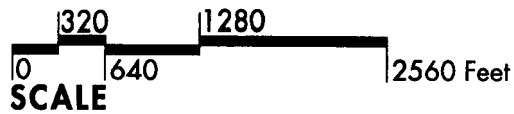
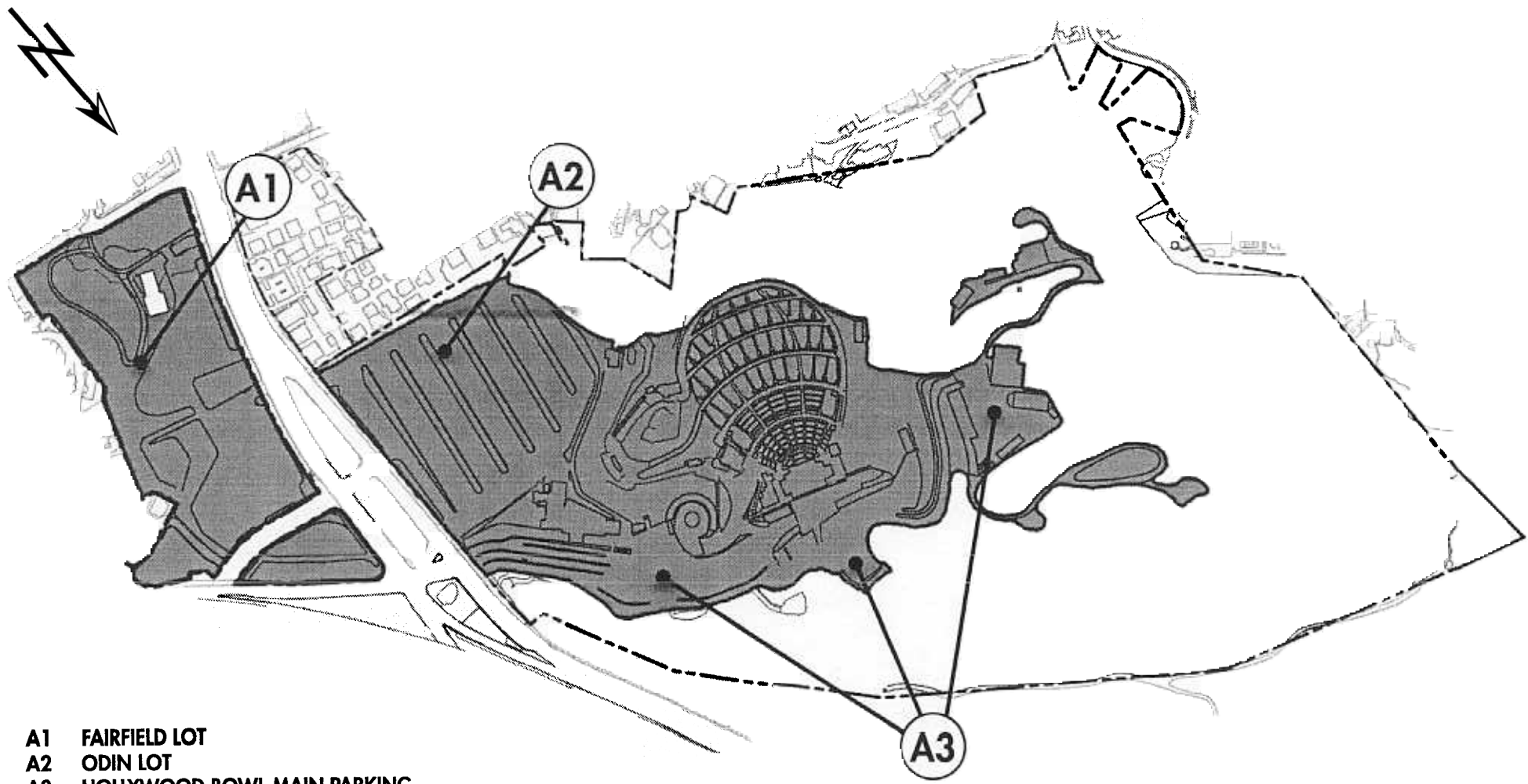


EXHIBIT A
LEASE AREA

JUNE 2003

LEASE EXHIBIT

H O L L Y W O O D B O W L



- A1 FAIRFIELD LOT
- A2 ODIN LOT
- A3 HOLLYWOOD BOWL MAIN PARKING

--- Property Line

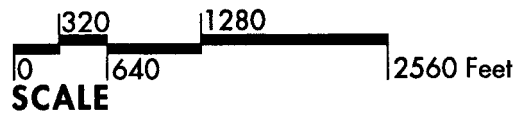
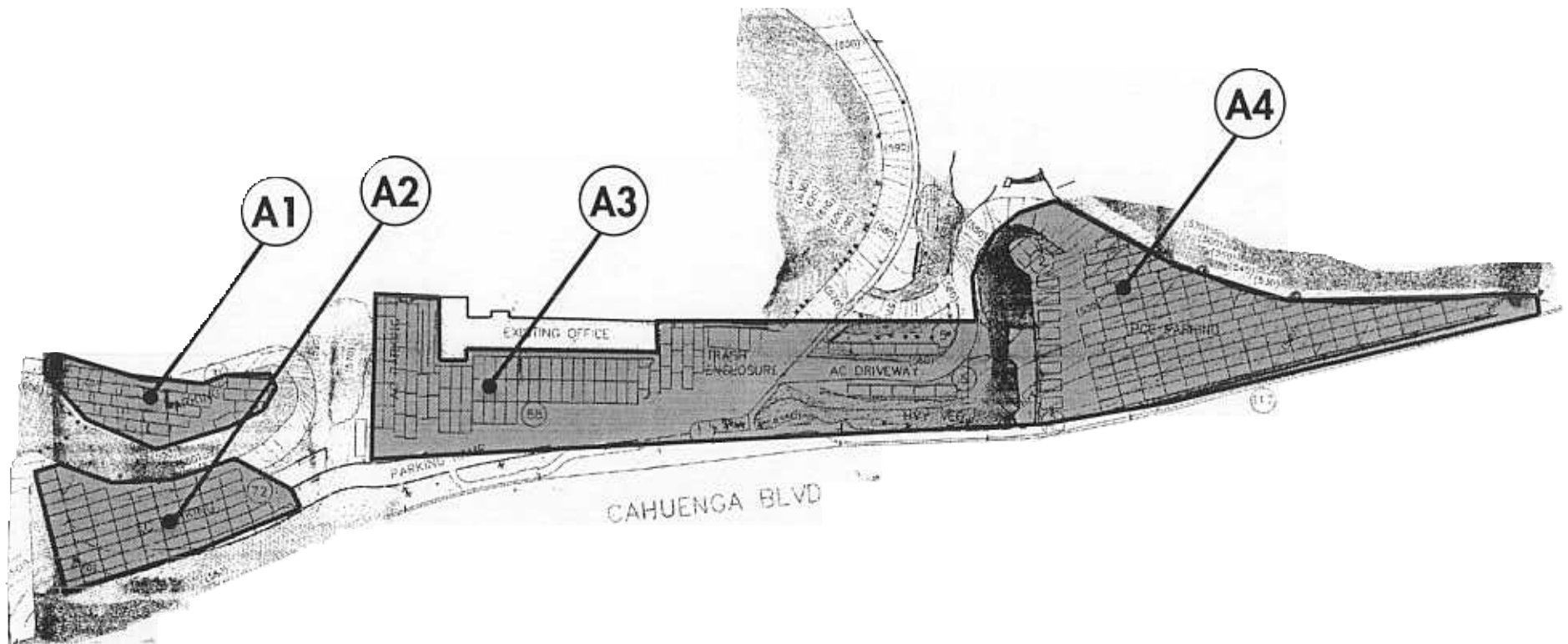


EXHIBIT C-1 PARKING AREAS

JUNE 2003

H O L L Y W O O D B O W L



A1-A4 PARKING AREAS

TICKETING CENTER PARKING
2630 Cahuenga Blvd East, Los Angeles, 90068

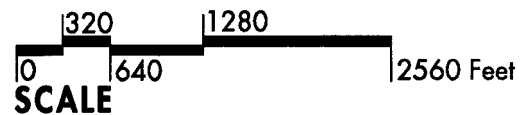
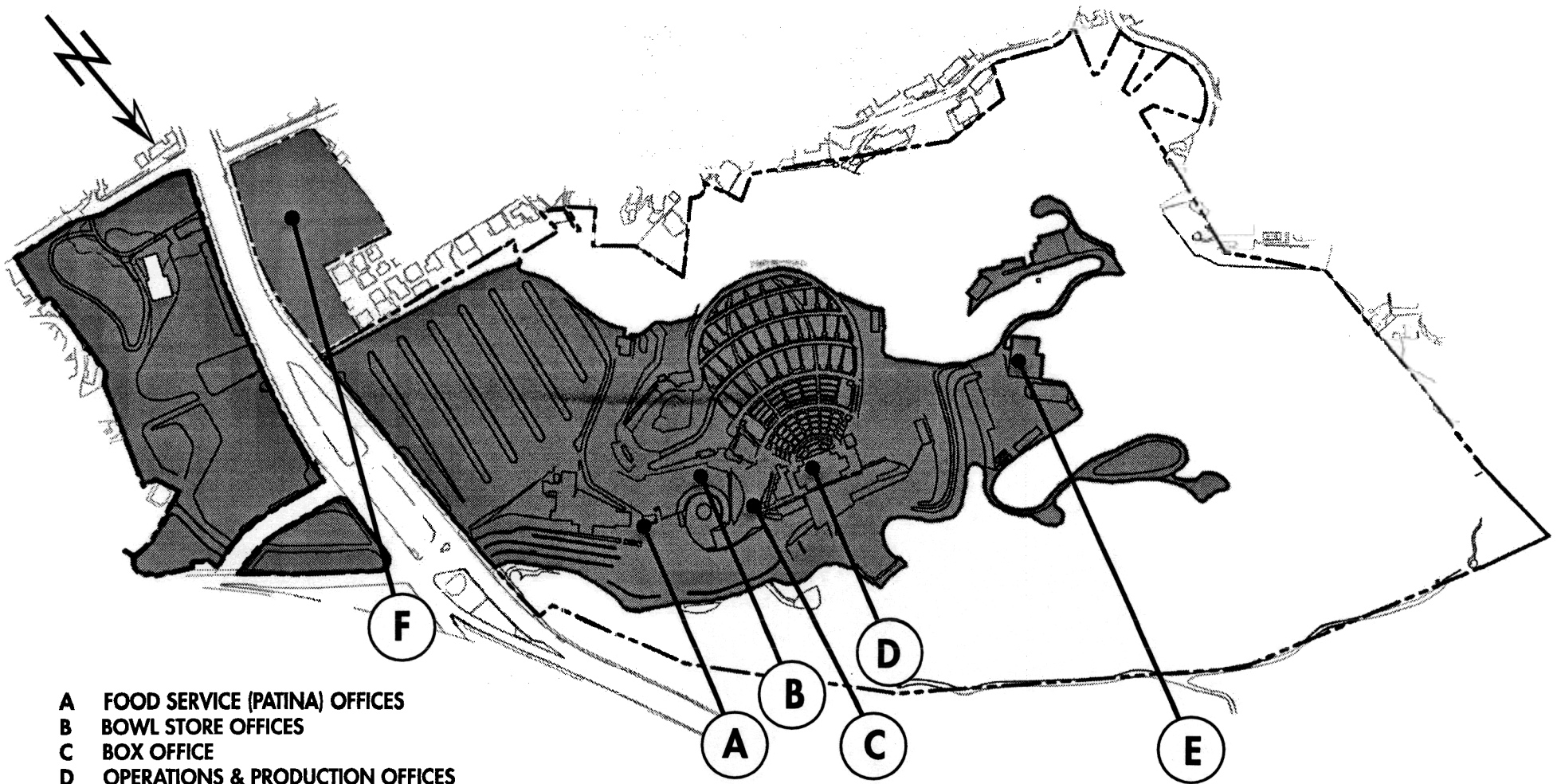


EXHIBIT C-2
PARKING AREAS

LEASE EXHIBIT

JUNE 2003

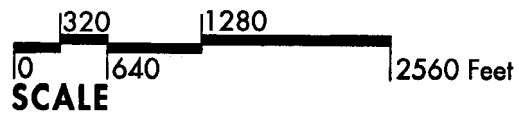
H O L L Y W O O D B O W L



- A FOOD SERVICE (PATINA) OFFICES
- B BOWL STORE OFFICES
- C BOX OFFICE
- D OPERATIONS & PRODUCTION OFFICES
- E COUNTY MAINTENANCE OFFICES
- F CAMROSE OFFICES

**HOLLYWOOD BOWL PERFORMING ARTS
COMPLEX COUNTY REGIONAL PARK**

--- Property Line

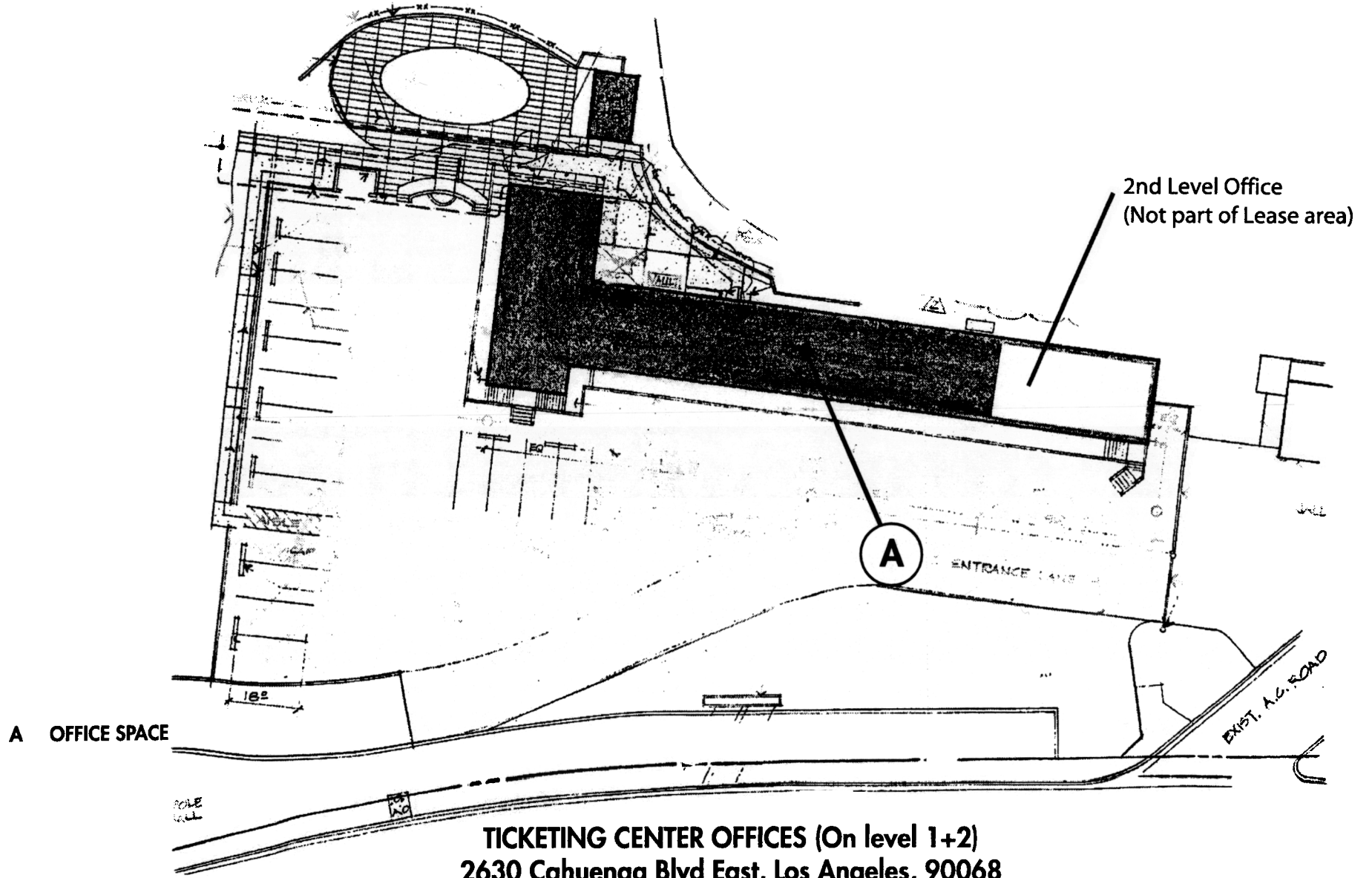


**EXHIBIT B-1
OFFICE SPACE**

JUNE 2003

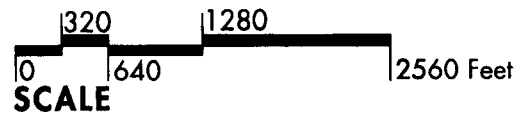
LEASE EXHIBIT

H O L L Y W O O D B O W L



A OFFICE SPACE

**TICKETING CENTER OFFICES (On level 1+2)
2630 Cahuenga Blvd East, Los Angeles, 90068**

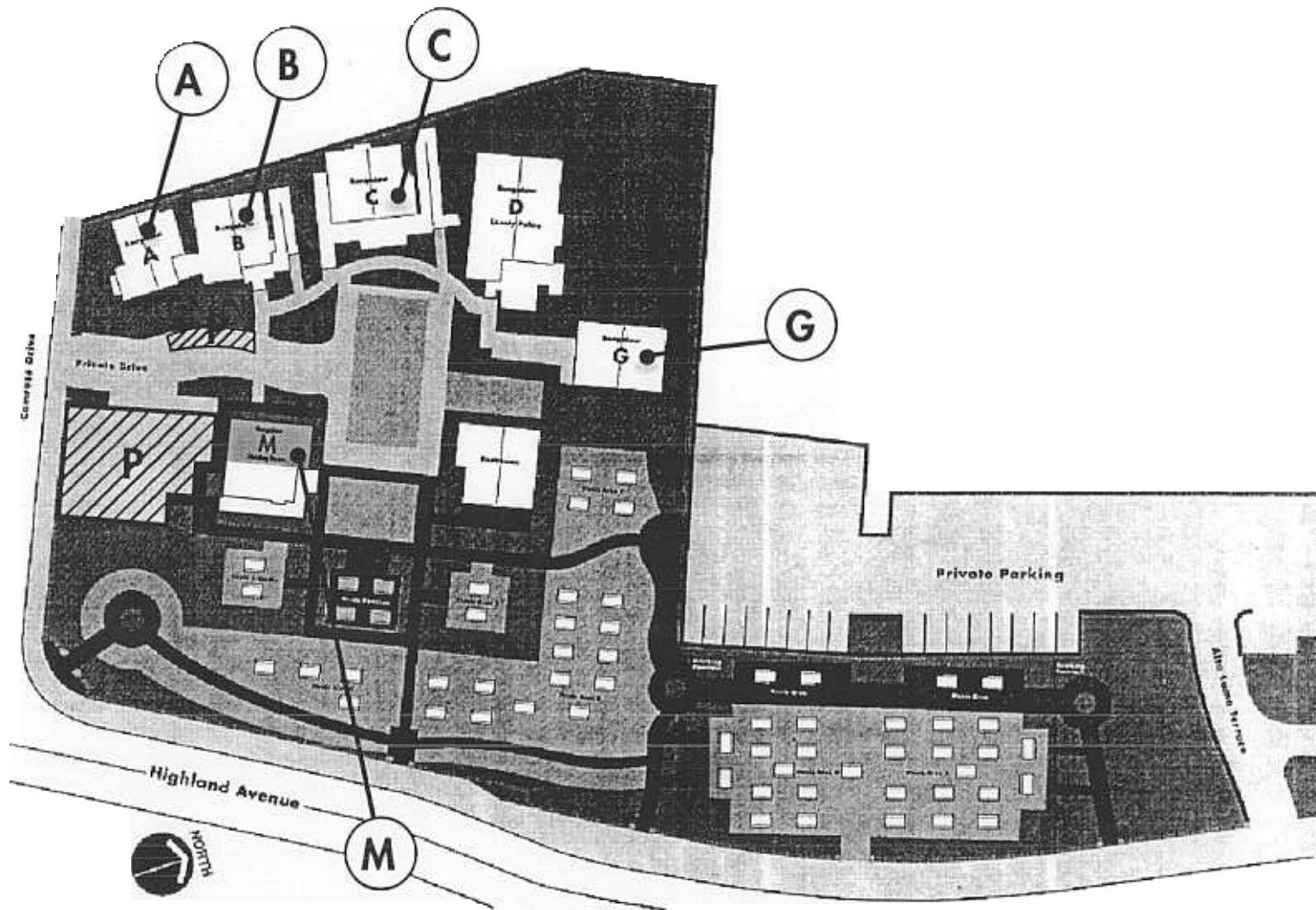


**EXHIBIT B-2
OFFICE SPACE**

JUNE 2003

LEASE EXHIBIT

H O L L Y W O O D B O W L



- A BUNGALOW A
- B BUNGALOW B
- C BUNGALOW C
- G BUNGALOW G
- M BUNGALOW M (Portion)

CAMROSE PARK OFFICES & PARKING
2101 N. Highland Ave, Los Angeles

EXHIBIT B-3
OFFICE SPACE

JUNE 2003

LEASE EXHIBIT