

SETTLEMENT AGREEMENT

This Agreement is made and entered into on this 29th day of July, 2010, by, between and among (1) the Commonwealth of Massachusetts, through its Attorney General Martha Coakley ("Commonwealth"), and (2) American Multi-Cinema, Inc. ("AMC")¹ (collectively, the "Parties").

WHEREAS, the Civil Rights Division of the Massachusetts Attorney General has received complaints from deaf and blind individuals alleging discrimination on the basis of disability in several movie theater chains located in Massachusetts, including theaters owned by AMC;

WHEREAS, the Commonwealth alleges that deaf and blind individuals require certain technology to have meaningful access to movies screened at theaters;

WHEREAS, captioning technology takes a movie's aural information and delivers it in a visual format accessible to deaf individuals ("Captioning Technology"). Description technology takes a movie's visual information and delivers it in an aural format accessible to blind individuals ("Description Technology");

WHEREAS, AMC operates ten (10) theaters in Massachusetts containing 129 auditoriums, including: Boston Common 19, Braintree 10, Burlington 10, Chestnut Hill 5, Framingham 15 + Premium, Harvard Square 5, Liberty Tree Mall 20, Methuen 20, Tyngsboro 12 and Dartmouth Mall 12;

WHEREAS, AMC has previously installed Captioning and Description Technologies in one (1) auditorium at three (3) of its locations in Massachusetts: Boston Common 19, Methuen 20 and Framingham 15;

WHEREAS, the Commonwealth alleges that Captioning and Description Technologies constitute auxiliary aids as defined by the Americans with Disabilities Act of 1990, 42 U.S.C. § 12103, and that the absence of such technologies in any of the auditoriums at an AMC theater located in Massachusetts violates the Massachusetts Public Accommodation Statute, M.G.L., ch. 272, §§ 92A, 98; Article 114 of the Amendments to the Massachusetts Constitution, as enforced

¹ All references to AMC in this Settlement Agreement include AMC and its agents, owners, parent company, subsidiaries and affiliated companies, the successors or assigns of any of the foregoing, and all persons acting by, through, under, or in concert with them, or any of them.

through the Massachusetts Equal Rights Act, M.G.L. ch. 93, § 103(a); the Massachusetts Consumer Protection Act, M.G.L. ch. 93A, § 4; and the United States Americans with Disabilities Act of 1990, 42 U.S.C. §§ 12101 et seq.;

WHEREAS, AMC denies the Commonwealth's allegations;

WHEREAS, the movie theater industry generally, including AMC specifically, is in various stages of considering, planning, and implementing a costly transition from 35 millimeter film exhibition to digital cinema, which will affect AMC's provision of captions and narrative descriptions, and recognizing AMC's desire for flexibility in the selection of Captioning and Description Technologies;

WHEREAS, the Parties have negotiated at arm's length and in good faith regarding the installation of Captioning and Description Technologies at AMC's theaters in Massachusetts, and endeavored to reach a compromise resolution of the disputes between them;

WHEREAS, the Parties enter into this Agreement in the spirit of cooperation and in the mutual desire to improve access to AMC's theaters for blind and deaf Massachusetts residents;

NOW, THEREFORE, in consideration of the covenants and mutual promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Commonwealth and AMC, intending to be legally bound, agree as follows:

1. CAPTIONING AND NARRATIVE DESCRIPTION TECHNOLOGY.

1.1. Existing Equipment. Prior to the date of the execution of this Agreement, AMC equipped one (1) auditorium with Captioning and Description Technologies at each of the following locations: Boston Common 19, Methuen 20, and Framingham 15 ("Previously Equipped Auditoriums"). During the term of this Agreement (as described in Section 3.2 of this Agreement), until AMC's obligations to equip its theaters pursuant to Section 1.3 are met, AMC agrees to maintain the Captioning and Description Technologies in the Previously Equipped Auditoriums to continue to give blind and deaf patrons improved access to the Previously Equipped Auditoriums. Notwithstanding AMC's obligation set forth in Section 1.3 of this Agreement, AMC may choose to continue to maintain its existing Captioning and Description Technologies after any conversion of AMC's theaters to digital at its discretion.

1.2. New Equipment - Existing Theaters. Within three (3) months of the date of the execution of this Agreement, AMC shall equip at least one (1) auditorium seating at least 150 people with Captioning and Description Technologies at each of the following AMC locations: Harvard Square 5, Braintree 10, Burlington 10, and Liberty Tree Mall 20. Within six (6) months of the date of the execution of this Agreement, AMC shall equip at least one (1) auditorium seating at least 150 people with Captioning and Description Technologies at each of the following AMC locations: Chestnut Hill 5, Tyngsboro 12, and Dartmouth Mall 12. During the term of this Agreement (as described in Section 3.2 of this Agreement), until AMC's obligations to equip its theaters pursuant to Section 1.3 are met, AMC agrees to maintain these Captioning and Description Technologies to give blind and deaf patrons improved access to these locations. Notwithstanding AMC's obligation set forth in Section 1.3 of this Agreement, AMC may choose to continue to maintain the Captioning and Description Technologies required by this subsection after any conversion of AMC's theaters to digital at its discretion. Notwithstanding the forgoing, AMC shall not be deemed in violation of this Section if its failure to complete installation of the Captioning and Description Technologies within the time specified above is solely due to the unavailability of equipment from third-party vendors outside the control of AMC. AMC shall have the burden of proving such unavailability.

1.3. Additional Equipment After Digital Conversion. Within twenty-four (24) months of the date of the execution of this Agreement, as digital projection is deployed to AMC theaters in Massachusetts, AMC agrees to equip an additional auditorium with Captioning and Description Technologies in each AMC location in Massachusetts with ten (10) or more auditoriums. The Captioning and Description Technologies shall be installed in the auditorium with that theater's largest seating capacity. Additionally, AMC agrees to install a third auditorium with Captioning and Description Technologies at its Boston Common 19 location. Notwithstanding the forgoing, AMC may request an additional three (3) months to complete installation of the Captioning and Description Technologies pursuant to Section 1.3 if its compliance is delayed by events beyond its control.

1.4. Newly Constructed and Acquired Theaters. AMC agrees to equip at least ten percent (10%) of the auditoriums in any theater it builds or acquires in Massachusetts after the date of the execution of this Agreement with Captioning and Description Technologies, rounding up to the next whole number of theaters to be equipped (e.g., 6 auditoriums = 1 equipped

auditorium; 12 auditoriums = 2 equipped auditoriums). Notwithstanding the forgoing, AMC shall not be required to equip any theatre acquired from a third party after the date hereof in which at least ten percent (10%) of its auditoriums contain previously installed Captioning and Description Technologies.

1.5. Equipment at Harvard Square 5. Because of its proximity to the Perkins School for the Blind, AMC agrees to equip a second auditorium with Description Technologies at its Harvard Square 5 theater to provide the Perkins students, faculty, staff and parents a greater choice of described movies.

1.6. Choice of Technology. Because it is uncertain what commercially reasonable technology may develop to provide audio captioning and narrative description in connection with digital projection, the Commonwealth agrees that AMC may deploy any captioning or narrative description technology that provides improved access to its deaf and blind patrons, including but not limited to a PDA, personal wireless device, Rear Window Captioning, DVS Theatrical, or other technology, at its discretion.

2. NEGOTIATION OF ALTERNATIVE SOLUTIONS.

2.1. Good Faith Negotiations of Alternative Solutions. In the event that AMC notifies the Commonwealth of its reasonable belief that Captioning and Description Technologies for digital projectors is not available in sufficient supply from vendors at commercially reasonable prices within twenty (20) months of the date of the execution of this Agreement, the Parties agree to engage in good faith negotiations regarding a commercially reasonable alternative solution to its obligations under Section 1.3 of this Agreement. Such good faith negotiations shall continue for a period of at least ninety (90) days (or longer if mutually agreed upon). The Parties' good faith negotiations shall be conducted by AMC's Vice-President, Legal and the Chief of the Civil Rights Division of the Office of the Massachusetts Attorney General.

2.2. No Expansion of Non-Digital Technology. The Commonwealth agrees that the installation of Captioning and Description Technologies for 35 millimeter film projection will not be considered a commercially reasonable alternative solution under Section 2.1 of this Agreement, provided AMC has converted all of its auditoriums in the theater(s) in question to digital projection technology.

2.3. Impasse and Commencement of Proceedings Against AMC. If at the end of twenty three (23) months from the date of execution of this Agreement (or longer if mutually agreed upon) the Parties are at an impasse, the Commonwealth may commence proceedings against AMC either in the form of a new action or an action to enforce this Agreement.

3. TERM AND EFFECT OF SETTLEMENT AGREEMENT.

3.1. Release. Except for the obligations of AMC that are expressly set forth in this Agreement, the Commonwealth releases AMC, its agents, owners, employees, parent company, subsidiaries and affiliated companies, the successors or assigns of any of the foregoing, and all persons in active concert or participation with AMC (the "Releasees"), from any and all civil liability to the Commonwealth for the alleged discrimination on the basis of disability for the absence of Captioning and Description Technologies for deaf and blind patrons. This provision, however, does not limit the Commonwealth's authority to commence proceedings against AMC pursuant to Section 2.3 of the Agreement or to file a lawsuit to seek enforcement of the terms of the Agreement.

3.2. Term. The term of this Agreement shall continue from the date of the execution of this Agreement for three (3) years after AMC either completes deployment of the Captioning and Description Technologies as provided in Section 1.3 of this Agreement or completes installation of a commercially reasonable alternative solution as provided in Section 2.1 of this Agreement.

3.3.

4. ADDITIONAL TERMS.

4.1. Free Passes for Aggrieved Parties. AMC agrees to provide fifty (50) complimentary movie passes to the Massachusetts Commission for the Blind and fifty (50) complimentary movie passes to the Massachusetts Commission for the Deaf and Hard of Hearing for distribution to blind and deaf residents of Massachusetts in the complete discretion of the Commissions. AMC will mail the movies passes within thirty (30) days of the date of the execution of this Agreement to Adam Hollingsworth, Civil Rights Division, Massachusetts Attorney General's Office, One Ashburton Street, Boston, Massachusetts, 02118.

4.2. Subsequent Regulations. Should the U.S. Department of Justice (“DOJ”) issue regulations at any time during the term of this Agreement that sets forth a standard for provision of Captioning and Description Technologies by movie theaters that is greater than the requirements of this Agreement, the Parties agree that the DOJ regulations will supersede the relevant provisions of this Agreement.

4.3. Control over Captioning and Description Services. The Commonwealth acknowledges that movie theater operators, including AMC, do not control which motion pictures are captioned and/or described or otherwise enabled for captioning and narrative description. AMC makes no representations concerning the present or anticipated availability of motion pictures with captioning and narrative description. Nevertheless, AMC agrees it will not attempt to dissuade studios from captioning or providing narrative description for any motion pictures.

4.4. Movie Circulation and Scheduling. Subject to the availability of movies compatible with Captioning and Description Technologies, AMC agrees to make ongoing good faith efforts to book and schedule captioned and described movies to be displayed in its auditoriums equipped with such technologies in a way that offers blind and deaf patrons as broad a choice of captioned and described movies as is reasonably practicable.

4.5. Maintenance of Current Level of Captioning and Narrative Description Equipment. AMC agrees to maintain its present current level of Captioning and Description Technology equipment per equipped auditorium, including the reflectors, headsets, and/or PDAs. Although AMC has never experienced a shortage of such equipment, if a shortage develops, AMC will increase the number of devices to a level calculated to avoid shortages. In addition, AMC agrees to maintain its Captioning and Description Technology equipment in good and working order, to promptly remedy any genuine issue with such equipment identified by the Commonwealth or any AMC patron, and to provide a refund to any patron unable to see his/her preferred movie because of a malfunction of the such equipment. AMC further agrees to provide training for its Massachusetts employees regarding the operation and maintenance of Captioning and Description Technologies, and to update AMC’s training curriculum, if necessary, regarding new equipment that may be installed pursuant to Sections 1.2-1.5 of this Agreement. The Parties agree that the content, timing, need, and efficacy of any training is to be determined solely by AMC.

4.6. Advertisement of Motion Pictures Exhibited With Captioning and/or Narrative Descriptions. Upon installation of the equipment required by this Agreement, AMC agrees that it will advertise the availability of Captioning and Description Technologies at each of its Massachusetts locations in a manner consistent with its advertisement of other amenities at the theater. Moreover, AMC agrees to explicitly include in its advertised showtimes (whether in print or on the internet) which movies and showtimes are screened with captions and/or narrative description in its Massachusetts theaters. Such advertising shall be done in a manner consistent with AMC's normal business practices and with the understanding that these practices may evolve over time.

4.7. Community Awareness. AMC agrees to sponsor, co-sponsor, or host one (1) community awareness event related to captioning and/or descriptive narration, to be determined in its discretion, within one (1) year of the date of the execution of this Agreement. AMC agrees to sponsor, co-sponsor, or host a second community awareness event related to captioning and/or descriptive narration, to be determined in its discretion, within one (1) year after its Massachusetts theaters are converted to digital projection. These Community Awareness events will occur in the Boston area. One of AMC's community awareness events may be an appearance with Commissioner Janet LaBreck on her radio program, a reading service program for individuals who are blind or print handicapped, to discuss AMC's increased accessibility and its implications for the blind community.

4.8. Reporting. AMC agrees to update the Commonwealth in writing at six (6) month intervals following the execution of this Agreement as to AMC's ongoing efforts to obtain financing for its transition to digital cinema and the extent to which AMC has installed Captioning and Description Technologies as provided by this Sections 1.2-1.5 of this Agreement or has installed any commercially reasonable alternative solution as provided by Section 2.1 of this Agreement. AMC agrees to send the report to Adam Hollingsworth, Civil Rights Division, Massachusetts Attorney General's Office, One Ashburton Street, Boston, Massachusetts, 02118, or his successor.

4.9. Governing Law. This Agreement shall be governed in all respects by the law of the State of Massachusetts.

4.10. Amendment or Modification. This Agreement may be modified only by means of a written agreement, signed by all Parties hereto.

4.11. Entire Agreement. This Agreement contains the entire understanding and agreement between the Parties regarding the matters set forth in it. No representations, warranties, or promises have been made or relied upon by any Party hereto, other than those contained herein. This Agreement supersedes any and all other prior agreements or drafts, either written or oral, between the Parties with respect to the subject matter hereof. Neither Party shall be considered the drafter of this Agreement and no inferences should be drawn against either Party on that basis.

4.12. Execution in Counterparts. This document may be executed in counterparts. All Parties will sign two (2) copies of this Agreement and each copy will be considered an original.

4.13. Force Majeure. Failure of AMC to perform any action required by this Agreement will not subject it to any liability or remedy for damages or otherwise if such failure is caused in whole or in part by circumstances beyond the control of AMC, including, but not limited to, acts of God, fires, accidents, earthquakes, explosions, floods, wars, labor disputes or shortages, riots, sabotage, unavailability of captioned motion pictures or motion pictures containing narrative description, or any similar or dissimilar circumstances beyond the control of AMC; provided, however, that AMC has timely commenced its obligations under this Agreement in good faith and with due diligence. If force majeure requires only a delay in AMC's compliance with the terms of this Agreement, then the time requirements established herein will be delayed only to the extent required by the events or circumstances constituting force majeure.

4.14. Advice of Counsel. The Parties represent that they have read this Agreement in its entirety and are satisfied that they understand and agree to all its provisions, and represent that they have freely signed this Agreement without coercion.

4.15. Third Party Beneficiaries. The Parties acknowledge and agree that the terms of this Agreement, including but not limited to the releases of claims by the Commonwealth, will inure to the benefit of AMC's affiliates, owners, predecessors, successors, stockholders, agents, directors, officers, members, partners, employees, insurers, representatives, lawyers, the successors or assigns of any of the foregoing, and all persons acting by, through, under or in concert with them, or any of them ("Third Party Beneficiaries"). Such Third Party Beneficiaries include, without limitation, Marquee Holdings Inc., AMC Entertainment Inc., AMC

Entertainment International, Inc., American Multi-Cinema, Inc., and AMC Entertainment Holdings Inc.

4.16. Power and Authority to Execute. The Parties represent that they have the power and the authority to execute and deliver this Agreement and to perform the obligations hereunder, and that each person executing this Agreement on each party's behalf has been authorized to sign on behalf of the respective party and to bind each to the terms of this Agreement.

AMERICAN MULTI-CINEMA, INC.

By: 
Edwin F. Gladbach
Vice-President, Legal

Date: June 14, 2010

COMMONWEALTH OF MASSACHUSETTS

**MARTHA COAKLEY
ATTORNEY GENERAL**

By: 
Adam Hollingsworth
Assistant Attorney General
Civil Rights Division

Date: ^{July 29} ~~June~~ __, 2010