



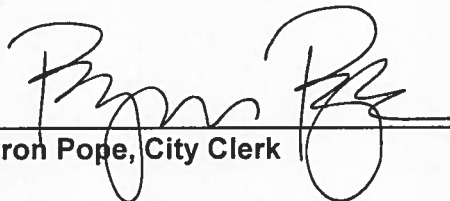
**Beverly Hills City Council Liaison / Branding and Licensing Committee will conduct a Special Meeting, at the following time and place, and will address the agenda listed below:**

**City Hall  
455 North Rexford Drive  
4th Floor Conference Room A  
Beverly Hills, CA 90210**

**Monday, October 30, 2017  
4:00 PM**

**AGENDA**

- 1) Public Comment**
  - a. Members of the public will be given the opportunity to directly address the Committee on any item listed on the agenda.
- 2) Proposal from Haytayan Jewelers, Inc. for Beverly Hills Branded Jewelry**
- 3) Counterproposal from Mickey Fine Pharmacies**
- 4) Adjournment**

  
\_\_\_\_\_  
Byron Pope, City Clerk

**Posted: October 26, 2017**

***A DETAILED LIAISON AGENDA PACKET IS AVAILABLE FOR REVIEW IN THE LIBRARY AND CITY CLERK'S OFFICE.***



In accordance with the Americans with Disabilities Act, Conference Room A is wheelchair accessible. If you need special assistance to attend this meeting, please call the City Manager's Office at (310) 285-1014 or TTY (310) 285-6881. Please notify the City Manager's Office at least twenty-four (24) hours prior to the meeting if you require captioning service so that reasonable arrangements can be made.

## **Therese Kosterman**

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**From:** Bill Uglow <bill@cmgworldwide.com>  
**Sent:** Thursday, September 7, 2017 9:52 AM  
**To:** Therese Kosterman  
**Subject:** Fine jewelry licensee

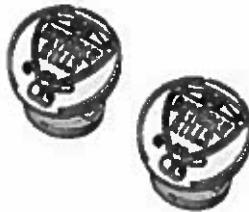
Hi Therese.....happy to announce a new license from a local 90120 fine jeweler! Here is his website: [WWW.HAYTAYAN.COM](http://WWW.HAYTAYAN.COM)

Proposed licensee:  
Mr. Leon Haytayan  
Haytayan Jewelers Inc.  
9626 Brighton Way  
Beverly Hills, CA. 90210  
P: 213-623-1298  
F: 213-623-3125  
[info@haytayan.com](mailto:info@haytayan.com)  
[haytayanjewelry@gmail.com](mailto:haytayanjewelry@gmail.com)  
[WWW.HAYTAYAN.COM](http://WWW.HAYTAYAN.COM)

Brand: City of Beverly Hills  
Royalty: 5.5%  
Advance: \$6000  
Territory: Worldwide  
Term: 3 years

You have the signed license from Audrey.

Bill



## AGREEMENT

This license agreement (hereinafter referred to as "Agreement") is made and entered into effective as of August 15, 2017 (hereinafter referred to as the "Effective Date") by and between the City of Beverly Hills (hereinafter referred to as "Licensor"), care of CMG Worldwide, Inc. (hereinafter referred to as "CMG"), located at 10500 Crosspoint Blvd., Indianapolis, IN 46256, as licensing agent, and Haytayan Jewelers, Inc. (hereinafter referred to as "Licensee"), located at 308 N Beverly Dr, Beverly Hills, CA 90210.

### **WITNESSETH:**

WHEREAS, Licensor is the owner of all right, title, and interest in, to, and under the Beverly Hills Shield design mark shown below (hereinafter referred to as "Property"), together with trademark registrations for the mark.



WHEREAS, Licensee desires to utilize said Property upon the terms and conditions set forth below.

WHEREAS, CMG is the licensing agent of the Licensor in connection with licensing the Property.

NOW THEREFORE, in consideration of the mutual promises and undertakings herein contained and for other good and valuable consideration, intending to be legally bound, the parties agree as follows:

### **1. Definition of Terms.**

- (a) "Consumer Sales" shall mean sales of Goods by Licensee directly or through its authorized wholesalers, representatives or distributors to retail establishments for eventual resale to the consumer.
- (b) "Goods" shall have the meaning specified in Section 2(a) hereof.
- (c) "Mail Order Sales" shall mean sales of Goods by Licensee directly to the consumer through direct mail solicitation or catalogues.
- (d) "Shopping Network Sales" shall mean sales of Goods by Licensee directly or through its authorized representatives, wholesalers, and distributors through media such as infomercials; local, cable, wireless, or fiber optic television shopping channels; online shopping; or otherwise.
- (e) "Premium" shall mean any article used for the purpose of: increasing the sale of another item; promoting or publicizing any product or service; fundraising or as giveaways; to motivate a sales force, merchant, consumer, or any other person to perform a specific act.

### **2. Grant of License.**

(a) Subject to the limitations set forth in paragraph 2(c) below and the other conditions of this Agreement, Licensor hereby grants to Licensee a non-exclusive, non-sublicensable, limited and revocable right to use the Property on the following merchandise (hereinafter referred to as "Goods"):

- Jewelry featuring the Property.

(b) Territory and Channels of Trade: Licensee shall only make sales of Goods through Consumer Sales, Mail Order Sales, and Shopping Network Sales. The license hereby granted extends worldwide (hereinafter referred to as "Territory").

- (c) **Limitations on License:**
- (i.) No license is granted hereunder for the use of the Property for any purpose other than upon or in connection with the Goods.
  - (ii.) Licensee may not sub-license the rights granted by this Agreement without the express prior written approval of Licensor, and any such sub-license or attempted sub-license shall constitute a material breach of this Agreement.
  - (iii.) No license is granted hereunder for the manufacture, sale or distribution of Goods to be used as Premiums, for publicity purposes, as giveaways, or to be disposed of under similar methods of merchandising. In the event Licensee desires to sell Goods for such purposes, Licensee acknowledges and agrees that it must first seek and obtain a separate license from Licensor and that the user thereof must also obtain a separate license from Licensor for such use of Goods. Notwithstanding the foregoing, Licensee may distribute a reasonable number of Goods free of charge to the members of the media for press purposes.
  - (iv.) Licensee specifically agrees and acknowledges that making, using, and/or selling of any unauthorized goods, articles, and/or promotional materials which uses any aspect of the Property, is an infringement of the Property that may result in serious damages, dilution, and tarnishment to the integrity, distinctiveness, and value of the Property and will constitute a material breach of this Agreement. Licensee shall neither contest nor object to immediate termination of this Agreement.

### **3. Royalty.**

(a) Licensee agrees to pay Six-Thousand United States Dollars (\$6,000 USD) as a nonrefundable advance against royalties earned through the Term, payable upon execution of this Agreement.

(b) Licensee shall recover the advance royalty payment by offsetting royalties earned against said advance until the advance is recouped and shall thereafter make the royalty payments to Licensor as set forth herein.

As of the Effective Date of this Agreement, Licensee agrees to pay to Licensor royalties in the amount of 11% of Licensee's Actual Wholesale Price (defined below) if sold by licensee at wholesale; or 5.5% of Licensee's Actual Selling Price (defined below), whichever is applicable, for each unit of Goods sold, in United States dollars, computed upon the total number of units sold at retail, shipped, or otherwise distributed by Licensee or any of its representatives or affiliated, associated, or subsidiary. Each of Licensee's representatives and affiliated, associated, or subsidiary companies is referred to in this Agreement as a "Related Company."

Royalties will accrue when the Goods are invoiced or shipped, whichever occurs first, and shall be payable concurrently with the periodic statements required in paragraph 4 of this Agreement.

No deductions shall be permitted, including, without limitation, deductions for bad debt, cost of shipping, cost of packaging, advertising or promotional expenses, cash or volume discounts, or other costs.

The term "Actual Wholesale Price" as used herein shall mean the invoiced price charged by Licensee, or by any of its Related Companies, to unaffiliated third parties for retail sale of the Goods described in paragraph 2, hereof.

The term "Actual Selling Price" as used herein shall mean the actual price charged by Licensee, or by any of its Related Companies, for sale at retail of the Goods described in paragraph 2 of this Agreement.

### **4. Payment and Reporting.**

Not later than the 30th day after the close of every month during the Original Term, as defined below in paragraph 5(a), the Licensee shall pay to the Licensor the amounts described in Section 3 of this Agreement and furnish to the Licensor a full and complete statement showing the number of Goods which have been sold by the Licensee and the Actual Wholesale Price or Actual Selling Price, as applicable, thereof during the preceding month. Payments to the Licensor shall be made to CMG Worldwide, Inc., located at 10500 Crosspoint Blvd., Indianapolis, IN 46256. All payments shall be made by cashier's check or company check drawn on U.S. funds payable to "CMG Worldwide, Inc." All late payments shall be subject to a 2% per month (24% annual rate) late charge on all such outstanding amounts.

### **5. Term.**

"Original Term" shall mean the period beginning upon the Effective Date and ending on September 30, 2019.

### **6. Quality.**

Licensee acknowledges that if the Goods manufactured and sold by it are of inferior quality in material and workmanship, the substantial goodwill which the Licensor has built up and now possesses in the Property will be impaired. Accordingly, Licensee warrants that the Goods will be of high standard and of such appearance and quality as shall be reasonably adequate and suited to their exploitation and best advantage.

Licensee shall submit to Licensor finished samples of all Goods to be manufactured, together with its cartons and containers, including packaging and wrapping material, which shall be approved in writing by the Licensor before the Goods are advertised, distributed or sold. Licensee acknowledges that the image associated with the Property requires that any Goods must be in good taste and meet high standards of quality. Because judgments of taste and quality may be subjective, Licensee agrees that Licensor may grant or deny any approval or consent required under this section in its sole and absolute discretion. After samples of the Goods have been approved pursuant to this paragraph, Licensee shall not depart therefrom without prior written consent from Licensor. Licensor shall have the right at any time to inspect the Goods. In the event there is a departure from the approved sample of the Goods made or distributed by Licensee, or in the event there is an occurrence connected with the Goods which reflect unfavorably upon Licensor, the Licensor shall have the right, in the reasonable exercise of its sole discretion, to withdraw its approval of such Goods, at which time this Agreement shall automatically terminate with respect to such Goods. Thereupon, Licensee shall cease the use of the Property in the sale, advertising, distribution, or use of such Goods immediately upon notice from Licensor; and within 10 days thereafter shall pay all amounts due to Licensor hereunder. If there are other Goods under this Agreement not covered or affected by the foregoing two sentences of this paragraph, Licensor may elect, in its sole discretion, to continue this Agreement as to those other Goods. Licensee shall immediately notify Licensor if there is an event or occurrence relating to Licensee of the Goods that may reflect unfavorably on the Goods or the City.

#### **7. Advertising.**

All advertisements and promotional material which Licensee intends to use to promote Goods shall be submitted to Licensor for its written approval prior to publication or distribution. Licensor shall have twenty-one (21) days from the date of receipt of said material in which to approve or disapprove it, such approval not to be unreasonably withheld.

#### **8. Samples.**

Licensee shall supply Licensor with one sample of each of the completed Goods that have an Actual Selling Price of \$100 USD or under; for Goods with an Actual Selling Price of over \$100 USD, Licensee shall submit clear photo representations of the completed Goods. Licensor shall have the right to purchase up to 12 additional samples of each of the Goods at 50% of the Actual Selling Price.

#### **9. Books & Records.**

(a) The Licensee shall keep full, complete, and accurate books of account and records covering all transactions relating to the subject matter of this Agreement. Licensor, through its authorized representative, shall have the right to examine such books of account and records and other documents and material in Licensee's possession or under its control insofar as they relate to the manufacture and sale of Goods. The Licensor shall have free and full access thereto at any reasonable hour of the day during which the Licensee's offices are open and in any reasonable manner. In the event an examination of Licensee's books and/or records reveals a deficiency in royalties paid to Licensor of more than three hundred dollars \$300, Licensee shall pay all expenses related to the performance of the examination and shall immediately pay the deficient amount to Licensor.

(b) Licensee shall ensure that all invoices for the sale of the Goods will include the quantity and description of each of the Goods itemized by version, style, and with the name of Property within the invoice item description.

(c) For audit purposes, Licensee must provide the auditor the detail of each period's reported Net Sales and Returns, to the invoice/credit memo level, in Excel format. Each sale/return must detail the License number, invoice/credit memo number, date, customer name, ship to address, product number and description, gross sale and discounts, FOB point of shipment, units sold/returned, and royalty rate.

#### **10. Goodwill.**

Licensee acknowledges Licensor's exclusive rights in the Property and further acknowledges the value of the goodwill associated with the Property, that the Property and all ultimate rights therein belong exclusively to the City, and that the Property is famous and has developed secondary meaning and connotes an image of prestige, quality, and exclusivity in the minds of the public. Licensee agrees that the Property is, and shall remain, the property of Licensor and that Licensee obtains no right, title, or interest in or to the Property except for the limited rights to use the Property as set forth in this Agreement. Licensee acknowledges and agrees that any goodwill generated by Licensee's use of the Property shall inure exclusively to the benefit of Licensor.

Licensee shall not manufacture, market, or sell any confusingly similar unlicensed products that are intended to, or that consumers

would reasonably believe to, trade off the goodwill of the Property licensed hereunder. Licensee shall not, during the Original Term of the Agreement or at any time thereafter, dispute or contest, directly or indirectly, the Licensor's ownership of the Property; the Licensor's exclusive right (subject to valid licenses granted by Licensor) to use the Property; the validity of any trademark registrations pertaining to the Property or the Licensor's ownership thereof, nor shall the Licensee assist or aid others in doing so. At the Licensor's request the Licensee shall cooperate with the Licensor in preventing or stopping any infringement or unfair use by any third party of the Goods or Property. The Licensor shall determine what action, if any, it elects to pursue in regard to preventing or stopping any infringement or unfair use by any third party of the Goods or Property and shall be under no obligation whatsoever to take action at Licensee's request.

**11. Notice of Trademark.**

(a) Licensor may apply to register trademarks and/or copyrights for any design incorporating the Property on the Goods and/or the Property as may be reasonably necessary, in the Licensor's sole discretion, to protect the Licensor's interests. All applications for registration of claims to copyright, where applicable, shall identify the Licensor as the copyright proprietor; and all applications to register trademarks shall identify the Licensor as the trademark owner.

(b) If Licensor requires any specimens of the Goods, or any photographic reproductions of the same, for use in filing copyright or trademark applications, Licensee shall provide the Licensor with the same at Licensee's expense.

(c) At Licensor's request, the Licensee shall execute assignments in favor of Licensor of any and all copyrights, trademarks, or other intellectual property rights of whatever kind relating to the Goods and/or the Property without further consideration and Licensee will, upon the request of Licensor, assign to the Licensor any rights, if any, which Licensee may have acquired through its use of the Property.

(d) Licensee warrants that it will provide a legally sufficient credit line on the Goods and packaging, wrapping, advertising, and promotional material bearing any reproductions of the Goods or the Property, in the following format:

**The Beverly Hills Shield™ is a trademark of the City of Beverly Hills,  
[www.BeverlyHills.org](http://www.BeverlyHills.org)**

(e) Licensee warrants that it will provide a legally sufficient trademark notice by prominently displaying the sign ™ against every occurrence of Property on the Goods and against every occurrence of the Property on packaging, wrapping, advertising, and promotional material for the Goods.

(f) Licensee warrants that it will take such precautions as are necessary to insure that any promotional materials for the Goods which utilize the Property made by its customers bear the Licensor's trademark notice as provided in paragraph 10 (d & e).

**12. Right of Termination.**

Without prejudice to any other rights, Licensor shall have the right to terminate this Agreement, or a portion thereof, upon written notice to Licensee, at any time that the following may occur:

(a) If full and regular production and aggressive marketing has not commenced within 3 months from the date of this Agreement. Any individual categories of Goods granted in paragraph 2(a) not in distribution within five (5) months are subject to revocation of production rights. If the Goods are out of production for more than 3 consecutive months, Licensor may terminate the production rights for the particular category of Goods, that particular Good in a particular territory, or terminate the entire Agreement at Licensor's sole discretion.

(b) If Licensee shall fail to make any payment due hereunder or to deliver any of the statements herein referred to, and if such default shall continue for a period of 5 days after written notice of such default is sent by Licensor to Licensee.

(c) If Licensee is involved in any act of bankruptcy or insolvency, then Licensor shall have the right to terminate this Agreement. Notwithstanding the foregoing, Licensor shall, at any time during the term of this Agreement, have the option of demanding an assurance from Licensee of Licensee's ongoing ability to perform the provisions of this Agreement. Unless reasonable and adequate assurance is received by Licensor from Licensee concerning Licensee's ability to perform, Licensor shall have the right to terminate this Agreement.

(d) Upon any other material breach, failure and/or refusal by Licensee to comply with the term of this Agreement.



(e) Without cause by giving 90 days written notice to Licensee

**13. Sales after Expiration.**

Upon expiration or termination (for whatever reason) of this Agreement, Licensee shall not be permitted to sell or ship its remaining inventory of Goods following the termination date of this Agreement without the express written consent from the Licensor. Upon expiration or termination, Licensee shall provide Licensor with a complete accounting statement of all remaining inventory of Goods within five business days. The Licensee shall not, without prior written consent of the Licensor, sell or ship any such remaining Goods as distress merchandise, or to unaffiliated third parties for eventual resale, or otherwise than in the ordinary course of business. Licensee shall not stockpile inventory prior to expiration or termination of this Agreement for purposes of sale or shipment thereafter. For purposes of this Agreement, a distress sale shall be defined as one in which the merchandise is sold for less than 50% of the normal wholesale selling price. Licensor shall have the right to buy at cost remaining inventory of Goods upon expiration or termination of this Agreement.

**14. Rights Reserved by Licensor.**

Any and all rights in and to said Property which are not expressly granted to the Licensee are hereby reserved by the Licensor. Any one or more of such reserved rights may be exercised or enjoyed by the Licensor, directly or indirectly, at any and all times.

**15. Licensor's Claim.**

Whatever claim Licensor may have against Licensee hereunder for royalties and/or for damages shall become a first lien upon all of said Goods manufactured or produced pursuant to the terms of this Agreement in the possession or under the control of Licensee or its agents upon the expiration or termination of this Agreement.

**16. Remedies.**

All specific remedies provided for in this Agreement shall be cumulative and shall not be exclusive of one another or of any other remedies available in law or equity. Failure of the Licensor to insist upon strict performance of any of the covenants or terms hereof to be performed by the Licensee shall not be construed to be a waiver of any such other covenants or terms. Should Licensor be forced to initiate legal action due to Licensee's breach hereof, then all legal costs incurred therein by Licensor shall be recoupable by Licensor.

**17. Licensee's Indemnification.**

Licensee hereby agrees to be solely responsible for, to defend and indemnify Licensor and its respective officers, agents and employees, and to hold each of them harmless from, any claims, demands, causes of action, or damages, including reasonable attorney's fees, arising out of the distribution or use of the Goods.

**18. Licensor's Warranty.**

Licensor represents and warrants to Licensee that it has the power to enter into this Agreement. Should any third party assert a claim, demand, or cause of action against Licensee contesting Licensor's ownership of the Property in relation to Licensee's use of the Property under this Agreement, Licensor shall have the option to undertake and conduct the defense of any such claim, demand, or cause of action. Licensee may, but shall not be obligated, to join in such defense and be represented by its own counsel. If Licensee elects to be represented by its own counsel, Licensee will pay its own attorney's fees. Licensee agrees that while it may counsel Licensor concerning the disposition of any such action, Licensor shall have the sole and final decision concerning the disposition of any action which involves the Property and has the right to order the Licensee to dispose of inventory and all works in progress as it sees fit. Licensor shall also have the right, in its discretion, to institute and prosecute lawsuits against third persons for infringement of the rights licensed in this Agreement. Any lawsuit shall be prosecuted solely at the cost and expense of the Licensor and all sums recovered in any such lawsuits, whether by judgment, settlement, or otherwise, shall be retained solely and exclusively by the Licensor. Upon request of the Licensor, the Licensee shall execute all papers, testify on all matters, and otherwise cooperate in every way necessary and desirable for the prosecution of any such lawsuit. The Licensor shall reimburse the Licensee for all reasonable expenses incurred as a result of such cooperation.

**19. No Partnership or Joint Venture.**

This Agreement does not constitute and shall not be construed as constituting a partnership, agency, or joint venture between Licensor and Licensee. The Licensee shall have no right to obligate or bind Licensor in any manner whatsoever and nothing herein contained shall give or is intended to give any right of any kind to any third party.

**20. No Assignment.**



The license hereby granted is and shall be personal to the Licensee and shall not be assignable by any action of the Licensee or by operation of the law, and any attempt at such assignment shall be null and void. This Agreement shall inure to the benefit of and shall be binding upon Licensor's successors and assigns.

**21. Notice.**

Whenever notice is required to be given under this Agreement, it shall be deemed to be good and sufficient notice if in writing, signed by an officer or an authorized agent of the party serving such notice, and sent by registered or certified mail or reputable overnight courier service (e.g., FedEx, DHL) or by email directed as follows:

If addressed to Licensor: Sam Fox, sam@cmgworldwide.com, CMG Worldwide, 9229 W. Sunset Blvd. Suite 950 West Hollywood CA 90069; and Therese Kosterman: [tkosterman@beverlyhills.org](mailto:tkosterman@beverlyhills.org), City of Beverly Hills, 455 N. Rexford Dr. Rm. 295, Beverly Hills, CA 90210.

If addressed to Licensee: Haytayan Jewelers, 308 N Beverly Dr, Beverly Hills, CA 90210; email: [info@haytayan.com](mailto:info@haytayan.com).

unless notification of a change of address is given in writing.

**22. Entire Agreement.**

This Agreement contains the entire understanding of the parties. There are no representations, warranties, promises, covenants, or understandings other than those herein contained.

**23. Disclaimer.**

This Agreement in no manner absolves Licensee of its responsibility, if any, to procure legally sufficient permission from the copyright owner(s) of any photographs, illustrations, and/or artwork utilized in conjunction with the manufacture and distribution of the Goods. Licensee agrees to indemnify and hold harmless Licensor and its agent(s) from any and all claims made by third parties with respect to intellectual property utilized in conjunction with the Goods.

**24. Construction & Jurisdiction.**

(a) This Agreement shall be construed in accordance with the laws of the state of California.

(b) Nothing in this Agreement is intended to be contrary to the laws of any country or political subdivision thereof. In the event that any of the paragraphs or particular terms or conditions set forth within any paragraphs are held to be unenforceable by a court of record with competent jurisdiction, such paragraph or particular term of condition therein shall be deemed to be stricken from this Agreement within the jurisdiction of such court and the Agreement shall otherwise remain in full force and effect in such jurisdiction and in its entirety in other jurisdictions.

(c) Notwithstanding any present or future legal decisions in any jurisdiction, regarding the necessity of Licensee to be licensed hereunder, Licensee agrees to pay royalties as provided herein for as long as it exploits the Property.

(d) Each party has cooperated in the drafting and preparation of this Agreement. Hence, this Agreement will be construed neutrally and will not be applied more strictly against one party than another.

IN WITNESS WHEREOF, the parties hereto have signed by their duly authorized officers as of the day and year first above written.

“Licensor”

“Licensee”

\_\_\_\_\_  
City of Beverly Hills

\_\_\_\_\_  
Haytayan Jewelers Inc.

## LICENSE AGREEMENT

This license agreement (hereinafter referred to as "Agreement") is made and entered into effective as of                     , 2017 (hereinafter referred to as the "Effective Date") by and between the City of Beverly Hills, a municipal corporation (hereinafter referred to as "Licensor"), care of CMG Worldwide, Inc. (hereinafter referred to as "CMG"), located at 10500 Crosspoint Blvd., Indianapolis, IN 46256, as licensing agent, and Mickey Fine Enterprises, a corporation (hereinafter referred to as "Licensee"), located at 433 N. Roxbury Dr., Beverly Hills, CA.

### **WITNESSETH:**

WHEREAS, Licensor is the owner of all right, title, and interest in, to, and under the Beverly Hills Shield design mark shown below (hereinafter referred to as "Property"), together with trademark registrations for the mark.



WHEREAS, Licensee desires to utilize said Property upon the terms and conditions set forth below.

WHEREAS, CMG is the licensing agent of the Licensor in connection with licensing the Property.

NOW THEREFORE, in consideration of the mutual promises and undertakings herein contained and for other good and valuable consideration, intending to be legally bound, the parties agree as follows:

#### **1. Definition of Terms.**

- (a) "Consumer Sales" shall mean sales of Goods by Licensee directly or through its authorized wholesalers, representatives or distributors to retail establishments for eventual resale to the consumer.
- (b) "Goods" shall have the meaning specified in Section 2(a) hereof.
- (c) "Mail Order Sales" shall mean sales of Goods by Licensee directly to the consumer through direct mail solicitation or catalogues.
- (d) "Shopping Network Sales" shall mean sales of Goods by Licensee directly or through its authorized representatives, wholesalers, and distributors through media such as infomercials; local, cable, wireless, or fiber optic television shopping channels; online shopping; or otherwise.
- (e) "Premium" shall mean any article used for the purpose of: increasing the sale of another item; promoting or publicizing any product or service; fundraising or as giveaways; to motivate a sales force, merchant, consumer, or any other person to perform a specific act.

## 2. Grant of License.

(a) Subject to the limitations set forth in paragraph 2(c) below and the other conditions of this Agreement, Licensor hereby grants to Licensee a non-exclusive, non-sublicensable, limited and revocable right to use the Property on the following merchandise (hereinafter referred to as "Goods"):

- Vitamins,

(b) Territory and Channels of Trade: Licensee shall only make sales of Goods through Consumer Sales, Mail Order Sales, and Shopping Network Sales. The license hereby granted extends worldwide (hereinafter referred to as "Territory").

(c) Limitations on License:

(i.) No license is granted hereunder for the use of the Property for any purpose other than upon or in connection with the Goods.

(ii.) Licensee may not sub-license the rights granted by this Agreement without the express prior written approval of Licensor, and any such sub-license or attempted sub-license shall constitute a material breach of this Agreement.

(iii.) No license is granted hereunder for the manufacture, sale or distribution of Goods to be used as Premiums, for publicity purposes, as giveaways, or to be disposed of under similar methods of merchandising. In the event Licensee desires to sell Goods for such purposes, Licensee acknowledges and agrees that it must first seek and obtain a separate license from Licensor and that the user thereof must also obtain a separate license from Licensor for such use of Goods. Notwithstanding the foregoing, Licensee may distribute a reasonable number of Goods free of charge to the members of the media for press purposes.

(iv.) Licensee specifically agrees and acknowledges that making, using, and/or selling of any unauthorized goods, articles, and/or promotional materials which uses any aspect of the Property, is an infringement of the Property that may result in serious damages, dilution, and tarnishment to the integrity, distinctiveness, and value of the Property and will constitute a material breach of this Agreement. Licensee shall neither contest nor object to immediate termination of this Agreement.

## 3. Royalty.

(a) License guarantees a minimum payment of five thousand United States dollars (\$2,500 5,000) for the duration of this contract, which is three years from the date that the contract is signed and fully executed. Licensee agrees to pay one thousand (\$1,000 USD) as a nonrefundable advance against royalties earned through the duration of the contract payable upon execution of this Agreement. Licensee shall pay (\$1,500) by December 31, 2018.

(b) Licensee may offset the \$2,500 guaranteed minimum payment against royalties until such amount is recouped and shall thereafter make the royalty payments to Licensor as set forth herein.

As of the Effective Date of this Agreement, Licensee agrees to pay to Licensor royalties in the amount of 6% of Licensee's Actual Selling Price (defined below), including but not limited to by Mail Order Sales, for each unit of Goods sold, in United States dollars, computed upon the total number of units sold, shipped, or otherwise distributed by Licensee or any of its representatives or affiliated, associated, or subsidiary. Each of Licensee's representatives and affiliated, associated, or subsidiary companies is referred to in this

Agreement as a "Related Company."

Royalties will accrue when the Goods are invoiced or shipped, whichever occurs first, and shall be payable concurrently with the periodic statements required in paragraph 4 of this Agreement.

No deductions shall be permitted, including, without limitation, deductions for bad debt, cost of shipping, cost of packaging, advertising or promotional expenses, cash or volume discounts, or other costs.

The term "Actual Selling Price" as used herein shall mean the actual price charged by Licensee, or by any of its Related Companies, for sale at retail of the Goods described in paragraph 2 of this Agreement.

**4. Payment and Reporting.**

Not later than the thirtieth (30<sup>th</sup>) day after the close of every month, the Licensee shall pay to the Licensor the amounts described in Section 3 of this Agreement and furnish to the Licensor a full and complete statement showing the number of Goods which have been sold by the Licensee and the Actual Wholesale Price or Actual Selling Price, as applicable, thereof during the preceding month. Payments to the Licensor shall be made to CMG Worldwide, Inc., located at 10500 Crosspoint Blvd., Indianapolis, IN 46256. All payments shall be made by cashier's check or company check drawn on U.S. funds payable to "CMG Worldwide, Inc." All late payments shall be subject to a 1% per month (12% annual rate) late charge on all such outstanding amounts.

**5. Term.**

The term of this Agreement shall be the period beginning upon the Effective Date and ending three years from the date that the contract is signed and fully executed. The City Manager or his designee may extend the term of this Agreement in writing for two additional one-year terms or such other term not to exceed two years from the date of termination pursuant to the same terms and conditions of this Agreement.

**6. Quality.**

Licensee acknowledges that if the Goods manufactured and sold by it are of inferior quality in material and workmanship, the substantial goodwill which the Licensor has built up and now possesses in the Property will be impaired. Accordingly, Licensee warrants that the Goods will be of high standard and of such appearance and quality as shall be reasonably adequate and suited to their exploitation and best advantage.

Licensee shall submit to Licensor finished samples of all Goods to be manufactured, together with its cartons and containers, including packaging and wrapping material, which shall be approved in writing by the Licensor before the Goods are advertised, distributed or sold. Licensee acknowledges that the image associated with the Property requires that any Goods must be in good taste and meet high standards of quality. Because judgments of taste and quality may be subjective, Licensee agrees that Licensor may grant or deny any approval or consent required under this section in its sole and absolute discretion. After samples of the Goods have been approved pursuant to this paragraph, Licensee shall not depart therefrom without prior written consent from Licensor. Licensor shall have the right at any time to inspect the Goods. In the event there is a departure from the approved sample of the Goods made or distributed by Licensee, or in the event there is an occurrence connected with the Goods which reflect unfavorably upon Licensor, the Licensor shall have the right, in the reasonable exercise of its sole discretion, to withdraw its approval of such Goods, at which time this Agreement shall automatically terminate with respect to such Goods. Thereupon, Licensee shall cease the use of the Property in the sale, advertising, distribution, or use of such Goods immediately upon notice from Licensor; and within 10 days thereafter shall pay all amounts due to

Licensors hereunder. If there are other Goods under this Agreement not covered or affected by the foregoing two sentences of this paragraph, Licensor may elect, in its sole discretion, to continue this Agreement as to those other Goods. Licensee shall immediately notify Licensor if there is an event or occurrence relating to Licensee of the Goods that may reflect unfavorably on the Goods or the City.

**7. Advertising.**

All advertisements and promotional material which Licensee intends to use to promote Goods shall be submitted to Licensor for its written approval prior to publication or distribution. Licensor shall have twenty-one (21) days from the date of receipt of said material in which to approve or disapprove it, such approval not to be unreasonably withheld.

**8. Samples.**

Licensee shall supply Licensor with twelve (12) samples of each of the completed Goods, promptly after completion. Licensor shall have the right to purchase additional samples at the actual cost of the Goods.

**9. Books & Records.**

(a) The Licensee shall keep full, complete, and accurate books of account and records covering all transactions relating to the subject matter of this Agreement. Licensor, through its authorized representative, shall have the right to examine such books of account and records and other documents and material in Licensee's possession or under its control insofar as they relate to the manufacture and sale of Goods. The Licensor shall have free and full access thereto at any reasonable hour of the day during which the Licensee's offices are open and in any reasonable manner. In the event an examination of Licensee's books and/or records reveals a deficiency in royalties paid to Licensor of more than three hundred dollars (\$300) Licensee shall pay all expenses related to the performance of the examination and shall immediately pay the deficient amount to Licensor.

(b) Licensee shall ensure that all invoices for the sale of the Goods will include the quantity and description of each of the Goods itemized by version, style, and with the name of Property within the invoice item description.

(c) For audit purposes, Licensee must provide the auditor the detail of each period's reported Net Sales and Returns, to the invoice/credit memo level, in Excel format. Each sale/return must detail the License number, invoice/credit memo number, date, customer name, ship to address, product number and description, gross sale and discounts, FOB point of shipment, units sold/returned, and royalty rate.

**10. Goodwill.**

Licensee acknowledges Licensor's exclusive rights in the Property and further acknowledges the value of the goodwill associated with the Property, that the Property and all ultimate rights therein belong exclusively to the City, and that the Property is famous and has developed secondary meaning and connotes an image of prestige, quality, and exclusivity in the minds of the public. Licensee agrees that the Property is, and shall remain, the property of Licensor and that Licensee obtains no right, title, or interest in or to the Property except for the limited rights to use the Property as set forth in this Agreement. Licensee acknowledges and agrees that any goodwill generated by Licensee's use of the Property shall inure exclusively to the benefit of Licensor.

Licensee shall not manufacture, market, or sell any confusingly similar unlicensed products that are intended to, or that consumers would reasonably believe to, trade off the goodwill of the Property licensed hereunder. Licensee shall not, during the term of the Agreement or at any time thereafter, dispute or contest, directly or indirectly, the Licensor's ownership of the Property; the Licensor's exclusive right (subject to valid licenses granted by Licensor) to use the Property; the validity of any trademark registrations

pertaining to the Property or the Licensor's ownership thereof, nor shall the Licensee assist or aid others in doing so. At the Licensor's request the Licensee shall cooperate with the Licensor in preventing or stopping any infringement or unfair use by any third party of the Goods or Property. The Licensor shall determine what action, if any, it elects to pursue in regard to preventing or stopping any infringement or unfair use by any third party of the Goods or Property and shall be under no obligation whatsoever to take action at Licensee's request.

**11. Notice of Trademark.**

(a) Licensor may apply to register trademarks and/or copyrights for any design incorporating the Property on the Goods and/or the Property as may be reasonably necessary, in the Licensor's sole discretion, to protect the Licensor's interests. All applications for registration of claims to copyright, where applicable, shall identify the Licensor as the copyright proprietor; and all applications to register trademarks shall identify the Licensor as the trademark owner.

(b) If Licensor requires any specimens of the Goods, or any photographic reproductions of the same, for use in filing copyright or trademark applications, Licensee shall provide the Licensor with the same at Licensee's expense.

(c) At Licensor's request, the Licensee shall execute assignments in favor of Licensor of any and all copyrights, trademarks, or other intellectual property rights of whatever kind relating to the Goods and/or the Property without further consideration and Licensee will, upon the request of Licensor, assign to the Licensor any rights, if any, which Licensee may have acquired through its use of the Property.

(d) Licensee warrants that it will provide a legally sufficient credit line on the Goods and packaging, wrapping, advertising, and promotional material bearing any reproductions of the Goods or the Property, in the following format:

**The Beverly Hills Shield™ is a trademark of the City of Beverly Hills,**  
[www.BeverlyHills.org](http://www.BeverlyHills.org)

(e) Licensee warrants that it will provide a legally sufficient trademark notice by prominently displaying the sign ™ against every occurrence of Property on the Goods and against every occurrence of the Property on packaging, wrapping, advertising, and promotional material for the Goods.

(f) Licensee warrants that it will take such precautions as are necessary to insure that any promotional materials for the Goods which utilize the Property made by its customers bear the Licensor's trademark notice as provided in paragraph 10 (d & e).

**12. Right of Termination.**

Without prejudice to any other rights, Licensor shall have the right to terminate this Agreement, or a portion thereof, upon written notice to Licensee, at any time that the following may occur:

(a) If full and regular production and aggressive marketing has not commenced within three (3) months from the date of this Agreement. Any individual categories of Goods granted in paragraph 2(a) not in distribution within five (5) months are subject to revocation of production rights. If the Goods are out of production for more than three (3) consecutive months, Licensor may terminate the production rights for the particular category of Goods, that particular Good in a particular territory, or terminate the entire Agreement at Licensor's sole discretion.



(b) If Licensee shall fail to make any payment due hereunder or to deliver any of the statements herein referred to, and if such default shall continue for a period of five (5) days after written notice of such default is sent by Licensor to Licensee.

(c) If Licensee is involved in any act of bankruptcy or insolvency, then Licensor shall have the right to terminate this Agreement. Notwithstanding the foregoing, Licensor shall, at any time during the term of this Agreement, have the option of demanding an assurance from Licensee of Licensee's ongoing ability to perform the provisions of this Agreement. Unless reasonable and adequate assurance is received by Licensor from Licensee concerning Licensee's ability to perform, Licensor shall have the right to terminate this Agreement.

(d) Upon any other material breach, failure and/or refusal by Licensee to comply with the term of this Agreement.

(e) Without cause by giving 90 days written notice to Licensee

**13. Sales after Expiration.**

Upon expiration or termination (for whatever reason) of this Agreement, Licensee shall not be permitted to sell or ship its remaining inventory of Goods following the termination date of this Agreement without the express written consent from the Licensor. Upon expiration or termination, Licensee shall provide Licensor with a complete accounting statement of all remaining inventory of Goods within five business days. The Licensee shall not, without prior written consent of the Licensor, sell or ship any such remaining Goods as distress merchandise, or to unaffiliated third parties for eventual resale, or otherwise than in the ordinary course of business. Licensee shall not stockpile inventory prior to expiration or termination of this Agreement for purposes of sale or shipment thereafter. For purposes of this Agreement, a distress sale shall be defined as one in which the merchandise is sold for less than 50% of the normal wholesale selling price. Licensor shall have the right to buy at cost remaining inventory of Goods upon expiration or termination of this Agreement.

**14. Rights Reserved by Licensor.**

Any and all rights in and to said Property which are not expressly granted to the Licensee are hereby reserved by the Licensor. Any one or more of such reserved rights may be exercised or enjoyed by the Licensor, directly or indirectly, at any and all times.

**15. Licensor's Claim.**

Whatever claim Licensor may have against Licensee hereunder for royalties and/or for damages shall become a first lien upon all of said Goods manufactured or produced pursuant to the terms of this Agreement in the possession or under the control of Licensee or its agents upon the expiration or termination of this Agreement.

**16. Remedies.**

All specific remedies provided for in this Agreement shall be cumulative and shall not be exclusive of one another or of any other remedies available in law or equity. Failure of the Licensor to insist upon strict performance of any of the covenants or terms hereof to be performed by the Licensee shall not be construed to be a waiver of any such other covenants or terms. Should Licensor be forced to initiate legal action due to Licensee's breach hereof, then all legal costs incurred therein by Licensor shall be recoupable by Licensor.



**17. Licensee's Indemnification.**

Licensee hereby agrees to be solely responsible for, to defend and indemnify Licensor and its respective officers, agents and employees, and to hold each of them harmless from, any claims, demands, causes of action, or damages, including reasonable attorney's fees, arising out of the distribution or use of the Goods.

**18. Licensor's Warranty.**

Licensor represents and warrants to Licensee that it has the power to enter into this Agreement. Should any third party assert a claim, demand, or cause of action against Licensee contesting Licensor's ownership of the Property in relation to Licensee's use of the Property under this Agreement, Licensor shall have the option to undertake and conduct the defense of any such claim, demand, or cause of action. Licensee may, but shall not be obligated, to join in such defense and be represented by its own counsel. If Licensee elects to be represented by its own counsel, Licensee will pay its own attorney's fees. Licensee agrees that while it may counsel Licensor concerning the disposition of any such action, Licensor shall have the sole and final decision concerning the disposition of any action which involves the Property and has the right to order the Licensee to dispose of inventory and all works in progress as it sees fit. Licensor shall also have the right, in its discretion, to institute and prosecute lawsuits against third persons for infringement of the rights licensed in this Agreement. Any lawsuit shall be prosecuted solely at the cost and expense of the Licensor and all sums recovered in any such lawsuits, whether by judgment, settlement, or otherwise, shall be retained solely and exclusively by the Licensor. Upon request of the Licensor, the Licensee shall execute all papers, testify on all matters, and otherwise cooperate in every way necessary and desirable for the prosecution of any such lawsuit. The Licensor shall reimburse the Licensee for all reasonable expenses incurred as a result of such cooperation.

**19. No Partnership or Joint Venture.**

This Agreement does not constitute and shall not be construed as constituting a partnership, agency, or joint venture between Licensor and Licensee. The Licensee shall have no right to obligate or bind Licensor in any manner whatsoever and nothing herein contained shall give or is intended to give any right of any kind to any third party.

**20. No Assignment.**

The license hereby granted is and shall be personal to the Licensee and shall not be assignable by any action of the Licensee or by operation of the law, and any attempt at such assignment shall be null and void. This Agreement shall inure to the benefit of and shall be binding upon Licensor's successors and assigns.

**21. Notice.**

Whenever notice is required to be given under this Agreement, it shall be deemed to be good and sufficient notice if in writing, signed by an officer or an authorized agent of the party serving such notice, and sent by registered or certified mail or reputable overnight courier service (e.g., FedEx, DHL) or by email directed as follows:

If addressed to Licensor: Sam Fox, sam@cmgworldwide.com, CMG Worldwide, 9229 W. Sunset Blvd. Suite 950 West Hollywood CA 90069; and Therese Kosterman: [tkosterman@beverlyhills.org](mailto:tkosterman@beverlyhills.org), City of Beverly Hills, 455 N. Rexford Dr. Rm. 295, Beverly Hills, CA 90210.

If addressed to Licensee: Gina Raphael, gina@mickeyfine.com, Mickey Fine Enterprises, 433 N. Roxbury Dr., Beverly Hills, CA 90210

unless notification of a change of address is given in writing.

**22. Entire Agreement.**

This Agreement contains the entire understanding of the parties. There are no representations, warranties, promises, covenants, or understandings other than those herein contained.

**23. Disclaimer.**

This Agreement in no manner absolves Licensee of its responsibility, if any, to procure legally sufficient permission from the copyright owner(s) of any photographs, illustrations, and/or artwork utilized in conjunction with the manufacture and distribution of the Goods. Licensee agrees to indemnify and hold harmless Licensor and its agent(s) from any and all claims made by third parties with respect to intellectual property utilized in conjunction with the Goods.

**24. Construction & Jurisdiction.**

- (a) This Agreement shall be construed in accordance with the laws of the state of California.
- (b) Nothing in this Agreement is intended to be contrary to the laws of any country or political subdivision thereof. In the event that any of the paragraphs or particular terms or conditions set forth within any paragraphs are held to be unenforceable by a court of record with competent jurisdiction, such paragraph or particular term of condition therein shall be deemed to be stricken from this Agreement within the jurisdiction of such court and the Agreement shall otherwise remain in full force and effect in such jurisdiction and in its entirety in other jurisdictions.
- (c) Notwithstanding any present or future legal decisions in any jurisdiction, regarding the necessity of Licensee to be licensed hereunder, Licensee agrees to pay royalties as provided herein for as long as it exploits the Property.
- (d) Each party has cooperated in the drafting and preparation of this Agreement. Hence, this Agreement will be construed neutrally and will not be applied more strictly against one party than another.

IN WITNESS WHEREOF, the parties hereto have signed by their duly authorized officers as of the day and year first above written.

**“Licensor”**  
CITY OF BEVERLY HILLS  
a municipal corporation

**“Licensee”**  
MICKEY FINE ENTERPRISES  
a [limited liability corporation/limited partnership?]

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