



AGENDA REPORT

Meeting Date: January 22, 2009
Item Number: E-1A and E-1B
To: Honorable Mayor & City Council
From: David Lightner, Deputy City Manager
Jonathan Lait, AICP, City Planner

Subject:

- A. RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS CERTIFYING THE FINAL ENVIRONMENTAL IMPACT REPORT FOR THE **WALLIS ANNENBERG CENTER FOR THE PERFORMING ARTS** BEVERLY HILLS AND CITY PARKING STRUCTURE PROJECT; ADOPTING FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; ADOPTING A STATEMENT OF OVERRIDING CONSIDERATIONS, AND ADOPTING A MITIGATION MONITORING AND REPORTING PROGRAM.
- B. RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS **APPROVING THE AMENDED AND RESTATED LEASE** BY AND AMONG THE CITY OF BEVERLY HILLS, THE WALLIS ANNENBERG CENTER FOR THE PERFORMING ARTS, AND THE PARKING AUTHORITY OF THE CITY OF BEVERLY HILLS.

Attachments:

- 1. Resolution – CEQA
- 2. Resolution - Lease
- 3. Proposed Lease
- 4. Letters and materials received from the public since 1-6-09
- 5. Copy of Public Notice of Availability of Recirculated Draft EIR
- 6. Final EIR (*bound separately*)
- 7. Public Parking Garage Plans (*bound separately*)

RECOMMENDATION

The purpose of this meeting is to request approval of: the Wallis Annenberg Center for the Performing Arts (Center), a City public parking garage, the Final Environmental Impact Report (EIR) and an amended and restated lease agreement with the Center. Staff recommends the City Council take the following actions at the January 22, 2009 meeting:

1. Receive a brief staff report:
2. Take public comment
3. Adopt the resolution certifying the EIR
4. Adopt the resolution approving the amended and restated lease

PROJECT DESCRIPTION

Center

The performing arts center project has been proposed on the site of the City's former main Post Office on Santa Monica Boulevard North between North Crescent Drive and North Canon Drive. The project is proposed by the Center, which currently occupies the site, and includes rehabilitation and reuse of the historic Beverly Hills Post Office and construction of a new, 500-seat theater, a pedestrian walkway and sculpture gardens (470 North Canon Drive). The site is owned by the City of Beverly Hills and the City and the Center are operating under the terms of the current lease which reflect the conceptual performing arts center proposal from 2000.

Garage

Adjacent to the performing arts center project, the City is proposing to construct a subterranean public parking garage at 455 North Canon Drive for the use of the public, including patrons of the Center. The garage is proposed to be located under Crescent Drive adjacent to the old Post Office site and would extend under the landscaping adjacent to City Hall. The garage design as shown in the draft plans has three levels and approximately 470 parking spaces. The garage includes two self-park driveways: one on Santa Monica Boulevard South and another on the east side of North Crescent Drive that would extend under the front lawn area of City Hall. Both driveways could allow ingress and egress. A valet driveway is provided in the motor court on the Center site. The parking facility would be developed and owned by the City with the Center contributing to the construction cost in exchange for rights to use 100 parking spaces.

ENVIRONMENTAL ASSESSMENT

The City of Beverly Hills is the Lead Agency responsible for the preparation of the environmental documentation in compliance with the California Environmental Quality Act (CEQA). In accordance with the CEQA Guidelines, it was determined that an EIR is the appropriate level of analysis for these projects as they may have a significant effect on the environment. The projects were reviewed together in the EIR and are referred to in the EIR and sections of this report as "the Project." The purpose of the EIR is to inform the public regarding the implications of the project on its environment and provide guidance on how the project's impacts can be addressed.

A draft EIR of the initial project was released for public review in June 2008; however, as a result of changes made to the public parking garage portion of the project through a public hearing process, it was determined that the draft EIR should be revised and recirculated for public review and comment, including a revised traffic report (Appendix H). The recirculation also provided an opportunity to make corrections and to clarify certain points in the EIR. The recirculated draft EIR was released to the public on December 10, 2008. The period for public comment ended on Thursday, January 8, 2009. The only additional letters that have been received are letters of support for the project (attached). Any comments received prior to the City Council meeting on January 22, 2009 will be provided before or at the meeting.

The City's EIR consultant, ICF Jones & Stokes, has prepared written responses to substantive comments received on environmental issues and has responded to all comments received on the initial draft EIR as well as the recirculated draft EIR. The Responses to Comments describe the disposition of significant environmental issues raised and are included, along with the Draft EIR, in the Final EIR on which action is requested at this meeting. .

Below are the key EIR dates on this project:

- June 13, 2008 - Draft EIR for the project released to the public
- June 24, 2008 - City Council Study Session; directed Planning Commission to review the project and Draft EIR and provide recommendations to the City Council
- June 26, 2008 - Planning Commission Public Hearing
- August 7, 2008 - Planning Commission Public Hearing
- September 11, 2008 - Planning Commission Public Hearing (public hearing closed)
- September 25, 2008 - Planning Commission adopted resolution recommending approval of the project with a larger garage and additional driveway, eventual certification of the draft EIR and found the project consistent with the General Plan
- October 14, 2008 - City Council Meeting; Council supported Planning Commission recommendations for a larger garage with more parking spaces and an additional driveway
- December 10, 2008 - Recirculated Draft EIR released to the public (analyzes larger garage with additional driveway on Crescent)
- January 6, 2009 - City Council Meeting; resolutions of approval requested for review
- January 8, 2009 - Public Comment Period closes for recirculated Draft EIR.

Statement of Overriding Considerations

The EIR analyzes the environmental impacts associated with implementation of the project. Below are the significant impacts identified by the EIR that could not be mitigated to less than significant levels. Because of these potentially unavoidable adverse impacts, the CEQA resolution includes a Statement of Overriding Considerations that would be adopted as part of the resolution. The City Council may adopt a Statement of Overriding Considerations if the City Council finds that the economic, social and other benefits of the Project outweigh the significant and unavoidable effects identified in the Final EIR and the record of proceedings.

A. Green House Gas (GHG) Emissions (cumulative construction emissions)

The analysis undertaken for the project does not support a finding of significant adverse impact for GHG emissions; however, due to the fact that no federal, state or regional air quality agency has adopted a methodology or quantitative threshold that can be applied to evaluate an individual project's contribution to global GHG emissions, a more conservative finding of potentially significant has been made.

B. Intersection Impacts (operational)

The addition of project traffic would contribute to already deficient conditions on local roads resulting in significant impacts at the following five study intersections during one or more peak hours for typical days:

- Beverly Drive and Santa Monica Boulevard North
- Canon Drive and Santa Monica Boulevard North
- Crescent Drive and Santa Monica Boulevard North
- Santa Monica Boulevard North and Wilshire Boulevard
- Crescent Drive and Santa Monica Boulevard South.

Physical mitigation measures have been proposed that reduce the impacts at the first three intersections to less than significant levels. There were no feasible physical mitigation measures identified to reduce impacts at the intersection of Santa Monica Boulevard North and Wilshire Boulevard and Crescent Drive and Santa Monica Boulevard South to less than significant levels; as a result, these two intersections are included in the Statement of Overriding Considerations.

Under the occasional scenario, project traffic would have significant impacts at two additional study intersections: Rexford Drive and Santa Monica Boulevard North and Canon Drive and Santa Monica Boulevard South. While this scenario would occur rarely, no feasible physical mitigation measures were identified to reduce impacts to less than significant levels; as a result, these two intersections have been included in the Statement of Overriding Considerations.

C. Transportation, Traffic, and Parking (cumulative/construction period)

Closure of Crescent Drive to traffic between Santa Monica Boulevard North and Santa Monica Boulevard South for the approximately 18-month construction period for the subterranean garage would result in significant impacts at intersections. Although the impacts would be of limited duration, they are considered to be significant and unavoidable and there are no feasible mitigation measures.

Project Alternatives

The California Environmental Quality Act requires Environmental Impact Reports to evaluate alternatives to the project being assessed by the report. The primary goal of evaluating alternatives is to explore whether there is another way to achieve the objectives of the project which might be better for the environment. The Draft EIR evaluated a range of reasonable alternatives for the proposed Project including, the No Project Alternative (Alternatives 1A and 1B), and three development scenarios identified as Alternatives 2, 3, and 4. The Planning Commission was presented with these alternatives and did not identify any that achieve the project objectives.

Mitigation Monitoring and Reporting Program

The California Environmental Quality Act (CEQA) requires that agencies adopting Environmental Impact Reports (EIRs) take affirmative steps to determine that approved mitigation measures are implemented subsequent to project approval. The lead or responsible agency (the City) must adopt a reporting or monitoring program for mitigation measures incorporated into a project or imposed as conditions of approval. The program must be

designed to ensure compliance during project implementation. A Mitigation Monitoring and Reporting is attached to the CEQA Resolution (Attachment #1).

GENERAL PLAN CONFORMANCE

Pursuant to Government Code Section 65402, the Planning Commission, as the City's planning agency, shall report as to the conformity of the Project with the adopted general plan. Government Code Section 65402 requires that no public building or structure shall be constructed or authorized until the planning agency has reported on the conformity of the construction or authorization of the public building with the applicable general plan. The project site is shown in the Land Use Element of the City's current General Plan as "Public Buildings." The site is proposed to be developed with a performing arts center that will provide ongoing cultural activities for the public and a public parking structure that will provide much-needed additional public parking for the community as well as the performing arts center. As such, the project is consistent with the City's General Plan because it provides structures and amenities for public use (a non-profit performing arts center, gardens, a public parking garage).

FISCAL IMPACT

The City Council Ad Hoc Committee (Councilmembers Briskman and Delshad) and staff have worked closely with the Center's Board representatives and their staff to optimize the development plans and negotiate the draft amended lease.

The Annenberg Center for the Performing Arts has raised over \$40 million to construct a state of the art live theater center at the historic main post office. The historic building will be adaptively reused through a sensitive remodel that will maintain the building's National Register status and a new 500-seat theater will be added to the property, dramatically increasing its value.

This effort has created an opportunity for the City to address a longstanding need for parking at the north end of the Business Triangle, coordinating with the Center to create a substantial parking resource in a subterranean garage between the Center site and City Hall.

The cost of building the garage has been estimated at \$41 million. The sources of funds for the garage are:

\$10.3 million	Current City Budget
\$23.6 million	30-Year Bonds
<u>\$ 7.1 million</u>	Annenberg Center (\$5 million cash and \$2.1 million bonds)
\$41.0 million	

Of the total bond amount, \$5.5 million is projected to be supportable by the net revenues produced by the garage. The remaining \$20.2 million of 30-year bonds would be supported by the General Fund with annual debt service of approximately \$1.65 million.

Summary of Amended Lease

A draft revised lease has been prepared updating the provisions of the current lease to address the revised project. The following summary highlights the major points of the draft lease and "Work Letter" attachment which defines construction coordination between the Center and City for the theater and garage components of the project.

Meeting Date: January 22, 2009

Use: The Center must be used for first-class presentation of theatrical, cultural, music and other performing arts, lectures and exhibitions. Ancillary uses may include concession and broadcast facilities, gift shop, visitor center, operational offices and related incidental uses. Special Events may be scheduled provided they do not become the primary use in any consecutive 3-month period.

Term: The lease term is 35 years with two 10-year options.

Rent: \$100 per year.

Funding Date: Date when evidence is in place, satisfactory to the City, that Center funds to cover hard and soft costs to complete the phase being initiated (including 10% contingency) are in place. Construction cannot commence until the Funding Date.

Parking: The Center would have access to 100 spaces at all times, for which they would make a \$7.1 million contribution to garage costs. Between 11 a.m. and 3 p.m. Monday through Saturday the Center's programming is limited to creating demand of no more than 100 spaces, unless offsite, valet or other plans are approved by the City's Director of Parking Operations. The City will operate the entire garage.

Mitigation: The City will fund its pro rata share of mitigation measures that result from public garage operations and the Center will fund its pro rata share of measures that result from theater operations, as specified in the Lease.

Remediation: The lease includes a credit, not to exceed \$240,000, from the City to the Center for removal of hazardous materials including asbestos.

Termination: Tenant may terminate with 30 days notice. The property would transfer back to the City with improvements. If improvements are not completed, City would receive access to all available Center funds to complete the project. City may terminate through condemnation for public purpose.

Minimum Standards: Public areas must be open 40 hours per week. Minimum performances before a paying audience include 36 in the first year, 48 in the second year and 72 in the third year and thereafter. Coordination with the Beverly Hills Unified School District is required in order to provide opportunities for exposure to the performing arts as part of the educational program.

City Events: The City may hold up to 15 Special Events at the Property. Five additional civic, charitable or public events may also be held. Additionally, the City may hold the Mayor's Installation at the Property.

Landscape: The Center is to provide the landscape maintenance with a City contribution of half of the cost, not to exceed \$2,500 per month. Tenant to provide other Property maintenance at its sole expense. City to maintain the garage at its expense.

In the long term, the overall fiscal impact of the performing arts center is expected to be a great benefit to the City. The creation of a first class performing arts theater through private fundraising is unusual. Most communities with such facilities are not able to rely on private

Meeting Date: January 22, 2009

donations at this level for a facility that could enhance the overall quality of life for residents and provide a significant economic boost to businesses in the vicinity and throughout the City.

PUBLIC NOTICE AND COMMENTS

Notice of completion of the Draft EIR for recirculation was mailed on December 10, 2008 to all property owners and residential tenants within a 300-foot radius of the property, and all owners of single-family zoned properties within 500 feet from the exterior boundaries of the property, an area beyond the requirements of CEQA and consistent with the City's requirements for certain discretionary reviews. In addition, notices were mailed to persons who contacted the City about the project. Public comment letters were collected by the Center and recently provided to the City and those letters are attached.

Jonathan Lait, AICP
City Planner



Approved By

ATTACHMENT 1
DRAFT RESOLUTION - CEQA

RESOLUTION NO. - _____

RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS CERTIFYING THE FINAL ENVIRONMENTAL IMPACT REPORT FOR THE WALLIS ANNENBERG CENTER FOR THE PERFORMING ARTS BEVERLY HILLS AND CITY PARKING STRUCTURE PROJECT; ADOPTING FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; ADOPTING A STATEMENT OF OVERRIDING CONSIDERATIONS, AND ADOPTING A MITIGATION MONITORING AND REPORTING PROGRAM.

The City Council of the City of Beverly Hills hereby finds and resolves as follows:

Section 1. Formal applications were submitted by the Wallis Annenberg Center for the Performing Arts (the "Applicant") to the City of Beverly Hills (the "City") to adaptively reuse the historic Post Office building located at the south east corner of the intersection of Cañon Drive and Santa Monica Boulevard by converting it into a performing arts center (the "Center"). Concurrently, the City is contemplating constructing a related City-owned subterranean parking garage (the "Parking Garage"; collectively the Center and the Parking Garage are referred to as the "Project"). The Project includes a proposed lease between the City and the Applicant (the "Lease").

Section 2. In June of 2004 an initial design for the Center was brought forth by the Applicant. In the initial 2004 design concept, the National Register of Historic Places-listed Post Office was to have housed a 500-seat auditorium within the walls of the old mail sorting room, with the upper portions of the theater extending into abutting portions of what had originally been the second floor postal employee swing room, restroom, and office areas. In this initial concept, a rear building addition (on the south) to house the classrooms and a smaller 150-flexible-seat studio theater had been proposed. The parking concept called for an underground garage to be constructed that would wrap around the building within the property boundaries.

Section 3. The design of the Project was revised in 2006. The new design would place the 500-seat theater (Goldsmith Theater) in a new adjacent building and place a 150-seat multi-purpose performance/rehearsal/lecture space, office space, three classrooms, ticket sales, donors' lounge, and food concession/catering functions within the existing envelope of the Post Office building. The revised design concept significantly reduced the changes to the existing structure necessary to adapt the Post Office for the performing arts center. In the new concept, a City-owned subterranean parking garage is proposed under Crescent Drive, between the former Post Office and City Hall. Part of the Garage is proposed

to extend under the front lawn of City Hall. The Project contemplates either a two- or three-level underground parking garage that would provide up to a maximum of 500 parking spaces.

Section 4. On December 29, 2006 a Notice of Preparation (“NOP”) was distributed to the State Office of Planning and Research and responsible trustee agencies as well as private organizations and individuals that may have had an interest in the proposed Project. In addition, a public scoping meeting was held on January 16, 2007 to provide information on the Project and to receive comments on issues to be addressed in the Environmental Impact Report (“EIR”).

Section 5. In June of 2008 a Draft Environmental Impact Report (the “DEIR”) was prepared for the Project. In accordance with the California Environmental Quality Act (“CEQA”) (Cal. Pub. Res. Code §21000 *et seq.*) and the State Guidelines (the “Guidelines”) (14 Cal. Code Regs. §15000 *et seq.*) promulgated with respect thereto, the City analyzed the Project’s potential impacts on the environment.

Section 6. The City circulated the DEIR and the Appendices for the Project to the public and other interested parties for a 45-day comment period, consistent with the 45-day public comment period required by Guidelines Section 15105, from June 16, 2008 to July 31, 2008.

Section 7. As a result of public hearings before the Planning Commission, the design of proposed Garage was revised, to improve garage ingress and egress and provide additional parking. Pursuant to CEQA Guideline Section 15088.5, the City prepared and published a Recirculated DEIR (the “RDEIR”) because of the revisions to the public parking garage information, and to provide the public and interested agencies the opportunity to provide comments on the revised environmental analysis.

Section 8. On December 10, 2008, the State Clearinghouse approved the City’s request for a shortened review period pursuant to the Guidelines Section 15106(d). The City recirculated the RDEIR and the Appendices for the Project to the public and other interested parties for a 30-day shortened review comment period from December 10, 2008 to January 9, 2009.

Section 9. The City prepared written responses to all comments received on the DEIR and RDEIR, and those responses to comments are incorporated into the Final Environmental Impact Report (the “Final EIR”). The Responses to Comments were distributed to all public agencies that submitted comments on the DEIR and RDEIR, at least 10 days prior to certification of the Final EIR.

Section 10. The Final EIR is comprised of the DEIR dated June 2008 and all appendices thereto, RDEIR dated December 2008 and all appendices thereto, the Comments and Response to Comments on the DEIR and the RDEIR, the Errata to the Final EIR, and the Mitigation Monitoring and Reporting Program.

Section 11. The findings made in this Resolution are based upon the information and evidence set forth in the Final EIR and upon other substantial evidence that has been presented at the hearings and in the record of the proceedings. The documents, staff

reports, technical studies, appendices, plans, specifications, and other materials that constitute the record of proceedings on which this Resolution is based are on file for public examination during normal business hours at the Community Development Department, City of Beverly Hills City Hall, 455 N. Rexford Ave. Beverly Hills, California 90210. Each of those documents is incorporated herein by reference.

Section 12. The City Council finds that agencies and interested members of the public have been afforded ample notice and opportunity to comment on the EIR and the Project.

Section 13. Section 15091 of the State CEQA Guidelines requires that the City, before approving the Project, make one or more of the following written finding(s) for each significant effect identified in the Final EIR accompanied by a brief explanation of the rationale for each finding:

1. Changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effects as identified in the Final EIR; or,

2. Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency; or,

3. Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or project alternatives identified in the final EIR.

Section 14. Section 15093 of the State CEQA Guidelines requires that if the Project will cause significant unavoidable adverse impacts, the City must adopt a Statement of Overriding Considerations prior to approving the project. A Statement of Overriding Considerations states that any significant adverse project effects are acceptable if expected project benefits outweigh unavoidable adverse environmental impacts.

Section 15. Environmental impacts identified in the Initial Study and Final EIR that are found to be less than significant and do not require mitigation are described in Sections III and IV, respectively of Exhibit A, attached hereto and incorporated herein by reference.

Section 16. Environmental impacts identified in the Final EIR as potentially significant, but that can be reduced to less than significant levels with mitigation, are described in Exhibit A, Section V, attached hereto and incorporated herein by reference.

Section 17. Environmental impacts identified in the Final EIR as significant and unavoidable despite the imposition of all feasible mitigation measures are described in Exhibit A, Section VI, attached hereto and incorporated herein by reference.

Section 18. Alternatives to the Project that might eliminate or reduce significant environmental impacts are described in Exhibit A, Section VII, attached hereto and incorporated herein by reference.

Section 19. A discussion of the Project benefits and a Statement of Overriding Considerations for the environmental impacts that cannot be fully mitigated to a less than significant level are set forth in Exhibit B, attached hereto and incorporated herein by reference.

Section 20. Public Resources Code section 21081.6 requires the City to prepare and adopt a mitigation monitoring and reporting program for any project for which mitigation measures have been imposed to assure compliance with the adopted mitigation measures. The Mitigation Monitoring and Reporting Program is attached hereto as Exhibit C, and is hereby incorporated herein by reference.

Section 21. Prior to taking action, the City Council reviewed, considered and has exercised its independent judgment on the Final EIR and all of the information and data in the administrative record, and all oral and written testimony presented to it during meetings and hearings and finds that the Final EIR is adequate and was prepared in full compliance with CEQA. No comments or any additional information submitted to the City have produced any substantial new information requiring additional recirculation or additional environmental review of the Project under CEQA.

Section 22. The City Council of the City of Beverly Hills hereby certifies the Final EIR, adopts findings pursuant to the California Environmental Quality Act, as set forth in Exhibit A attached hereto and incorporated herein by reference; adopts the Statement of Overriding Considerations set forth in Exhibit B attached hereto and incorporated herein by reference; adopts the Mitigation Monitoring and Reporting Program attached hereto as Exhibit C and incorporated herein by reference, and imposes each mitigation measure as a condition of Project approval. City staff shall implement and monitor the mitigation measures as described in Exhibit C.

PASSED, APPROVED AND ADOPTED by the City of Beverly Hills this ____ day of _____, 200 __.

Adopted:

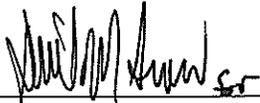
BARRY BRUCKER
Mayor of the City of
Beverly Hills, California

[Signatures continue]

Attest:

_____ [SEAL]
BYRON POPE
City Clerk

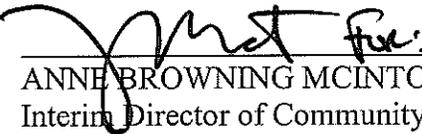
Approved as to form:



LAURENCE S. WIENER
City Attorney

Approved as to content:

RODERICK J. WOOD, CCM
City Manager



ANNE BROWNING MCINTOSH, AICP
Interim Director of Community Development

DAVID D. GUSTAVSON
Director of Public Works & Transportation

EXHIBIT A

Findings and Facts in Support of Findings

I. Introduction.

The California Environmental Quality Act (“CEQA”) and the State CEQA Guidelines (the “Guidelines”) provide that no public agency shall approve or carry out a project for which an environmental impact report has been certified which identifies one or more significant effects on the environment that will occur if a project is approved or carried out unless the public agency makes one or more of the following findings:

A. Changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effects identified in the EIR.

B. Such changes or alterations are within the responsibility of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.

C. Specific economic, social, or other considerations make infeasible the mitigation measures or project alternatives identified in the EIR.¹

Pursuant to the requirements of CEQA, the City Council hereby makes the following environmental findings in connection with the proposed Wallis Annenberg Center for the Performing Arts Beverly Hills (“Center”) and City Parking garage (“Garage”). Collectively the Center and the Garage are the “Project”, as more fully described in the Draft EIR (“DEIR”), and the Recirculated (“RDEIR”). These findings are based upon evidence presented in the record of these proceedings, both written and oral, the DEIR, the RDEIR, and all of their contents, the Comments and Responses to Comments on the EIR, and staff and consultants’ reports presented through the hearing process, which comprise the Final EIR (“FEIR”).

II. Project Objectives.

As set forth in the EIR, the proposed Project is intended to achieve a number of objectives (the “Project Objectives”) as follows:

Wallis Annenberg Center for the Performing Arts Objectives:

A. To develop a viable, state-of-the-art-theater for live performances of professional theater, music, dance, and associated arts as part of a multi-use performing arts venue that contributes to the economic vitality of the area and energizes its milieu.

¹ Cal. Pub. Res. Code § 21081; 14 Cal. Code Regs. § 15091.

B. To provide a venue for conducting and supporting educational and public performance activities that work synergistically with the theater, including classes, workshops, lectures, special events, meetings, rehearsals, and productions of the performing arts.

C. To rehabilitate and adaptively reuse the historic Post Office into a financially viable, professional setting that, through flexible spaces and learning areas, facilitate varied, multiple, concurrent cultural, theatrical and educational activities and opportunities for all ages, and supports the performing arts theater with administrative and logistical facilities.

D. To create a visual and physical link between the civic center to the east and local business establishments to the west, through walkway, garden, and courtyard spaces that also provide a serene setting for project users and visitors and for special events.

City Objectives:

A. To promote reuse of an existing underutilized historic City facility.

B. To make use of the opportunity presented by the subject site to link the activities of the City's central dining and shopping district to the City's center for civic and cultural activities.

C. To resume the site's longtime function as a community meeting/gathering place.

D. To substantially increase the supply of public parking in convenient pedestrian proximity to the City's Business Triangle.

E. To provide a public parking facility that is easily accessible to motorists and minimally disruptive to traffic circulation around the project site.

F. To augment the supply of public parking in a fiscally responsible manner.

III. Effects Determined to be Less Than Significant/No Impact in the Initial Study/Notice of Preparation.

The City of Beverly Hills conducted a Notice of Preparation (NOP) and Initial Study to determine the potential environmental effects of the Project. In the course of this evaluation, the Project was found to have no impact in certain impact categories because a project of this type and scope would not create such impacts or because of the absence of project characteristics producing effects of this type. The following effects were determined not to be

significant or to be less than significant for the reasons set forth in the Initial Study (RDEIR, APPENDIX A), and were not analyzed in the EIR because they require no additional analysis to determine whether the effects could be significant.

A. AGRICULTURAL RESOURCES

1. The Project will not convert prime farmland, or farmland of statewide importance to non-agricultural use because there are no agricultural resources on this fully developed urban site.

2. The Project will not conflict with existing zoning for agricultural use or a Williamson Act contract because the property is not zoned for agricultural use and is not subject to a Williamson Act contract.

3. The Project does not involve other changes in the existing environment that, due to their location or nature, could result in conversion of Farmland to non-agricultural use because there are no agricultural resources on the site or in the vicinity.

B. BIOLOGICAL RESOURCES

1. The Project will not have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service, because the urban site is fully developed.

2. The Project will not have a substantial adverse effect on any riparian habitat identified in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service, because no such habitat exists on or in the vicinity of the Project site.

3. The Project will not conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan, because there are no such plans that apply to the fully developed urban site.

C. GEOLOGY AND SOILS

1. The Project will not rupture a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Map issued by the State Geologist for the area, or based on other substantial evidence of a known fault during the construction phase of the Project.

2. The Project will not cause landslides during the construction phase of the Project, because the site is flat and surrounded by property at similar grade elevations.

3. The Project will not have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the

disposal of wastewater. No impacts will result here because the Project will be served by sewers.

D. HAZARDOUS AND HAZARDOUS MATERIALS

1. The Project will not emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school, because no schools exist within 1/2 mile of the site.

2. The Project is not located within an airport land use plan or, where such plan has not been adopted, within two miles of a public airport or public use airport, and thus the Project would not result in a safety hazard for people residing or working in the Project area.

3. The Project is not located within the vicinity of a private airstrip, and thus would not result in a safety hazard for people residing or working in the Project area.

4. The Project will not impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan.

5. The Project will not expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are subject to urbanized areas or where residences are intermixed with wildlands, because the site is not in or adjacent to wildland areas.

E. HYDROLOGY AND WATER QUALITY

1. The Project will not violate any water quality standards or waste discharge requirements, because the Project will comply with the applicable NPDES Permit requirements and a Storm Water Pollution Prevention Plan (SWPPP).

2. The Project will not substantially alter the existing drainage pattern of the site or area, including the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on or off site, in part because there are no streams or rivers in the vicinity of the project site.

3. The Project will not substantially alter the existing drainage pattern of the site or area, including the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner that would result in flooding on or off site, in part because there are no streams or rivers in the vicinity of the Project site.

4. The Project will not create or contribute to runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff, because of the nature of the improvements on an already developed site, and compliance with stormwater regulations.

5. The Project will not otherwise substantially degrade water quality.

6. The Project will not place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map.

7. The Project will not place within a 100-year flood hazard area structures that would impede or redirect flood flows, because the site is not in a flood hazard area.

8. The Project will not expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam.

9. The Project will not expose people or structures to a significant risk of loss, injury or death involving inundation by seiche, tsunami, or mudflow, because the site is sufficiently removed from large bodies of water, and is not near any sloped properties.

F. LAND USE

1. The Project will not physically divide an established community, because it is a site that is already developed and historically had a civic use.

2. The Project will not conflict with any applicable land use plan, policy or regulation of an agency with jurisdiction over the Project.

3. The Project will not conflict with any applicable habitat conservation plan or natural community conservation plan, because no such plans apply to the site.

G. MINERAL RESOURCES

1. The Project will not result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state.

2. The Project will not result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan.

H. NOISE

1. The Project will not cause a substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the Project.

2. The Project is not located within an airport land use plan or within two miles of a public airport or public use airport, and thus would not expose people residing or working in the Project area to excessive noise levels from airport activities.

3. The Project is not located within the vicinity of a private airstrip, and thus would not expose people residing or working in the Project area to excessive noise levels from airstrip activities.

I. POPULATION AND HOUSING

1. The Project will not induce substantial population growth in an area either directly or indirectly, because of its civic nature and because of the limited employment opportunities associated with the uses.

2. The Project will not displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere, because no housing currently exists at the site.

3. The Project will not displace substantial numbers of people, necessitating the construction of replacement housing elsewhere, because no one resides at the Project site currently.

J. PUBLIC SERVICES

1. The Project will not result in substantial adverse physical impacts associated with the provision or need of new or physically altered fire protection services, the construction of which could cause significant environmental impacts, because existing resources are sufficient to provide fire response services.

2. The Project will not result in substantial adverse physical impacts associated with the provision or need of new or physically altered police protection services, the construction of which could cause significant environmental impacts, because existing resources are sufficient to provide police services.

3. The Project will not result in substantial adverse physical impacts associated with the provision or need of new or physically altered schools, the construction of which could cause significant environmental impacts, because it would not generate a significant number of new students.

4. The Project will not result in substantial adverse physical impacts associated with the provision or need of new or physically altered parks, the construction of which could cause significant environmental impacts, because it would not generate a population increase with additional park use demand.

5. The Project is not anticipated to cause any environmental impacts related to any other type of public facility.

K. RECREATION

1. The proposed Project will not increase the use of existing neighborhood or regional parks or other recreation facilities.

2. The proposed Project does not include recreational facilities or require the construction or expansion of recreational facilities that might have an adverse physical effect on the environment.

L. TRANSPORTATION/TRAFFIC

1. The Project will not result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks.
2. The proposed Project is not anticipated to substantially increase hazards due to a design feature.
3. The proposed Project will not result in inadequate emergency access.
4. The Project will not conflict with adopted policies, plans, or programs supporting alternative transportation (e.g., bus turnouts, bicycle racks), in part because multiple bus lines that travel along Santa Monica Boulevard adjacent to the Project, serve the site.

IV. Effects Determined to be Less Than Significant Without Mitigation in the EIR.

The EIR found that the proposed Project would have a less than significant impact without the imposition of mitigation on a number of environmental topic areas listed below. A less than significant environmental impact determination was made for each of the following topic areas listed below, based on the more expansive discussions contained in the Final EIR.

A. VISUAL RESOURCES

1. The proposed Project will not create substantial shade/shadows that affect shadow-sensitive viewers, because residential development is substantially removed from the Project site.
2. The Project will not substantially damage significant visual resources such as trees and historic buildings.
3. The proposed Project is not anticipated to degrade the existing visual resources or visual quality of the site, with the exception of a potential impact to the landscaping on the City Hall lawn which is mitigated as detailed in Section V below.
4. The proposed Project will not have a cumulative visual resources impact.

B. AIR QUALITY

1. The proposed Project will not create a toxic air contaminant impact.
2. The Project will not create objectionable odors affecting a substantial number of people.
3. The proposed Project will not cause any regional or localized impacts during the operation phase of the Project.

4. The proposed Project will be consistent with all applicable plans and regulations that apply in the area of air quality as more fully detailed in the EIR.

5. The proposed Project will not cause any microscale carbon monoxide hot spot impacts.

6. The proposed Project will not cause a cumulative air quality impact during construction or operation of the Project.

C. BIOLOGICAL RESOURCES

1. The proposed Project will not cause an impact on wildlife species, including mammals during the construction or operational phase of the Project.

2. Federally protected wetlands will not be substantially and adversely affected by the construction or operation of the Project, as none are in existence in the vicinity of the Project site.

3. The proposed Project will not have a substantial adverse effect on any sensitive vegetation community.

D. GEOLOGY AND SOILS

1. Construction of the proposed Project is not anticipated to affect any unique geological features.

2. Construction of the proposed Project will not cause accelerated erosion.

3. Construction of the proposed Project is not anticipated to cause alteration of topography, which is generally flat and already developed.

4. During the operational phase of the Project no surface fault rupture is anticipated to occur as the Project site is not underlain by a known active fault.

5. During the operational phase of the Project no liquefaction of the Project site is expected to occur as the site is not within an area susceptible to liquefaction.

6. The proposed Project, during its operation, is not anticipated to result in or expose people to significant impacts related to on- or off-site mudflows.

7. The proposed Project when complete is not anticipated to cause soil erosion as the topography is relatively flat and exposed soils during construction would be repaved.

8. The proposed Project is not anticipated to cause subsidence at the Project site.

9. The construction and operation of the proposed Project is not anticipated to cause any groundwater issues as any potential extension of the parking garage underground

into the depth of the groundwater table will be addressed during the structural design phase of the Project after a detailed geotechnical evaluation of the site.

10. The proposed Project is not anticipated to be affected by any dam inundation as any threat from the Lower Franklin Canyon Reservoir rapidly diminishes south of Carmelita Drive.

11. A less than significant impact is anticipated to the Project from the threat of seiche or tsunamis.

12. The proposed Project will not cause a loss of mineral resources during construction or the operational phase of the Project.

E. HAZARDS AND HAZARDOUS MATERIALS

1. The operation of the proposed Project is not anticipated to cause the release of any hazardous materials, and the Project does not involve the transport, disposal, or handling of any hazardous materials or substances.

F. LAND USE

1. The proposed Project will not be inconsistent with the City of Beverly Hills General Plan, zoning ordinance, or any other local or regional plan.

2. The proposed Project will not be incompatible with nearby land uses.

3. The proposed Project will not cause a cumulative land use impact.

G. NOISE

1. The proposed Project will be consistent with all applicable plans and regulations that apply to noise as more fully detailed in the EIR.

2. The proposed Project will not cause long-term operational project generated vehicular noise impacts on surrounding areas, on either a project specific basis or a cumulative basis.

3. The proposed Project will not cause significant operational noise from the outdoor activities and performances anticipated in the sculpture garden and education court.

4. The construction and operation of the proposed Project will not cause significant vibration impacts, on either a project specific basis or a cumulative basis.

5. The proposed Project will not cause significant cumulative construction or operational long-term noise impacts.

H. TRAFFIC

1. The proposed Project will not cause a significant construction related traffic impact caused by worker traffic.
2. The proposed Project will not cause a cumulatively significant operational traffic impact.

I. PUBLIC UTILITIES

1. The construction and operation of the proposed Project will not cause an impact on available water supply on either a project specific basis or a cumulative basis.
2. The construction and operation of the proposed Project will not result in the generation of wastewater that would exceed the capacity of existing facilities on either a project specific basis or a cumulative basis.
3. The construction and operation of the proposed Project will not impact storm drainage in the Project vicinity on either a project specific basis or a cumulative basis.
4. The construction and operation of the proposed Project will not cause solid waste disposal impacts on either a project specific basis or a cumulative basis.
5. The construction and operation of the proposed Project will not exceed the capacity of existing energy service systems on either a project specific basis or a cumulative basis.

V. Potentially Significant Environmental Impacts Determined to be Mitigated to a Less Than Significant Level.

The EIR identified the potential for the Project to cause significant environmental impacts in the areas of visual resources, air quality, biological resources, historical resources, archeological and paleontological resources, geology/soils/seismicity, hazardous materials, noise, and transportation and traffic. With the exception of those specific impacts to air quality and traffic as discussed in Section VI below, measures were identified that would mitigate all of these impacts to a less than significant level.

The City Council finds that the feasible mitigation measures for the Project identified in the Final EIR would reduce the Project's impacts to a less than significant level, with the exception of those unmitigable impacts discussed in Section VI below. The City Council will adopt all of the feasible mitigation measures for the Project described in the Final EIR as conditions of approval of the Project and incorporate those into the Project if approved.

A. VISUAL RESOURCES

1. Light and Glare

The development of the Project is not anticipated to cause spillover lighting effects as more fully detailed in the EIR. However, a mitigation measure is imposed to ensure this impact is less than significant.

(a) Findings

Changes or alterations have been required in, or incorporated into, the Project that avoid or substantially lessen any potential spillover lighting effect. Specifically, the following mitigation measure is imposed upon the Project to ensure a less than significant impact:

AES-1: Indirect lighting shall be the project proponent's preferred method of providing exterior lighting for the proposed project. Any non-historic direct exterior lighting shall include full-cutoff shielded fixtures or equivalent technology that will contain the light within the site and avoid spillover lighting impacts off-site. In addition, all non-historic interior lighting near windows and building entrances shall be designed to avoid glare and spillover lighting effects off-site.

(b) Facts in Support of Findings

No effects from glare to glare-sensitive viewers are anticipated as a result of the project. This is due primarily to project design characteristics. Proposed architectural materials—sandblasted light beige/matte-finished concrete, glass curtain wall, and the treated copper screening would not have significant glare-producing finishes. Features such as the glass bridge/passageway/promenade would be shielded from sensitive viewers by the existing and proposed buildings, and landscape components. In addition, the closest residents north of Santa Monica Boulevard along Crescent Drive would see only a portion of the theater addition due to the intervening landscaping and building placements. Landscaping in Beverly Gardens Park and the Post Office building itself would block nearly all other views of the theater addition by other residents north of Santa Monica Boulevard. Residents on Crescent Drive south of Santa Monica Boulevard South have highly constrained sight lines due to building placement, distance or both.

Further, due to the fact that the architectural and landscape plans are at a schematic level of development, and a lighting plan has not yet been formulated, one potentially significant impact could occur as a result of nighttime lighting design choices. If exterior light fixtures and interior lighting elements are not appropriately shielded to avoid glare and spillover lighting effects, nighttime lighting of the Project could pose a potentially significant impact to visual quality within this setting. However, with the imposition of mitigation measure AES-1, this impact would be less than significant.

2. Visual Resources – Landscaping on City Hall Lawn

The development of the Project may cause a potential impact associated with the replacement of the existing landscaping on the front lawn of City Hall after construction of the proposed parking garage, and the inclusion of a new self-park garage driveway in that location. To ensure a less than significant impact results, a mitigation measure has been proposed.

(a) Findings

Changes or alterations have been required in, or incorporated into, the Project that avoid or substantially lessen any potential visual resources impact. Specifically, the following mitigation measure is imposed upon the Project to ensure a less than significant impact:

AES-2: A detailed plan shall be developed by the Project's landscape architect specifying the design treatment given the driveway and garage appurtenances, and to refine the replacement landscape/hardscape design elements along Crescent Drive and the front lawn area of City Hall. The plans shall be subject to the review and approval of the project's Preservation Architect. The plans shall also be submitted to the City's Architectural Commission for its review and recommendations. The recommendations of the Architectural Commission shall be considered in the final project design plans/specifications.

(b) Facts in Support of Findings

Although no work is proposed to the City Hall building as part of this Project, its front lawn would be excavated to construct the subterranean parking structure and a self-park garage driveway would extend into the front lawn area from the east side of Crescent Drive under one of the garage options. Although the landscape components of City Hall's front lawn do not constitute a significant historical landscape, its mature trees as well as the plantings within the building entrance forecourt and bordering the walls are visually an important part of the setting and enhance its visual quality. City Hall's front lawn is also utilized as a sculpture garden featuring changing sculpture installations that are highlighted in a monthly civic center public art walking tour program. The City's Fine Arts Commission directs the tour program and is aware of the Wallis Annenberg Center for the Performing Arts development project. Because the tours focus on sculpture in Beverly Gardens, the loss of access to City Hall front lawn as an art display venue on a temporary basis does not pose a significant adverse impact to the walking tour program by Fine Arts Commission staff.

While it is anticipated that the palms and smaller trees flanking the entrance to City Hall and hedges abutting the building will be preserved, the larger trees located between the ends of the north and south wings of the building and Crescent Drive will have to be removed to accommodate construction of the parking garage. Among the trees to be removed is a coastal live oak (*Quercus agrifolia*). Although removal of the oak and several other mature trees would be a visual impact, the effect would be temporary because, as part of the project, the trees would be replaced with new comparable trees that would be sympathetic to the historic setting/design context. Hence, these impacts on visual resources resulting from the removal of existing mature trees and vegetation and the absence of said plantings until the replacement

landscaping matures would be temporary and, thus, not considered significant under CEQA. Nevertheless, mitigation measure AES-2 is required of the Project to ensure this impact will remain less than significant.

3. Scenic Vistas and Views

While there are no officially designated scenic vistas in the project setting, views available to residents north of Santa Monica Boulevard, recreationists in Beverly Gardens, and motorists along Santa Monica Boulevard looking south are considered significant. Mitigation is imposed to ensure there are no impacts to views from Santa Monica Boulevard or Beverly Gardens Park.

(a) Findings

Changes or alterations have been required in, or incorporated into the Project that avoid or substantially lessen any potential impacts on scenic views. Specifically, the following mitigation measure is imposed upon the Project to ensure a less than significant impact:

AES-2: A detailed plan shall be developed by the Project's landscape architect specifying the design treatment given the driveway and garage appurtenances, and to refine the replacement landscape/hardscape design elements along Crescent Drive and the front lawn area of City Hall. The plans shall be subject to the review and approval of the project's Preservation Architect. The plans shall also be submitted to the City's Architectural Commission for its review and recommendations. The recommendations of the Architectural Commission shall be considered in the final project design plans/specifications.

(b) Facts in Support of Findings

City Hall is a historic landmark, as well as a visual resource, and views of it from Santa Monica Boulevard North—an undesignated yet potential scenic highway—are considered significant. However, after mitigation, placement on the front lawn of City Hall of a self-park driveway into the proposed underground parking garage is not expected to result in a significant adverse impact to visual resources. Mitigation measure AES-2 would include development of a detailed landscape/hardscape plan specifying the design treatment given the driveway and garage appurtenances, and to refine the replacement landscape/hardscape design elements. At present, most direct sustained views of City Hall and its front lawn from Santa Monica Boulevard North and Santa Monica Boulevard South within the viewshed are precluded due to a combination of building placements as well as the existing landscaping. The garage driveway will be given an understated design treatment that acknowledges the nearby presence of City Hall. Typical garage entrance design features, such as tall pylons, large signage, and vehicle bump bars, would not be utilized; instead, an understated design approach would be taken in materials, colors, monument signage, and landscape screening compatible with City Hall to mark the vehicle entrance. Thus, with the implementation of mitigation measure AES-2, any potential impact would be less than significant.

B. AIR QUALITY

1. Construction Phase – Regional and Localized Emissions

Pollutant emissions would be generated during the construction phase of the Project. Although construction emissions would not exceed South Coast Air Quality Management District (SCAQMD) localized or regional significance thresholds, mitigation is imposed to ensure a less than significant impact.

(a) Findings

Changes or alterations have been required in, or incorporated into the Project that avoid or substantially lessen any potential impacts from construction emissions. More specifically, the following mitigation measure is imposed upon the Project to ensure a less than significant impact with regard to PM10 and PM2.5.

AIR-1: The applicant shall implement all applicable fugitive dust control measures specified in SCAQMD Rule 403 during project construction.

(b) Facts in Support of Findings

Regional Impacts

Construction of the proposed project has the potential to create air quality impacts through the use of heavy-duty construction equipment and through vehicle trips generated from construction workers traveling to and from the project site. In addition, fugitive dust emissions would result from site work related to the excavation of approximately 16,500 cubic yards of earthen materials for the performing arts center and 87,167 cubic yards for the garage (for a total of 103,667 cubic yards). Mobile source emissions, primarily NOX, would result from the use of construction equipment such as graders, scrapers, bulldozers, wheeled loaders, cranes, etc. During the structure erection/finishing phase, paving operations and the application of architectural coatings (i.e., paints) and other building materials would release reactive organic compounds. Construction emissions can vary substantially from day to day, depending on the level of activity, the specific type of operation and, for dust, and the prevailing weather conditions. The assessment of construction air quality impacts considers each of these potential sources. The equipment mix and duration for each construction stage is detailed in the URBEMIS 2007 printout sheets that are provided in the Air Quality Appendix in the EIR.

Construction of the performing arts center would extend over a 30-month period, including 18 months required for garage construction alone (Note: Construction timetables for both components would overlap). The total amount of construction, the duration of construction, and the intensity of construction activity could have a substantial effect upon the amount of construction emissions, concentrations, and resulting impacts occurring at any one time. As such, the emission forecasts provided in the EIR reflect a specific set of conservative assumptions based on the expected construction scenario wherein a relatively large amount of construction is occurring in a relatively intensive manner. As shown in Table 3.2-4 of the EIR, short-term emissions during construction would not exceed SCAQMD regional significance thresholds for any of the criteria pollutants; ROC, CO, NOX, PM10, PM2.5, or SOX. As such,

air quality impacts during construction would be less than significant.

Localized Impacts

The SCAQMD has developed a set of mass emissions rate look-up tables that can be used to evaluate localized impacts that may result from construction-period emissions. If the on-site emissions from proposed construction activities are below the Localized Significance Threshold (LST) emission levels found in the LST mass rate look-up tables for the project site's SRA, then project emissions would not have the potential to cause a significant localized air quality impact.

As discussed more fully in the EIR, mass daily emissions during construction were compiled using the URBEMIS 2007 emissions inventory model. However, only on-site construction emissions were considered for purposes of comparison with the LST mass rate look-up tables (i.e., consistent with SCAQMD LST Guidelines, off-site delivery/haul truck activity and employee trips were not considered in the evaluation of localized impacts). A conservative estimate of the Project's construction-period on-site mass emissions is presented in Table 3.2-4 in the EIR. As shown therein, the worst-case maximum emissions for NOX, CO, PM10, and PM2.5 would remain below their respective SCAQMD LST significance threshold. As such, localized impacts are expected to be less than significant.

Regardless of the anticipated less than significant impacts of the construction emissions of the Project, AIR-1 is imposed upon the Project to ensure that PM10 and PM2.5 emissions during construction are suppressed to the extent feasible. With the imposition of mitigation, a less than significant impact from PM10 and PM2.5 is ensured.

C. BIOLOGICAL RESOURCES

1. Impacts to Vegetation During Construction

The proposed Project has the potential to cause vegetation impacts during construction due to the removal of various trees, including one coast live oak, because of construction of the underground parking garage. Although this impact has been determined to be less than significant based on the analysis in the EIR, a mitigation measure is still imposed to ensure the impact remains at a level of insignificance.

(a) Findings

Changes or alterations have been required in, or incorporated into the Project that ensure a less than significant vegetation impact during the construction phase of the Project. Specifically, BR-1 is imposed upon the Project to ensure any impact is less than significant.

BR-1: Prior to the issuance of a construction permit for the proposed project, the City's Arborist shall evaluate the health of the existing coast live oak. Based upon the results of those findings, the City shall recommend the process for transplanting the tree on a new site identified by the City Arborist or its removal and replacement in kind, on a site identified by the City Arborist. The

contractor shall adhere to all recommendations made by the City's Arborist prior to removal or transplanting of the tree. If transplanting is specified by the City's Arborist, the tree shall be transplanted between October 1 and November 30 to reduce transpirational stress and placed in a location specified by the City Arborist. The transplanted tree shall be maintained by the applicant for a period of 2 years. If the transplanted tree fails to survive within 2 years of transplanting, the applicant shall bear the responsibility of replacing the tree in kind.

(b) Facts in Support of Findings

Construction of the proposed Project calls for the removal of essentially all the trees and ground cover currently found on the Post Office property (a few of the taller trees and shrubbery on the northernmost portion of the property may be retained). Landscaping that is slated for removal to accommodate the envisioned renovation and new construction would be replaced with new non-native trees and plants in planter boxes. A new palette of specimen box-size trees, shrubs and groundcover plants are being proposed within the new garden spaces adjoining the performing arts center and as street trees. Construction of the underground parking garage would require the removal of one coast live oak tree (*Quercus agrifolia*), redwood trees, other non-native ornamental trees, the lawn/grass, and associated landscaping currently found within the front lawn of City Hall. The existing coast live oak on the project site is approximately 20 feet tall, and its canopy covers approximately 30 feet. Due to the size of the tree, construction of the proposed project's underground parking structure would require removal of the tree. Consequently, the biological impacts of tree removal would be less than significant. Nonetheless, with the imposition of BR-1 this impact is ensured to be less than significant.

2. Impacts to Wildlife/Birds During Construction

Construction of the proposed Project has the potential to result in the removal or destruction of potential bird nesting or roosting sites. If this were to occur, this would be a violation of Migratory Bird Treaty Act (MBTA) and California Department of Fish and Game (CDFG) code and would be a significant impact. Mitigation is being imposed to ensure a less than significant impact.

(a) Findings

Changes or alterations have been required in, or incorporated into the Project to ensure a less than significant wildlife impact on birds during the construction phase of the Project. Specifically, BR-2 is imposed upon the Project to ensure a less than significant impact.

BR-2: In order to avoid or minimize the potential to remove or destroy occupied nests of native birds, the contractor shall conduct construction activities for the proposed Wallis Annenberg Center for the Performing Arts that

result in grading or in the removal of shrubs or trees during the non-breeding season for birds (approximately September 1 through February 15). Alternatively, if construction cannot be limited to this period, a survey of the construction zones by a qualified ornithologist shall be conducted not more than 2 days prior to construction activities on the site in order to identify any active bird nests that may be present on or adjacent the site. If the ornithologist detects any occupied nests of native birds within the construction zone, they will conspicuously flag off the area(s) supporting bird nests and provide a minimum buffer of 100 feet between the nest and the limits of construction. The Contractor shall instruct the construction crew to avoid any activities in this zone and ensure compliance with those instructions until the bird nest(s) is/are no longer occupied, per a subsequent survey by the qualified ornithologist.

(b) Facts in Support of Findings

The amount of potentially suitable foraging and nesting habitat to be removed and/or degraded by the proposed Project is limited. However, transitory and generalist bird species identified within the biological study area, although not of special regulatory status, are protected under MBTA and CDFG Code Sections 3503.5, 3503.5, and 3513. Any actions resulting in mortality of individuals or abandonment of nesting efforts is prohibited under MBTA and CDFG code. Although nesting birds are not anticipated, tree removal actions are proposed to occur outside of the period between February 1 and August 31 to ensure that the take of any nesting native birds on the site would be avoided, and a less-than-significant impact would result. However, should the proposed project be scheduled to begin construction during the core nesting season (February 1 through August 31), mitigation measure BR-2 will ensure a less than significant impact.

3. Cumulative Impacts

The study area for cumulative impacts to biological resources would depend upon the range and habitat of the species adversely affected by the proposed Project. As discussed more fully in the EIR, Beverly Hills is considered fully developed, and contains very few areas of undisturbed native vegetation, and limited animal diversity dominated by common native and non-native birds and mammal species. The Project site does not contain critical habitat or endangered or rare species and does not possess habitat linkages or other connections to wildlife corridors. Although additional construction-related impacts to nesting birds of concern are potential Project impacts, these impacts would be fully mitigated as part of the Project. Because impacts would be fully mitigated, it is highly unlikely that the proposed Project, in combination with other related projects, would result in cumulatively significant impacts to biological resources. Thus, there would be a less-than-significant cumulative impact.

D. HISTORICAL RESOURCES

1. Impacts to Historical Resources

The Beverly Hills Post Office located at the Project site is a historic resource that is listed on the National Register of Historic Places. It is not anticipated that the development of the Project and the adaptive reuse of the Post Office would cause any significant impacts, and any potential for significant impacts will be lessened with the incorporation of mitigation measures.

(a) Findings

Changes or alterations have been required in, or incorporated into the Project to ensure a less than significant historical resources impact. Specifically, mitigation measures HR-1 through HR-7 are imposed upon the Project to ensure a less than significant impact.

HR-1: Immediately upon approval of the EIR for the proposed project by the City, a qualified preservation architect approved by the City shall be engaged by the project proponent to ensure that the project advances through design development, construction documents production, construction, and murals protection/conservation processes in conformance with the Standards. The preservation architect shall review and concur with all plans for shoring of the buildings on the Post Office and City Hall properties, hazardous materials remediation, design and placement of the underground parking garage and its appurtenances, and seismic and structural modifications required to accommodate the proposed project, and shall oversee the Historic American Building Survey (HABS) photographic recordation process. The preservation architect and/or his/her designee shall report to the City's Community Development Director at the time of City review of detailed project design drawings, prior to issuance of any building, shoring, excavation, or hazardous materials remediation permit to be issued by the City, and on at least a monthly basis thereafter up until 60 days of the date the completed project is placed in service.

HR-2: As a requirement for the renovation of the Post Office building, the Center shall insure that a Historic Materials Protection/Preservation Treatment Plan shall be formulated under the direction of the project's preservation architect to address the disposition, handling, safe interim storage, and conservation-appropriate reinstallation of character defining historic fabric (viz., marble, moldings, flooring, window sash, iron window grilles, roof tile, etc.) that could be damaged or misplaced during the construction process. The Materials Protection/Preservation Treatment Plan shall be incorporated as part of the final construction plans/specifications. The preservation architect shall ensure that all project work is implemented according to the above-referenced Plan and in conformance with the Standards.

HR-3: Prior to commencement of the construction process and removal or demolition of features on the project grounds, both the Center and City shall ensure that a HABS outline format narrative description of both the Post Office and City Hall properties is prepared under the direction of the preservation architect, including contemporary and historic photographs, and that references

previous historic structure/evaluation reports. The report shall consist of not less than 50 contemporary large format black and white negatives (two of each image), 8x10-inch archivally processed black and white prints, as well as proof sheets focused on documenting the areas of potential impact and change. The preservation architect shall retain a file copy of the report and photographs to ensure project compliance with the Standards throughout the development process. In addition, the original document shall be transmitted to HABS at the National Park Service, and copies submitted to the Beverly Hills Library and to the Community Development Department for inclusion in its project file.

HR-4: A Phase II Environmental Assessment of the Post Office will be conducted prior to development of final construction drawings at the request of the Center. If the recommendations in the Environmental Assessment call for the abatement of character-defining plaster, lead paint finishes, or asbestos-containing materials, the preservation architect shall assist in the development of a remediation plan that conforms to the Standards, and shall ensure that the remediation process is implemented in accordance with the Standards. The remediation plan shall be incorporated into the final construction plans/specifications.

HR-5: Prior to commencing any excavation activities for the underground parking garage and adjacent 500-seat theater building, a Shoring Plan shall be formulated by the City and Center that acknowledges the presence of the foundations and footings of the Post Office and City Hall—both of which are significant historical resources for the purposes of CEQA. The Shoring Plan shall describe the system of foundations and caissons that support the Post Office and City Hall, as well as anticipate the range in the type of structural damage might occur as a result of extensive excavation activities that are proposed. The Shoring Plan shall specify how such problems (e.g., differential settlement) can be avoided and the specific measures that shall be taken to prevent damage to the structural systems of the building. All such measures shall be incorporated into the final construction plans/specifications, and both the preservation architect and construction contractor possessing appropriate historic preservation construction experience shall ensure that the measures are fully implemented.

HR-6: Under the direction of the project's preservation architect, and/or his/her designee, the Center shall ensure that a professionally accredited art conservator completes an evaluation of the Kassler murals to assess their current condition and to formulate a Mural Protection Plan that specifies what measures shall be taken to prevent potential impacts to the murals during the construction process. In addition, a Mural Conservation Plan shall be formulated to ensure appropriate long-term maintenance and care of the murals after completion of the construction process. The City's Community Development Director shall approve any such plan prior to the commencement of any work.

HR-7: The preservation architect shall review and concur in design plans for the underground parking garage, including the design of access portals, garage appurtenances, as well as the replacement landscape features, in order to ensure conformance with the Standards.

(b) Facts in Support of Findings

It is anticipated that the proposed Project will be in compliance with the Standards and that actions being considered as part of the Project will neither result in a significant adverse effect nor materially alter the historical resources. However, only schematic architectural plans have been developed at this juncture for the performing arts center and public parking garage. Because design plans are still at a schematic stage, an historic preservation treatment plan has not been formulated to provide detailed performance criteria for how the construction activities under consideration may affect significant historic fabric. With an historic preservation treatment plan, and with incorporation of the treatment plan into the construction specifications under the supervision of a qualified preservation architect, there is no potential for inadvertent damage to historic fabric to occur, such as during the excavation for the underground parking garage; seismic strengthening of the Post Office through better tie-end of roof, walls, and foundations, and other actions intended to enhance the structural integrity of the building (such as weatherproofing the roof, repointing exterior walls); cleaning of building surfaces; and installation of non-corroding replacement anchors and shelf anchors.

A related issue is what measures should be taken both during construction and on a longer-term basis to protect the eight Kassler murals that occupy the upper wall spaces in the building lobby. Additional issues include the interface of new proposed elements with existing historic features—and within the historic setting—and the potential replication and reintegration of character-defining features that were lost during prior renovation activities. Although CEQA stipulates that documentation alone does not reduce potentially significant impacts to historical resources to a less than significant level, Historic American Building Survey (HABS) photographic documentation is proposed as a mitigation measure to ensure that all character defining historic fabric in both primary and secondary spaces is documented prior to commencement of the construction and renovation process. With the imposition of HR-1 through HR-7, there will be a less than significant impact on historical resources.

2. Cumulative Impacts

The proposed Project calls for the adaptive reuse of the Beverly Hills Post Office, a National Register-listed historic resource, and the Project also could potentially affect the Beverly Hills City Hall—a building determined eligible for the National Register. Neither demolition nor removal of significant character-defining features is proposed as part of the Project, and all Project actions potentially affecting both the Post Office and City Hall would be implemented in conformance with the Secretary of the Interior's Standards (Standards). For the purposes of CEQA, when a project is implemented in conformance with the Standards, impacts to historic resources are generally considered less than significant (State CEQA Guidelines §15064.5[3]). In addition, the design of the Project's proposed new development

will be sympathetic to the existing historic buildings in terms of architectural treatment, scale, color, and massing, and the implementation of mitigation measure HR-5 is expected to ensure that no significant adverse impacts occur to the City Hall foundations/footings beneath the front lawn during the parking garage construction process. Because the historic setting would be returned to essentially its current appearance after completion of the proposed Project, and after the implementation of all the mitigation measures described above, the Project is not expected to result in either direct cumulatively significant impacts to historic resources or cumulatively significant indirect impacts to the historic setting in which those resources are located.

E. ARCHEOLOGICAL AND PALEONTOLOGICAL RESOURCES

1. Archeological Impacts During Construction

The construction of the proposed Project has the potential to lead to the encounter of historical archeological resources, although the possibility is low as fully detailed in the EIR.

(a) Findings

Changes or alterations have been required in, or incorporated into the Project to ensure a less than significant archeological impact. Specifically, mitigation measures AR-1 through AR-3 are imposed upon the Project to ensure a less than significant impact.

AR-1: If archaeological materials are encountered within the proposed project site during any phase of construction, work must stop within 50 feet of the find, and the find area must be avoided and protected. Discoveries shall be examined by a professional archaeologist, as defined by the Secretary of the Interior's Standards, and evaluated for their potential significance according to California Register criteria. The archaeological resource shall be treated as appropriate, which could include testing, evaluation, and possibly data recovery or other mitigation measures following standard archaeological procedures.

AR-2: If human remains are exposed during construction, State Health and Safety Code Section 7050.5 states that no further disturbance shall occur until the county coroner has made the necessary findings as to origin and disposition pursuant to PRC Section 5097.98. Construction must halt in the area of the discovery of human remains, the area must be protected, and consultation and treatment shall occur as prescribed by law.

AR-3: Should archaeological resources be identified during construction, the City shall retain a qualified archaeologist to conduct post-field artifact processing, including washing, analyzing, and packing artifacts for curation. A qualified archaeologist, retained by the City, shall write a report of the archaeological finds in accordance with the guidelines put forth by the California Department of Parks and Recreation. In addition, the City shall finance the permanent curation of artifacts and documents in a repository

consistent with the National Park Service guidelines for the curation of archaeological collections.

(b) Facts in Support of Findings

Construction in and around the Wallis Annenberg Center for the Performing Arts would involve ground disturbance, including removal of pavement and landscaping, demolition of portions of the existing structure, and construction of a new addition with an underground parking structure. However, previous construction in this area, including the Pacific Electric railway lines and station, followed by construction of the Post Office with its single-story basement, has probably already disturbed or removed the majority of the native sediments, reducing the potential for intact prehistoric deposits in this area. Additionally, archival research and the archaeological field reconnaissance work at the proposed Project site failed to identify the presence of prehistoric or historical archeological resources. Based on background research and a site sensitivity analysis, the potential for encountering historical archaeological resources is therefore low, and the potential for encountering prehistoric archaeological remains is also low. Nonetheless, if significant resources are encountered during construction, construction activities could disturb or destroy these resources, a potentially significant impact under CEQA. However, with the imposition of mitigation measures AR-1 through AR-3, any potential archeological impact will be reduced to a level of insignificance.

2. Paleontological Resource Impacts During Construction

The construction of the proposed Project, and the excavation of the Project site in particular, have the potential to disturb or destroy paleontological resources on the Project site. With the imposition of mitigation, any potential impact will be reduced to a level of insignificance.

(a) Findings

Changes or alterations have been required in, or incorporated into the Project to ensure a less than significant paleontological impact. Specifically, mitigation measures PR-1 through PR-4 are imposed upon the Project to ensure a less than significant impact.

PR-1: In the event that excavation below 6 feet in depth from the present ground surface reveals any paleontologic resources, then the excavation shall be monitored by a qualified paleontologist retained by the City. The monitor shall be equipped to salvage fossils and samples of sediments during initial ground disturbance to avoid construction delays. Monitors shall be empowered to temporarily halt or divert equipment to allow removal of abundant or large specimens. Monitoring may be reduced if the potentially fossiliferous units, previously described, are not found to be present or, if present, are determined

by qualified paleontologic personnel to have a low potential to contain fossil resources.

PR-2: Recovered specimens shall be prepared by a qualified paleontologist retained by the City. The paleontologist shall be present during initial ground disturbance. A qualified paleontologist shall be retained until all paleontologic finds are identified, washed, analyzed, and stored for permanent preservation.

PR-3: Specimens shall be curated by a qualified paleontologist, retained by the City, into a professional, accredited museum repository with permanent retrievable storage.

PR-4: A report of findings, with an appended itemized inventory of specimens, shall be prepared by a qualified paleontologist retained by the City. The report and inventory, when submitted to the City, will signify completion of the program to mitigate impacts to paleontologic resources.

(b) Facts in Support of Findings

Although no fossil localities are known at the proposed project site, sediments of older Quaternary alluvium that contain significant fossil deposits at varying depths have been identified in the surrounding area. These fossils have been found at depths of 30 to 40 feet near the proposed Project site, with the closest recovered specimen near the intersection of Wilshire Boulevard and Bedford Drive. Deeper excavations may extend into terrestrial Quaternary sediment known to be productive for vertebrate fossils. Excavation for the proposed Project could extend to a depth of approximately 45 feet to accommodate the subterranean parking structure. Significant paleontological resources could be encountered during this excavation, and construction activities could disturb or destroy these resources, a potentially significant impact under CEQA. However, with imposition of mitigation measures PR-1 through PR-4, any potential impact will be reduced to a level of insignificance.

3. Cumulative Impacts

Archaeological Resources

The geographic scope of the area affected by potential cumulative archaeological impacts is defined by the cultural setting and ethnographic territory of the prehistoric and historic peoples who occupied southern California. As discussed above, the Los Angeles region was part of the territory of the Gabrielino people. Related projects in the project area and other development in the county could result in the progressive loss of as yet unrecorded archaeological resources. This loss, without proper mitigation, would be an adverse cumulative impact. Construction activities associated with related projects could contribute to the progressive loss of archaeological resources and result in significant cumulative impacts under CEQA. The proposed Project could also disturb or destroy archaeological resources that may exist at the proposed project site, a significant impact, though the potential for encountering archaeological resources on the site is low. Thus, the

combined effects of the proposed and related projects could result in significant cumulative impacts to archaeological resources. The proposed Project includes mitigation that would reduce potential impacts to a less-than-significant level. Similar measures may also be implemented for other related projects that have the potential to affect archaeological resources. Consequently, the incremental effects of the proposed project and related projects, after mitigation, would not contribute to an adverse or cumulatively considerable impact to archaeological resources under CEQA.

Paleontological Resources

Previous review of the proposed Project by the Los Angeles County Natural History Museum indicates that the proposed Project is located on surface sediments mapped as younger Quaternary alluvium, which is underlain by older Quaternary sediments. These older Quaternary sediments have a high paleontologic sensitivity throughout their extent, while the overlying younger Quaternary alluvium has a low paleontologic sensitivity. Accordingly, the geographic scope of the area affected by potential cumulative paleontological impacts would consist of other areas in the region that are geologically similar to the project area and contain similar fossil resources. Construction activities associated with some related projects could contribute to the progressive loss of paleontological resources and result in significant cumulative impacts under CEQA. The proposed Project could also disturb or destroy paleontological resources that may exist in the proposed Project site, a significant impact. Thus, the combined effects of the proposed and related projects could result in significant cumulative impacts to paleontological resources. However, mitigation measures have been prescribed that would reduce potential project-related impacts to below a level of significance. These measures include monitoring, recovery, treatment, and deposition of fossil remains in a recognized repository. Similar measures may also be implemented for other related projects that have the potential to affect paleontological resources. Consequently, the incremental effects of the proposed project, after mitigation, would not contribute to a cumulatively considerable impact to paleontological resources under CEQA.

F. GEOLOGY/SOILS/SEISMICITY

1. Construction Impacts – Impacts Related to Accelerated Erosion, Slope Stability, and Excavations

Review of geologic, seismic, and geotechnical evaluations performed, and as more fully discussed in the EIR, indicates that the proposed Project would not have a significant impact on the geologic environment. However, construction of the proposed Project has the potential to cause impacts related to accelerated erosion, slope stability, and excavations.

(a) Findings

Changes or alterations have been required in, or incorporated into the Project to ensure a less than significant construction related impact to geology and soils. Specifically,

mitigation measures GS-1 through GS-4 are imposed upon the Project to ensure a less than significant impact with regard to accelerated erosion, slope stability, and excavations.

GS-1: All earthwork and grading performed by the grading contractor, landscape contractor, utility contractors, and/or other trade contractors shall meet the requirements of the State of California building and structural codes and be performed in accordance with the recommendations provided in the geotechnical investigation for the project.

GS-2: All excavation and shoring systems shall meet the minimum requirements of OSHA and shall be developed with the input of the project's preservation architect.

GS-3: Excavation. To reduce the potential for damage to improvements and structures resulting from excavation operations for the proposed project, the ground surface and/or structures around the excavation shall be monitored for movement with a variety of instrumentation. If, during the course of construction, instrumentation detects ground movement that exceeds a predetermined value, the work shall stop, the contractor's methods reviewed by the project architect and engineering specialist with input from the City's Community Development Department. The new corrective measures identified in that consultation shall be fully and immediately implemented by the construction contractor. Typical monitoring methods could include installation of ground survey points around the outside of the excavation to monitor settlement and/or placing monitoring points on nearby structures to monitor performance of the structures. Additionally, inclinometers can be installed along the sides of the excavation to monitor lateral deflection of the sidewalks during excavation.

GS-4: Accelerated Erosion. The implementation of industry-standard stormwater pollution-control best management practices (BMPs) would reduce soil erosion impacts to a less-than-significant level. Erosion control measures that would be implemented as part of BMPs would include placement of sandbags around basins; use of proper grading techniques; appropriate sloping, shoring, and bracing of the construction site; and covering or stabilizing topsoil stockpiles. Construction industry-standard stormwater BMPs can be found in the State of California's Stormwater Best Management Practices Handbook, Construction Activity.

(b) Facts in Support of Findings

Accelerated Erosion

As a result of grading and excavation activities during construction, soils on the Project site would be exposed to wind and water erosion. The implementation of industry-standard stormwater pollution-control best management practices (BMPs) would reduce soil erosion

impacts to a less-than-significant level. With the incorporation of mitigation measure GS-4; any accelerated erosion impact will be reduced to a level of insignificance.

Unstable Slopes

The Project site is previously graded and relatively flat to gently sloping; therefore, development of the Project is not expected to result in or cause unstable slopes. Any temporary slopes created by construction would be stabilized by appropriate temporary measures in compliance with current building codes and Occupational Safety and Health Administration (OSHA) standards, thereby reducing the potential impact to a level that would be less than significant. Thus, with the incorporation of mitigation measures GS-1 and GS-2, any potential slope stability impact will be reduced to a level of insignificance.

Excavations

Excavations for construction of the proposed underground parking structure and new building could potentially affect the existing Post Office structure. In addition, there is some potential for parking structure excavation actions to inadvertently affect the City Hall structure. The City Hall is approximately 11 feet from the proposed underground garage. Excavations made adjacent to existing structures and/or utilities may result in settlement and distress of the structures, in particular, from excavations that undermine the adjacent structure footings and/or utilities. Construction-related vibrations may also affect adjacent structures if the vibrations exceed threshold levels developed during the design of the Project. These impacts are considered potentially significant to the Project; however, the incorporation of mitigation measure GS-3 will reduce the potential to less than significant.

2. Operational Impacts Related to Ground Shaking, Compressible Soils, Corrosive Soils, and Expansive Soils

Operation of the proposed Project has the potential to cause impacts and harm to people and/or structures in relation to ground shaking, compressible soils, corrosive soils, and expansive soils. However, with the imposition of mitigation measures, any potential impact will be reduced to a level of insignificance.

(a) Findings

Changes or alterations have been required in, or incorporated into the Project to ensure a less than significant operational related impact to geology and soils. Specifically,

mitigation measures GS-5 through GS-9 are imposed upon the Project to ensure a less than significant impact with regard to ground shaking, compressible soils, corrosive soils, and expansive soils.

GS 5: A geotechnical investigation shall be performed by qualified licensed professionals before final design of any structures, and recommendations provided in the report shall be implemented in the project plans and specifications by the design team (i.e., architect, structural engineer, civil engineer, landscape engineer, etc.). The appropriate recommendations should be based on the 2007 California Building Code, City of Beverly Hills Building Code, and other applicable jurisdictional building codes. The recommendations, plans and specifications should be implemented during construction by the various trade contractors.

GS-6: Ground Shaking. During the design phase of the project, the project proponent shall see that a site-specific geotechnical evaluation is performed. Design and construction of structures for the proposed project shall conform to all applicable provisions and guidelines set forth in the new 2007 California Building Code (CBC). The CBC is based on the 1997 Uniform Building Code (UBC) and sets forth regulations concerning proper earthquake design and engineering. In addition, design and construction shall conform to the 2007 CBC earthquake design criteria for Seismic Zone 4.

GS-7: Compressible/Collapsible Soils. During the design phase of the project, the project proponent shall see that a site-specific geotechnical evaluation is performed to evaluate the presence of compressible/collapsible soils at the site. The settlement potential of the materials will be evaluated in areas where structures are proposed. If the settlement potential exceeds acceptable tolerances for the structure, then remedial measures will be incorporated into the design and construction by the project architect and construction contractor. If the settlement potential exceeds acceptable tolerances for the structure, then remedial measures will be incorporated into the design and construction by the project architect and construction contractor. Examples of possible mitigation measures include surcharging, over excavation and recompaction, compaction grouting, a settlement period after or during construction, and specialized foundation design.

GS-8: Corrosive Soil Conditions. Per the California Building Code, construction of foundations using sulfate-resistant concrete is considered appropriate to mitigate sulfate attack. To mitigate corrosion to ferrous metal, consideration should be given to using non-ferrous materials (i.e., using coated, PVC or other non metallic pipes) used to construct the project, installation of corrosion protection systems (i.e., cathodic protection), and/or replacement of corrosive subgrade soil with noncorrosive import soil. During the design phase of the project, the project proponent shall see that that a site-specific

geotechnical evaluation is performed to characterize the presence and extent of corrosive soil. Appropriate mitigation shall be designed using the collected data.

GS-9: Expansive Soil Conditions. Mitigation of expansive soils may include the replacement of expansive subgrade soils with non-expansion potential import soil in the upper 2 to 3 feet beneath structures and hardscape areas, pre-saturation of subgrade soils, the placement of moisture barriers above and around expansive subgrade soils to help prevent variations in soil moisture content, and the use of lime to reduce the expansion potential of the on-site soil.

(b) Facts in Support of Findings

Seismic Ground Shaking

The seismic hazard likely to affect the Project is ground shaking during an earthquake on one of the nearby or distant active faults. The level of ground shaking at a given location depends on many factors, including the size and type of earthquake, distance from the epicenter, and the soil and bedrock conditions. The size and type of construction also affects how a particular structure performs during ground shaking. Instrumental recordings, primarily of ground acceleration, measure ground shaking in a horizontal and vertical direction. These recordings form the basis for structural design of structures per the Uniform Building Code (UBC). A probabilistic seismic hazard assessment that includes statewide estimates of peak ground acceleration (PGA) has been conducted for California and was utilized for this report. In addition, for the purposes of evaluating seismically induced geotechnical hazards at the site, a site-specific probabilistic seismic hazard analysis was performed to evaluate anticipated PGA using the computer program FRISKSP. A probabilistic analysis incorporates uncertainties in time, recurrence intervals, size, and location (along faults) of hypothetical earthquakes. This method thus accounts for likelihood (rather than certainty) of occurrence and provides levels of ground acceleration that might be more reasonably hypothesized for a finite exposure period. FRISKSP calculates the probability of occurrence of various ground accelerations at a site over a period of time and the probability of exceeding expected ground accelerations within the lifetime of the proposed structure from the significant earthquakes within a specific radius search. For the present case, a search radius of 62 miles (100 kilometers) was selected. The earthquake magnitudes used in this program are based on the current California Geological Survey fault model. The published guidelines of California Geological Survey (2006) define a PGA with a 10 percent probability of exceedance in 50 years as the Design Basis Earthquake (PGADBE) ground motion, and this value is typically used for residential and commercial structures. The PGA with a 10 percent probability of exceedance in 100 years is defined as the Upper Bound Earthquake (PGAUBE) ground motion and is used for public schools, hospitals, and other essential facilities in California. The statistical return periods for the PGADBE and PGAUBE are approximately 475 and 949 years, respectively. For the subject project, PGADBE has been considered and evaluated. Potential ground shaking would be a significant but mitigable hazard with the imposition of GS-6.

Compressible/Collapsible Soils

The alluvial deposits underlying the site are generally described as unconsolidated, reflecting a depositional history without substantial loading. Soil collapse is the phenomenon where the soils underlying a site settle or compress, resulting in a lower ground surface elevation. In addition, the alluvial deposits may also include potentially collapsible layers above the groundwater table. Collapsible soils are distinguished by their potential to undergo a decrease in volume upon increase in moisture content, even without an increase in external loads. The on-site soils pose the risk of adverse settlement under static loads imposed by new fill or structures that could potentially result in distress to the structures. Although distress to structures could be significant, the risk imposed to people is generally considered less than significant. The potential impacts to buildings can be decreased to less than significant with the incorporation of appropriate mitigation measures (mitigation measure GS-7).

Corrosive Soils

Potentially corrosive soils are present in Los Angeles County and may be present at the site. Corrosive soil conditions may exacerbate the corrosion hazard to ferrous metals in pipelines, foundations, and other buried improvements. In addition, sulfates in the on-site soils may be considered detrimental to concrete through both physical and chemical attack. Deposits underlying the Project site are mapped as containing clay deposits, which have a high probability of being corrosive to ferrous metals and containing sulfates; therefore, the proposed structures may be significantly affected by corrosive soils. Testing of soil corrosivity, including sulfate content, should be performed during the design phase of the Project in order to provide appropriate mitigation. Although distress to structures could be significant over time, the risk imposed to people is generally considered less than significant. The potential impacts to buildings can be decreased to less than significant with the incorporation of appropriate mitigation measures GS-8.

Expansive Soils

Expansive soils generally result from specific clay minerals that have the capacity to shrink or swell in response to changes in moisture content. The ability of clayey soil to change volume can result in uplift or cracking to foundation elements or other rigid structures such as sidewalks or slabs founded on these soils. Expansive clay minerals in geologic units at the Project site could be expansive, and previously imported fill soils could be expansive as well. Deposits underlying the project site are mapped as containing clay deposits (CDMG 1998);

therefore, the proposed project may be adversely affected by expansive soils. Although distress to structures could be significant, including cracked walls, floors, foundations and other structural members, the risk imposed to people is generally considered less than significant due to the relatively slow manifestation of expansion related distress. The potential impacts to buildings can be decreased to less than significant with the incorporation of appropriate mitigation measure GS-9.

3. Cumulative Impacts

The appropriate study area for potential cumulative geologic impacts would be the Central Block of the Transverse Ranges. Potential cumulative geologic impacts are limited to disturbance of unique geological features and exposure of people or persons to seismic hazards. There are no unique geological features that would be affected by related projects or the proposed project. Seismic hazards are mitigated, on an individual project basis, through sound engineering and adherence to geotechnical construction/operation standards. Consequently, the proposed Project would not contribute to adverse cumulative impacts on unique geologic features, and it would not contribute to a cumulative increase in the risks posed by seismic hazards.

G. HAZARDOUS MATERIALS

1. Construction Impacts

Currently, the Project site is largely paved, and only 15 percent or less of the site is landscaped with lawns, trees, shrubs, or groundcover. It is possible that historical activities associated with the previous occupants have affected soil and/or groundwater at the site and any potential hazardous materials could be exposed during construction excavation. Further, construction equipment used during the construction phase of the Project has the potential to release hazardous materials including, oils, greases, solvents, and other finishing materials through accidental spills. However, with the imposition of mitigation measures, any potential impact will be mitigated to a level of insignificance.

(a) Findings

Changes or alterations have been required in, or incorporated into the Project to ensure a less than significant hazardous impact caused by the construction of the Project. Specifically, mitigation measures HM-1 through HM-6 are imposed upon the Project to ensure a less than significant impact with regard to construction related potential exposure to hazardous materials.

HM-1: A soil and/or groundwater management plan (SGMP) shall be developed for any future development involving soil excavation, grading, or other subsurface disturbance proposed by the project proponent. The plan shall address the monitoring of excavated soil, community and worker health and safety, and soil handling, stockpiling, characterization, onsite reuse, export, and disposal protocols. The objective of the SGMP is to assist the contractor in the excavation, notification monitoring, segregation, characterization, handling, and reuse and/or disposal (as appropriate) of waste that may be encountered during

the earthwork or dewatering activities. The SGMP should be prepared by a professional environmental consultant and in accordance with local regulatory an/or Regional Water Quality Control Board (RWQCB) guidelines, and the standard of care within the industry. All SGMP recommendations shall be incorporated into the project construction plans. The project contractor and preservation architect, and/or his/her designee, shall ensure full compliance with the SGMP during the construction of the project.

HM-2: Sampling to characterize the soil on the subject property for the presence of heavy metals, petroleum hydrocarbons, polycyclic aromatic hydrocarbons (PAHs), herbicides, or other constituents prior to soil export, reuse, or disposal shall be conducted. Sampling of the areas proposed for disturbance/excavation shall be conducted by an OSHA-qualified professional retained by the project proponent. One of the areas onsite that should receive particular scrutiny during the sampling/characterization process is along the Cañon Drive portion of the property in the vicinity of the abandoned UST and fuel line left in place there. If the abandoned UST and/or fuel line requires removal for construction activities, the UST and/or fuel line shall be removed in accordance with applicable OSHA requirements. During excavation for the proposed project, the contractor shall observe the exposed soil for visual evidence of contamination, such as discolored soil. If visual indicators are observed, all grading and excavation work shall cease, and a Phase II investigation shall be designed and performed to verify the presence and extent of contamination on the site. All construction dewatering activities shall be carried out in conformance with RWQCB requirements.

HM-3: A discharge permit will likely be required for dewatering, and water may need to be characterized and treated prior to discharge, with the coordination of RWQCB and local wastewater discharge agency. the project architect, and/or his/her designee, and construction contractor, who shall have site-specific health and safety program (HASP) training prior to commencing ground disturbing work on the project, shall contact the RWQCB and local wastewater discharge agency for guidance on the discharge of dewatering effluent requirements.

HM-4: Under the direction of the project's preservation architect and/or his/her designee, surveys shall be conducted prior to building renovation or demolition to evaluate the presence, locations, and quantities of hazardous building materials. Should ACMs, LCSs, or other hazardous building materials be encountered in the project building, the project proponent shall retain a licensed abatement contractor to remove (subject to the direction of the project's preservation architect, and/or his/her designee, and construction contractor) those materials in accordance with AQMD and California OSHA regulations before renovation or demolition activities commence.

HM-5: In the event that the portion of the site traversed by North Crescent Drive is underlain by utility lines, it is possible that the utility lines have

asbestos containing materials (ACMs). Prior to disturbance of these lines, the project proponent shall ensure that surveys are conducted to evaluate the presence, locations, and quantities of ACMs. Should ACMs or other hazardous building materials be encountered, a licensed abatement contractor, under the supervision of the project architect, and/or his/her designee, and construction contractor, shall be retained to remove them before disturbance occurs.

HM-6: A site-specific health and safety program (HASP) shall be prepared in accordance with the requirements of the Occupational Safety and Health Administration (OSHA) standards and regulations, and with California OSHA requirements for hazardous waste operations and emergency response regulations. The HASP shall include a community health and safety component that stipulates appropriate training for any person performing subsurface work. The program should be reviewed and signed by a Certified Industrial Hygienist, and the program's recommendations shall be incorporated into the project's construction plans and implemented by the project proponent.

(b) Facts in Support of Findings

Potential for Contaminated Soils and/or Groundwater

The Project area historically consisted of a portion of a lumber storage yard, train depot, garage, lumber mill structures, and a railroad right-of-way. Based on the historical occupancy of the property, it is possible that historical activities associated with the previous occupants have affected soil and/or groundwater at the site. The potential hazards would include creosote-treated railroad ties or lumber on the property, herbicide contamination, petroleum products, and lead and heavy metals. It is unlikely that contamination from old lumberyard, train depot, garage, railroad right-of-way, and other historical uses was addressed through excavation, soil export/import at the time the Post Office was constructed during the early 1930s. If lead paint or asbestos containing material is discovered, lead paint will be encapsulated and all asbestos will be fully remediated as required mitigation of the Project. One Underground Storage Tank (UST) was reported abandoned in place on the property and is expected to be found during excavation. This UST, located in the grass area in the southern portion of the Post Office property, will be removed and associated soils will be tested per applicable regulatory guidelines. Other UST and subsurface features may also be present and would be mitigated per applicable Regional Water Quality Control Board (RWQCB) and Department of Toxic Substances Control (DTSC) regulatory requirements, as appropriate to actual site conditions documented in the Phase II environmental evaluation of the property, and implemented by a certified abatement specialist under the supervision of the Project's preservation architect.

Responding to the issues raised at the public hearing for the DEIR and RDEIR, the Center commissioned a preliminary Phase II environmental site assessment of the soil and groundwater to test for a wide array of potential contaminants. During December 2008, eleven direct-push soil samples were taken to varying depths around the southern and southeastern

portion of the project site, including a boring to a depth of 62 feet bgs adjoining the southern boundary of the proposed 500-seat theater. Groundwater was encountered at that location at 59 feet bgs. Lab analysis of the soil and water samples was conducted by a certified hazardous materials testing laboratory (Advanced Technology Laboratories, Signal Hill, California). That analysis found no detectible levels of either volatile organic compounds (VOCs) or semi-VOCs in the soil or the water samples. Total petroleum hydrocarbons (TPHs) levels were found to be low, and the concentration was considered below soil screening levels. Title 22 metals (e.g., arsenic, lead, mercury, etc.) were either not detected, or detected at relatively low concentrations with little variation between individual concentrations. Those levels were consistent with the reported background levels for native soils in Southern California of 5 to 20 mg/kg (Ninyo & Moore, January 2009). PAH (polycyclic aromatic hydrocarbons) levels were found at levels that were less than Region 9 preliminary remediation goals for industrial/commercial properties. Based upon these results from the recent soil and groundwater sampling, the hazardous materials science sub-consultant does not recommend additional phase II investigation be conducted at this time, as onsite soil and groundwater do not appear to have been impacted by previous historic usage or leaking contamination from the Unocal gas station property. (Refer to the January 2009 Phase II environmental site assessment report prepared by Ninyo & Moore. The report is provided under separate cover as an Appendix to the Final EIR). The information contained in the Phase II merely amplifies, clarifies and provides further support for the analysis and disclosure of hazardous material issues, and thus inclusion of this additional information neither requires, nor warrants, recirculation.

Although unlikely, based on the Phase II information discussed above, MTBE and hydrocarbons might be found in the soil and/groundwater from the Unocal station contamination to the south. If such materials are found, they will be addressed through the appropriate soil sampling and groundwater monitoring activities. The ongoing groundwater monitoring of the spill from the Unocal station shall continue through the quarterly sampling of monitoring wells until the site has been fully remediated and the site receives regulatory closure. Even if regulatory closure is granted, groundwater would still need to be managed during construction in accordance with applicable regulations, including those required by the State Water Resource Control Board and those stated in the Health and Safety Code, the Water Code, and the California Code of Regulations. The proposed construction of the Project would be required to comply with applicable RWQCB requirements to ensure that health impacts resulting from the removal of contaminated soil and groundwater due to off-site migration are kept to a minimum. In addition, the potential impacts related to contaminated soil and groundwater can be decreased to less than significant with the incorporation of mitigation measures HM-1 through HM-6.

Construction Equipment

Construction equipment that would be used to build the proposed Project has the potential to release oils, greases, solvents, and other finishing materials through accidental spills. Spills or

upset of these materials would have the potential to affect surrounding land uses, but federal, state, and local controls have been enacted to reduce the effects of potential hazardous materials spills. Further, with the imposition of mitigation measure HM-2 any potential impact from the release of hazardous material associated with construction equipment will be reduced to a level of insignificance.

2. Cumulative Impacts

Any cleanup and disposal of contaminated soil and/or groundwater resulting from construction of the proposed Project or other projects is a beneficial impact. Cleanup of contaminated sites becomes an adverse impact when the combined volume of contaminated soil requiring treatment from the proposed Project and other projects exceeds the capacity of available treatment facilities. Although the evidence suggests that significant onsite soil contamination could be encountered during the construction of the proposed Project, the quantity of hazardous materials to be removed during the remediation process is not expected, in combination with other local remediation projects, to exceed the capacity of available treatment facilities. With implementation of the mitigation measures articulated above, the hazards and hazardous materials impacts associated with the proposed Project would not be cumulatively considerable.

H. NOISE

1. Construction Noise

Project construction would increase noise levels temporarily at noise-sensitive locations near the Project site. This has the potential to be a significant impact.

(a) Findings

Changes or alterations have been required in, or incorporated into the Project to ensure a less than significant construction noise impact. Specifically, mitigation measure N-1 will ensure a less than significant impact.

N-1: Construction operations shall not occur between 6:00 p.m. and 8:00 a.m. Monday through Friday, or at any time on Saturday, Sunday or on federal holidays. The hours of construction, including noisy maintenance activities and all spoils and material transport, shall be restricted to the periods and days permitted by the local noise or other applicable ordinance unless an after-hours permit has been obtained. In issuing an after-hours permit, the building official shall consider the noise impacts of the activities for which the permit is issued.

In addition, the following measures are recommended to further minimize construction noise and reduce the potential for annoyance to noise-sensitive land uses.

- All noise-producing construction equipment and vehicles using internal combustion engines may be equipped with mufflers, air-inlet silencers where appropriate, and any other shrouds, shields, or other noise-reducing features in good operating condition that meet or exceed original factory specification. Mobile or fixed “package” equipment (e.g., arc-welders, air compressors) may be equipped with shrouds and noise control features that are readily available for that type of equipment.
- Electrically powered equipment shall be used instead of pneumatic or internal combustion powered equipment, where feasible.
- Material stockpiles and mobile equipment staging, parking, and maintenance areas shall be located as far as practicable from noise-sensitive receptors.
- Construction site and access road speed limits shall be established and enforced during the construction period.
- The use of noise-producing signals, including horns, whistles, alarms, and bells, shall be for safety warning purposes only.
- No project-related public address or music system shall be audible at any adjacent receptor.
- The onsite construction supervisor shall have the responsibility and authority to receive and resolve noise complaints. A clear appeal process to the owner shall be established prior to construction commencement that will allow for resolution of noise problems that cannot be immediately solved by the site supervisor.

(b) Facts in Support of Findings

Project construction would increase noise levels temporarily at noise-sensitive locations near the Project site. The magnitude of the increases would depend on the type of construction activity, the noise level generated by various pieces of construction equipment, site geometry (i.e., shielding from intervening terrain or other structures), and the distance between the noise source and receiver. Noise from construction activity is generated by the broad array of powered, noise-producing mechanical equipment used in the construction process. This equipment ranges from hand-held pneumatic tools to bulldozers, dump trucks, and front loaders. The exact complement of noise producing equipment that would be in use during any particular period has not yet been determined. However, the noise levels from construction activity during various phases of a typical construction project have been evaluated as more fully detailed in the EIR, and their use provides an acceptable prediction of a Project’s potential noise impacts.

The closest noise-sensitive receptors to the Project are the existing residential land uses to the north. The nearest residences are located approximately 400 feet away from the acoustic center (the idealized point from which the energy sum of all construction activity noise near and far would be centered) of construction activity. A construction noise level of 89 dBA L_{eq} at 50 feet would attenuate to approximately 71 dBA L_{eq} , 400 feet from the source. This noise level is approximately 6 decibels higher than the typical ambient daytime noise levels measured in the area. The noise increase from construction activities would be lower than the threshold of significance for temporary or periodic noise increases of 15-decibels, and thus is considered to be a less than significant impact. The City's noise ordinance exempts construction activities from the noise standard, providing that such activities take place between the hours of 8:00 a.m. to 6:00 p.m. Monday through Saturday. Construction of the proposed Project would take place exclusively during the hours specified in the City's noise ordinance. Although not a significant impact based upon the less than significant temporary increase in noise levels and the planned compliance with the City's noise ordinance for construction projects, the noise from construction could nonetheless be a temporary nuisance to nearby residents and to other local land uses. Noise control measures are recommended to reduce the noise levels to the extent practicable. Thus, with the imposition of mitigation measure N-1 and the imposition of noise control measures, construction noise will be less than significant.

I. TRANSPORTATION, TRAFFIC, AND PARKING

1. Construction Impacts related to Haul Truck Traffic, Delivery and Staging of Material and Equipment and Worker Parking

Construction of the Project would extend over a 30-month period, including 18 months required for garage construction (although the construction timetables for both components would overlap). Major elements of construction include excavation and shoring for the subterranean garage, construction of the subterranean garage, construction and finishing of the building addition, and renovation of the existing post office. Due to the construction of the Project, there is a potential for a significant impact to be caused by the haul truck traffic, the delivery and staging of material and equipment, and worker parking. However, with the imposition of mitigation, any potential impact would be reduced to a less than significant level.

(a) Findings

Changes or alterations have been required in, or incorporated into the Project to ensure a less than significant construction related traffic impact. Specifically, mitigation measures TR-1 and TR-2 are imposed upon the Project to ensure a less than significant impact.

TR-1: Construction Traffic Management Plan – To mitigate the significant but temporary impact, the project proponent shall develop and submit a Construction Traffic Management Plan prior to commencement of construction to include plans to accomplish the following:

- Maintain access for land uses in proximity of the project site during project construction.
- Schedule deliveries and pick-ups of construction materials to non-peak travel periods, to the maximum extent feasible.
- Coordinate deliveries and pick-ups to reduce the potential of trucks waiting to load or unload for protracted periods of time.
- Minimize obstruction of through traffic lanes on surrounding public streets.
- Construction equipment traffic from the contractors shall be controlled by flagman when necessary for traffic circulation or safety reasons.
- Identify designated transport routes for heavy trucks (in addition to haul trucks) to be used over the duration of the proposed project.
- Schedule vehicle movements to ensure that no vehicles waiting offsite impede public traffic flow on the surrounding streets.
- Establish requirements for loading/unloading and storage of materials on the project site, where parking spaces would be encumbered, length of time traffic travel lanes can be encumbered, sidewalk closings or pedestrian diversions to ensure the safety of the pedestrian and access to local businesses.
- Coordinate with adjacent businesses and emergency service providers to ensure adequate access exists to the project site and neighboring businesses.

TR-2 Construction Worker Parking Plan – To mitigate the impact, the Center shall develop and submit a Construction Worker Parking Plan prior to commencement of construction that identifies parking locations for construction workers. To the maximum extent feasible, all worker parking shall be accommodated on the project site. During construction activities when construction worker parking cannot be accommodated on the project site, the plan shall identify alternate parking locations for construction workers and the method of transportation to and from the project site for approval by the City 30 days prior to commencement of construction. The Construction Worker Parking Plan must include appropriate measures to ensure that the parking location requirements for construction workers will be strictly enforced.

These could include but are not limited to the following measures:

- Provide all construction contractors with written information on where their workers and their subcontractors are permitted to park, and provide clear consequences to violators for failure to follow these regulations. This

information will clearly state that no parking is permitted on residential streets north of Wilshire Boulevard or in public parking structures.

- No construction worker parking shall be permitted within 500 feet of the nearest point of the project site except within designated areas. The contractor shall be responsible for informing subcontractors and construction workers of this requirement, and if necessary, for hiring a security guard to enforce these parking provisions. The contractor shall be responsible for all costs associated with enforcement of this mitigation measure.
- In lieu of the above, the project developer/construction contractor has the option of phasing demolition and construction activities such that all construction worker parking can be accommodated on the project site throughout the entire duration of demolition and construction activities.

(b) Facts in Support of Findings

Haul Truck Traffic

According to information provided by the project proponent, it is estimated that excavation of the site could involve the removal of approximately 103,667 cubic yards of earthen materials (16,500 cubic yards for the Center and 87,167 cubic yards for the garage). Assuming 20 cubic yards per truck, this would generate approximately 5,183 truckloads. Assuming 15 trucks in rotation yielding 45 truckloads per day, approximately 97 haul days would be required for the Garage excavation and approximately 20 haul days would be required for the Center excavation. This would result in approximately six trucks entering and exiting the site over the course of an excavation period hour and up to 12 trucks per hour during periods of overlap, if any. Most, if not all, of these trips would likely be scheduled during the first eight hours of the permitted construction work period (7:00 AM to 3:00 PM) to avoid generating trips during the PM peak period. Haul trucks (trucks intended to carry excavated soil and demolition debris) would be staged off-site and dispatched to the site as necessary. The trucks would travel to and from the site along Santa Monica Boulevard. From Santa Monica Boulevard, the trucks could travel via Santa Monica Boulevard or Wilshire Boulevard to I-405, which would allow them to travel to their final destination outside of the City of Beverly Hills. These trucks could affect the adjacent roadway network because some of the roadways designated as the truck routes for the Project are already some of the most congested in the City of Beverly Hills and the City of Los Angeles. Lastly, the number of trucks required to access the site during the excavation process would typically be 45 trucks per day but could be as many as 80 trucks per day during the period when the excavation for the Center and the Garage overlap. However with the imposition of TR-1 this impact will be reduced to a level of insignificance.

Delivery and Staging of Material and Equipment

Construction traffic would also derive from the transportation of materials and equipment to the site. One example would be concrete, of which substantial quantities would be required for the parking garage and the buildings on-site. Other materials could include plumbing supplies, electrical fixtures, and even items used in furnishing the building. These materials would have to be delivered to the site and stored on-site. It is anticipated that these deliveries would occur in variously sized vehicles including small delivery trucks to cement mixer trucks, and 18-wheel trucks. Additionally, construction equipment would have to be delivered to the site. This equipment could include cranes, bulldozers, excavators, and other large items of machinery. It is anticipated that most of the heavy equipment would be transported to the site on large trucks such as 18-wheelers or other similar vehicles. The influx of this material and equipment could create impacts on the adjacent roadway network because there may be intermittent periods when large numbers of material deliveries are required, such as when concrete trucks will be needed for the parking garage and the buildings. Additionally, some of the materials and equipment could require the use of large trucks (18-wheelers), which could create additional congestion on the adjacent roadways. Finally, delivery vehicles may need to park temporarily on adjacent roadways such as Santa Monica Boulevard North, Santa Monica Boulevard South, Crescent Drive, or Canon Drive as they deliver their items. Based on past experience, it is not uncommon for these types of deliveries to result in temporary lane closures. However, with the imposition of mitigation measure TR-1, any potential impact will be reduced to a level of insignificance.

Worker Parking

During the excavation and garage construction phases, construction workers could park in the surface parking lots currently on-site. During the final construction phases, after the parking garage is completed, sufficient parking for the construction workers would be available on-site. The Project proponents have proposed to provide off-site worker parking when it is needed. Shuttles or vanpools would be provided to facilitate travel between these off-site locations and the construction site. This need to park workers off-site could result in a specific traffic-related impact because it could lead to worker parking spilling over into adjacent areas, such as residential areas north of Santa Monica Boulevard North. Workers might park in these areas because they find the off-site parking arrangement cumbersome and want to park closer to the site. Construction workers could choose to park in areas adjacent to the Project site, including residential streets north of Santa Monica Boulevard North and other adjacent streets. These workers might choose to park in these areas because on-site parking could be limited because of the construction activities, off-site parking areas might be considered to be too remote, or for other various reasons. Thus, this scenario has the potential to cause a significant parking impact, but with the imposition of mitigation measure TR-2, this impact will be reduced to a level of insignificance.

2. Parking – Operational Phase

The proposed Project includes two components, the Wallis Annenberg Center for the Performing Arts, as well as the construction of an underground public parking Garage. The Garage would be owned and operated as a public parking facility by the City of Beverly Hills and would be used by the general public as well as by the performing arts center patrons. The performing arts center is proposed to have the use of 100 parking spaces at all times, with the other 400 spaces in the garage available to all motorists, including center visitors, on a first-come, first-serve basis for public parking. However, between the hours of 11:00 a.m. and 3 p.m., Monday through Saturday, when public parking demand is greatest, the Center's use of the garage would be limited to its 100 spaces. This sharing of the public parking structure has the potential to pose a significant impact due to the projected Center demands exceeding the available supply of parking dedicated specifically to the performing art center use at during certain daytime scenarios as more fully explained in the EIR. However, with the imposition of mitigation, this impact is deemed to be less than significant.

(a) Findings

Changes or alterations have been required in, or incorporated into the Project to ensure a less than significant parking demand impact during the operational phase of the Project. Specifically, mitigation measure TR-6 will ensure a less than significant impact.

TR-6: The Center shall work with the City of Beverly Hills to develop and implement a parking operations plan for the facility to ensure that sufficient and parking is provided to meet the peak parking demands projected to be generated by the various events and activities at the center. The plan could include the following elements:

1. Whenever it is projected that the activities at the performing arts center will generate parking demands could potentially exceed the amount of parking available in the garage for the Center (100 spaces between 11:00 AM and 3:00 PM; up to 500 spaces in the morning and evening hours), cast, crew and employees should park at an off-site location. The Center should enter into an agreement with the owners of an appropriate off-site location to accommodate these users.
2. During time periods when usage of the site is expected to generate a parking demand that could potentially exceed the marked capacity of the parking garage, the on-site valet could stack-park vehicles in the valet portion of the project parking garage. With valet or attendant parking on the lower level, 45 to 60 additional stacked cars may be accommodated on the lower level.
3. For rare time periods when off-site cast/crew/staff parking and stack parking are not sufficient to allow the parking garage to accommodate the full performing arts center parking demand, an appropriate portion of the performing

arts center patrons should park at a remote offsite overflow location. The performing arts center should enter into an agreement with the owners of appropriate off-site location(s) to secure use of such parking. Event patrons can be directed to the alternative parking location(s) with flyers in ticket mailers. Alternatively, valets could pick up vehicles in the valet zone and then transport them to an off-site location. Arrangements should be made with the designated parking facilities to have dedicated and reserved parking for patrons of events at the Center. The event ticket could be used as passage into the lot(s).

4. The City and the Center shall work together to develop an appropriate parking management plan to address garage operation issues.

(b) Facts in Support of Findings

As described previously, the proposed garage would be owned and operated as a public parking facility by the City of Beverly Hills and would be jointly used by the performing arts center. The performing arts center is expected to have the use of 100 parking spaces, with the other approximately 400 spaces in the garage available to all motorists on a first-come, first-serve basis. Between the hours of 11:00 a.m. and 3:00 p.m., Monday through Saturday when public parking demand is greatest; however, the performing arts center use of the garage would be limited to its 100 spaces. The projected Center demands would exceed the available supply dedicated specifically to the performing arts center use in each of the analysis weekday and weekend daytime scenarios (typical and occasional). This would be a significant impact. The projected deficits range from 15 spaces for a typical weekday midday to as high as 278 spaces, based on a peak parking demand for a Saturday afternoon with an occasional large event of 378 spaces with only 100 spaces available in the garage for the performing arts center. The garage would provide sufficient parking to accommodate the projected Center weeknight and weekend evening demands on-site for both the typical and occasional scenarios so long as the garage provides 413 or more parking spaces.

Although the projected on-site parking supply for the performing arts center appears to be insufficient to accommodate the potential needs of the Center, a variety of options is available to address the future parking needs of the site. Accordingly, mitigation measure TR-6 is proposed to reduce any potential impact to a less than significant level.

VI. Environmental Effects that Remain Significant and Unavoidable After Mitigation.

In the environmental areas of air quality and traffic there are instances where environmental impacts would remain significant and unavoidable after mitigation. These areas are discussed below.

A. AIR QUALITY

1. Greenhouse Gas Emissions – Cumulative Construction and Cumulative Operational

The construction and operation of the proposed Project has the potential to cumulatively increase greenhouse gas emissions which are responsible for global climate change. Although no federal, state, or regional air quality agency has adopted a methodology to evaluate whether an individual project has a cumulatively significant impact on greenhouse gas emissions, and lack of clarity as to what would constitute a significant impact, the City finds that the proposed Project has the potential to cause a significant cumulative construction and operational impact.

(a) Findings

Changes or alterations have been required in, or incorporated into the Project to attempt to lessen any arguably potentially significant cumulative construction and operational impact causing greenhouse gas emissions and impacting global climate change. More specifically, the Best Management Practices detailed below attempt to lessen any potentially significant impact.

There are no feasible mitigation measures other than the Best Management Practices articulated below that would reduce any potentially significant cumulative construction and operational impact causing greenhouse gas emissions and impacting global climate change to a less than significant level. Accordingly, specific economic, social, technological, or other considerations make infeasible other mitigation and project alternatives identified in the EIR.

Best Management Practices:

- Use recycled, low-carbon, and otherwise climate-friendly building materials such as salvaged and recycled-content materials for building, hard surfaces, and non-plant landscaping materials.
- Minimize, reuse, and recycle construction-related waste.
- Use light-colored roof materials to reflect heat.
- Use energy-efficient lighting, such as low-pressure sodium or light emitting diodes, for traffic, street, and other outdoor lighting.
- Use energy-efficient lighting and lighting control systems.
- Use energy-efficient HVAC systems and control systems.
- Use energy-efficient equipment and appliances.
- Use solar, low-emission, tankless, and/or other efficient water heaters.

- Install water-efficient irrigation systems and devices, such as soil moisture-based irrigation controls.
- Install water-efficient fixtures and appliances.
- Restrict the use of water for cleaning outdoor surfaces and vehicles.
- Provide interior and exterior storage areas for recyclables and green waste; and adequate recycling containers located in public areas.
- Encourage use of low or zero-emission vehicles.
- Implement a travel demand management program which institutes such measures as ride sharing and car pooling.
- Provide bicycle facilities, such as bicycle parking and security.

(b) Facts in Support of Findings

To date, no quantitative emission thresholds or similar criteria have been established to evaluate the cumulative impact of a single project on global climate. In the absence of quantitative emissions thresholds, consistency with adopted programs and policies is used by many jurisdictions to evaluate the significance of cumulative impacts. A project's consistency with the implementing programs and regulations to achieve the statewide GHG emission reduction goals established under Executive Order S 3-05 and AB 32 cannot yet be evaluated because they are still under development. Nonetheless, the Climate Action Team, established by Executive Order S-3-05, has recommended strategies for implementation at the statewide level to meet the goals of the Executive Order. In the absence of an adopted plan or program, the Climate Action Team's strategies serve as current statewide approaches to reducing the state's GHG emissions. As no other plan or program for GHG emissions that would apply to the Project has been adopted, consistency with these strategies is assessed to determine if the Project's contribution to cumulative GHG emissions is considerable. In its report to the Governor and the Legislature, the Climate Action Team recommended strategies that could be implemented by various state boards, departments, commissions, and other agencies to reduce GHG emissions. This EIR contains several project design features and mitigation measures that would result in reduced energy usage, water conservation, and other collateral benefits with respect to GHG emissions. The Climate Action Team strategies that are relevant to the proposed Project and the implementing agencies are listed in Table 3.2-20 of the EIR, Project Consistency with Climate Action Team Strategies. As more fully detailed in the EIR, and based on the analysis in Table 3.2-20 of the EIR, the proposed Project would reduce its contribution to GHG emissions and global climate due to its consistency with these strategies.

With implementation of project design features, the proposed Project would be consistent with the State's goals of reducing GHG emissions. Based on this, together with the emission estimates cited in Table 3.2-19 of the EIR, the proposed Project's contribution to climate change/worldwide GHG emissions likely would not be cumulatively considerable. However, due to the fact that no federal, state, or regional air quality agency has adopted a methodology or quantitative threshold that can be applied to evaluate an individual project's contribution to

global GHG emissions, the City finds that a potentially significant cumulative operational and construction-related impact could occur as to GHG emissions. The Best Management Practices articulated above and in the EIR are required of the Project to the extent possible to help further reduce greenhouse gas emissions and the effects of global warming. No other feasible mitigation has been identified to definitively reduce the potential impact to a less than significant level. Although a comment on the DEIR suggested that solar panels should be incorporated into the Project, this is determined to be socially infeasible as to the Post Office building due to the impact solar panels would have on the historic Post Office building. Further, it is not feasible to install solar panels on the subterranean garage structure and installation of panels on the ground surface above the Garage would unacceptably alter the appearance of the City Hall lawn when reconstructed. As such, the City Council finds that mitigation through incorporation of solar panes is infeasible as to the Post Office building and the Garage. Finally, a condition of approval has been recommended and imposed to require the use of photovoltaics in the new 500-seat theater (Goldsmith Theater) or at least to construct the building so photovoltaics may be installed in the future. With imposition of this condition, the City has in effect adopted the recommended measure as to the new theater building.

B. TRANSPORTATION, TRAFFIC AND PARKING

1. Direct and Cumulative Construction Impacts Related the Temporary Closure of Crescent Drive

Direct Project Impact

Construction of the Annenberg Center for the Performing Arts would extend over a 30-month period, including 18 months required for garage construction (although the construction timetables for both components would overlap). Major elements of construction include excavation and shoring for the subterranean garage, construction of the subterranean garage, construction and finishing of the building addition, and renovation of the existing post office. Due to the construction of the Project, there will be significant and unavoidable impacts from the temporary closure of Crescent Drive.

(a) Findings

Changes or alterations have been required in, or incorporated into the Project to attempt to lessen potentially significant construction traffic impacts. More specifically, mitigation measure TR-1 is imposed upon the Project to lessen the significant impact caused by the temporary closure of Crescent Drive. Nevertheless, this construction traffic impact remains significant and unavoidable.

There are no feasible mitigation measures other than TR-1 that would reduce the significant construction traffic impacts caused by the temporary closure of Crescent Drive. Thus, this construction traffic impact remains significant and unavoidable. Accordingly, specific economic, social, technological, or other considerations make infeasible other mitigation measures and project alternatives identified in the EIR.

TR-1: Construction Traffic Management Plan – To mitigate the significant but temporary impact, the project proponent shall develop and submit a

Construction Traffic Management Plan prior to commencement of construction to include plans to accomplish the following:

- Maintain access for land uses in proximity of the project site during project construction.
- Schedule deliveries and pick-ups of construction materials to non-peak travel periods, to the maximum extent feasible.
- Coordinate deliveries and pick-ups to reduce the potential of trucks waiting to load or unload for protracted periods of time.
- Minimize obstruction of through traffic lanes on surrounding public streets.
- Construction equipment traffic from the contractors shall be controlled by flagman when necessary for traffic circulation or safety reasons
- Schedule vehicle movements to ensure that no vehicles waiting offsite impede public traffic flow on the surrounding streets.
- Establish requirements for loading/unloading and storage of materials on the project site, where parking spaces would be encumbered, length of time traffic travel lanes can be encumbered, sidewalk closings or pedestrian diversions to ensure the safety of the pedestrian and access to local businesses.
- Coordinate with adjacent businesses and emergency service providers to ensure adequate access exists to the project site and neighboring businesses.

(b) Facts in Support of Findings

Crescent Drive will need to be closed to traffic between Santa Monica Boulevard North and Santa Monica Boulevard South for 18 months during construction of the subterranean parking garage beneath Crescent Drive. An analysis was conducted to determine the potential effects of closing Crescent Drive on traffic conditions at surrounding intersections. The effects of the temporary Crescent Drive closure were measured at the following intersections most likely to see traffic shifts due to the temporary closure of Crescent Drive:

- Beverly Drive & Santa Monica Boulevard North
- Canon Drive & Santa Monica Boulevard North
- Crescent Drive & Santa Monica Boulevard North
- Rexford Drive & Santa Monica Boulevard North
- Beverly Drive & Santa Monica Boulevard South
- Canon Drive & Santa Monica Boulevard South

- Rexford Drive & Santa Monica Boulevard South

For the purpose of this analysis, cumulative conditions reflecting the ambient growth in traffic and specific development projects near the study area were assumed. During the construction period of the proposed garage, through access from/to Crescent Drive between Santa Monica Boulevard North and Santa Monica Boulevard South would be temporarily prohibited. Existing traffic on this segment of Crescent Drive would be expected to use adjacent parallel roadways such as Canon Drive and Rexford Drive and, to a lesser extent, Beverly Drive.

As shown in Table 3-10.13 of the EIR, this traffic shift is projected to result in significant impacts at the study intersections along Beverly Drive, Canon Drive and Rexford Drive with both Santa Monica Boulevard North and Santa Monica Boulevard South. Although the impacts caused by these traffic shifts would be of limited duration, they are considered to be significant and unavoidable. Implementation of mitigation measure TR-1, Construction Traffic Management Plan that describes temporary traffic control plans, traffic management practices, and detour plans to facilitate travel around the closure prior to commencement of construction would reduce the impacts, but they would remain significant and unavoidable.

Cumulative Impact

Closure of Crescent Drive to traffic between Santa Monica Boulevard North and Santa Monica Boulevard South for a period during construction of the subterranean parking garage would result in significant impacts at the study intersections along Beverly Drive, Cañon Drive and Rexford Drive with both Santa Monica Boulevard North and Santa Monica Boulevard South (as more fully detailed above). As discussed above, although the impacts caused by these traffic shifts would be of limited duration, they are considered to be significant and unavoidable. This would result in cumulative significant impacts if related projects are being constructed at the same time as the proposed Project in the immediate vicinity and those projects would result in lane or road closures. This is a significant and unavoidable impact.

2. Operational Traffic Intersection Impacts

The operation of the Project is anticipated to cause significant impacts at certain intersections within the Project vicinity.

(a) Findings

Changes or alterations have been required in, or incorporated into the Project to attempt to lessen potentially significant operational traffic intersection impacts. More specifically, mitigation measures TR-3 through TR-5 are imposed upon the Project to lessen the significant operational traffic intersection impacts.

TR-3 Beverly Drive and Santa Monica Boulevard – The 231 North Beverly Drive (William Morris) project is to provide an exclusive right-turn lane on the eastbound Santa Monica Boulevard North approach. However, were this mitigation not implemented by the proponent of the 231 North Beverly Drive

project prior to its occupancy, there would be an increase in operational impacts to the intersection that would be significant and unavoidable.

TR-4 Cañon Drive & Santa Monica Boulevard North – Restripe Cañon Drive to provide an exclusive right-turn lane on the northbound approach, resulting in one left-turn lane, two through lanes, and one right-turn lane. The northbound right-turn lane would begin at approximately the location of the entrance driveway to the performing arts center drop-off/pick-up area. This mitigation shall be implemented by the project proponent prior to occupancy of the project.

TR-5 Crescent Drive & Santa Monica Boulevard North – Improve Santa Monica Boulevard North to provide an exclusive right-turn lane on the eastbound approach, resulting in one left-turn lane, two through lanes, and one right-turn lane. This may entail narrowing of the existing sidewalk along the south side of Santa Monica Boulevard North between the existing bus pull-out and Crescent Drive. The improvement may also require relocation of the existing Metro bus stop currently located just west of Crescent Drive (on the near side of the intersection) to just east of Crescent Drive (the far side of the intersection). Relocation of the Metro stop would require coordination with the Los Angeles County Metro Transportation Authority. This mitigation shall be implemented by the project proponent prior to occupancy of the project.

Although these measures will reduce some of the traffic intersection impacts as detailed below, other intersection impacts will remain significant and unavoidable. There are not feasible mitigation measures other than TR-3 through TR-5 that would reduce the remaining significant operational traffic intersection impacts under the typical scenario at the intersections of Santa Monica Boulevard North & Wilshire Boulevard and Crescent Drive & Santa Monica Boulevard South, and under the occasional scenario at the intersections of Rexford Drive and Santa Monica Boulevard North and Canon Drive and Santa Monica Boulevard South. Accordingly, specific economic, social, technological, or other considerations make infeasible other mitigation measures and project alternatives identified in the EIR

(b) Facts in Support of Findings

The cumulative plus project peak hour traffic volumes, illustrated in Figures 6A and 6B of the traffic study attached as Appendix H to the EIR, were analyzed to determine the projected future operating conditions with the completion of the proposed Project. The results of the analysis are summarized in Tables 3-10.7 and 3-10.8 of the EIR for typical and occasional days. As indicated in the tables, the same 11 intersections are projected to operate at LOS E or F during one or more peak hours under year 2010 cumulative plus project conditions for typical and occasional days. Using the City's criteria for determining the significance of the project traffic impacts, the proposed Project was determined to have significant impacts at the following three intersections during one or more peak hours for typical days:

- Beverly Drive & Santa Monica Boulevard North (mid-day; Saturday mid-day)

- Cañon Drive & Santa Monica Boulevard North (mid-day; Saturday mid-day)
- Crescent Drive & Santa Monica Boulevard North (A.M.; mid-day; Saturday mid-day)
- Santa Monica Boulevard North & Wilshire Boulevard (mid-day; Saturday mid-day)
- Crescent Drive & Santa Monica Boulevard South(A.M.; mid-day)

Under the occasional scenario, the project would have significant impacts at the following two intersections in addition to those impacted under the typical scenario:

- Rexford Drive & Santa Monica Boulevard North (Saturday mid-day)
- Cañon Drive & Santa Monica Boulevard South (P.M.)

No feasible physical mitigation measures have been identified for the intersections of Santa Monica Boulevard North & Wilshire Boulevard and Crescent Drive & Santa Monica Boulevard South that would mitigate the project impacts at these locations to a level that is less than significant. As discussed above, it is not considered feasible to implement mitigation measures for the impacts that are projected under the occasional scenario at Rexford Drive and Santa Monica Boulevard North and Cañon Drive & Santa Monica Boulevard South, because the conditions under which these impacts occur are infrequent and applying mitigation for the occasional worst-case circumstances to everyday operations would be costly, onerous, counterproductive, and thus socially and economically infeasible. The effectiveness of the proposed mitigation measures is shown in Tables 3-10.7 and 3-10.8 of the EIR. As indicated, the physical mitigation measures described above would fully mitigate project impacts to less than significant levels at Beverly Drive & Santa Monica Boulevard North, Cañon Drive & Santa Monica Boulevard North, and Crescent Drive & Santa Monica Boulevard North. However, because no mitigation is available for the impacts under the typical scenario at the intersection of Santa Monica Boulevard North & Wilshire Boulevard and Crescent Drive & Santa Monica Boulevard South, and under the occasional scenario at the intersections of Rexford Drive and Santa Monica Boulevard North and Cañon Drive and Santa Monica Boulevard South, those impacts will remain significant and unavoidable.

VII. Project Alternatives.

The City of Beverly Hills considered a range of reasonable alternatives for the proposed Project including, the No Project Alternative (Alternatives 1A and 1B), and three development scenarios identified as Alternatives 2, 3, and 4.

Alternative 2 is based on an original 2004–2005 design concept. In this alternative the 500-seat auditorium was proposed within the walls of the existing Post Office—specifically within the walls of the mail sorting room and extending upward into some of the non-public, second-floor employee spaces—while a 150-seat studio theater and their support functions (i.e., classrooms, rehearsal space, offices) were proposed in a new annex building. This allocation of functions within the existing building and a new annex is the reverse of what is proposed in the

preferred project. Two levels of underground parking were proposed in a configuration that wrapped around the building but that occurred solely within the Post Office property boundaries. In one of the two conceptual parking configurations (Option G1) 315 parking spaces were accommodated; in the second conceptual configuration (Option G) 345 parking spaces were accommodated.

Alternative 3 would return the Post Office property to its original use as a post office.

Alternative 4 proposes a reduction in the size of the proposed project by approximately 30 to 45%. Specifically, under this alternative, the new theater facility would contain 275 seats or 125 fewer than the proposed project and the square footage of the theater building would be 26,500 square feet, or 1,500 square feet less than the 28,000-square-foot theater under the proposed project.

The City also initially considered development of public parking under Beverly Gardens Park, between Cañon Drive and Crescent Drive. The alternative would have avoided prolonged closure of Crescent Drive and was initially thought to be relatively free of the physical constraints in comparison to the Post Office site. During the development of alternatives for the proposed Project, the City ultimately rejected this parking facility site due to a number of factors. The alternative would have placed an active facility much closer to sensitive residential uses than the Project as proposed. Additionally, the alternative site contains one of the City's water wells, together with pipelines and other supporting infrastructure. As such, the site presents physical constraints of its own. The Park has been found to be eligible for listing on the National Register of Historic Places; therefore, it is considered to be an historic resource. Furthermore, Santa Monica Boulevard North poses a significant impediment to pedestrian circulation between the alternative site and the proposed Annenberg facility. As such, this alternative has been rejected from further consideration and is not examined in detail in the EIR.

Alternatives 1A, 1B, 2, 3, and 4 that were analyzed in the EIR are discussed below and the basis for rejecting each of these alternatives as infeasible is analyzed.

A. ALTERNATIVE 1A: NO PROJECT/NO BUILD ALTERNATIVE

1. Summary of Alternative

Under the No-Project/No-Build Alternative, no performing arts center would be established upon the Post Office property. The property as it currently exists would remain as is and would continue to operate in a manner similar to current conditions. At present, the 39,000-square-foot building is largely vacant, with only a small portion of the first floor being used as offices for the Center. Under this alternative it is likely that the building would remain largely vacant, with a small portion of the existing facility being utilized by the City as revenue-generating, leased office space appropriate to the property's status as a National Register of Historic Places-listed historic resource. Demolition or significant alteration of those features that qualify the Post Office for the National Register would still be precluded due to a City/USPS property conveyance agreement. Maintenance activities would continue consistent with present and past practices.

2. Reasons for Rejecting Alternative: Infeasibility

The No Project/No Build Alternative would eliminate some of the environmental impacts associated with the proposed Project. However, this Alternative could potentially cause greater impacts with regard to visual resources, and historical resources due to deferred maintenance of the historic post office building. Additionally, the land use impacts for Alternative 1A would be similar to that of the proposed Project. Finally, Alternative 1A would not achieve any of the project objectives.

The preservation of the nationally registered historic structure and the development of a performing arts center are important social and policy goals for the City. This alternative would achieve neither goal and therefore is socially infeasible.

The City Council hereby finds that each of the reasons set forth above would be an independent ground for rejecting Alternative 1A as infeasible, and by itself, independent of any other reason, would justify rejection of Alternative 1A as infeasible.

B. ALTERNATIVE 1B: NO PROJECT/REASONABLY FORESEEABLE DEVELOPMENT ALTERNATIVE

1. Summary of Alternative

Under the Reasonably Foreseeable Development Alternative, it is expected that modest expansion of office space for public or private use would occur in the Post Office building. Under this alternative, minor tenant improvements consistent with preserving the building's character-defining historic fabric are likely to occur, but no substantial new construction would be proposed. The exterior of the building and existing site improvements would remain essentially the same as at present. Existing onsite parking would be retained and used by the tenants and their patrons.

2. Reasons for Rejecting Alternative: Infeasibility

The No-Project/Reasonably Foreseeable Development Alternative would achieve just one of the City's project objectives and none of the Center's objectives:

- To promote the reuse of an existing underutilized historic City facility.

The No-Project/Reasonably Foreseeable Development Alternative would not achieve the following nine City and Center objectives:

- To develop a viable, state-of-the-art-theater for live performances of professional theater, music, dance, and associated arts as part of a multi-use performing arts venue that contributes to the economic vitality of the area and energizes its milieu.
- To provide a venue for conducting and supporting educational and public performance activities that work synergistically with the theater, including

classes, workshops, lectures, special events, meetings, rehearsals, and productions of the performing arts.

- To rehabilitate and adaptively reuse the historic Post Office into a financially viable, professional setting that, through flexible spaces and learning areas, facilitate varied, multiple, concurrent cultural, theatrical and educational activities and opportunities for all ages, and supports the performing arts theater with administrative and logistical facilities.
- To create a visual and physical link between the civic center to the east and local business establishments to the west, through walkway, garden, and courtyard spaces that also provide a serene setting for project users and visitors and for special events.

City Objectives:

- To make use of the opportunity presented by the subject site to link the activities of the City's central dining and shopping district to the City's center for civic and cultural activities.
- To resume the site's longtime function as a community meeting/gathering place.
- To substantially increase the supply of public parking in convenient pedestrian proximity to the City's Business Triangle.
- To provide a public parking facility that is easily accessible to motorists and minimally disruptive to traffic circulation around the project site.
- To augment the supply of public parking in a fiscally responsible manner.

Further, although Alternative 1B would eliminate some of the environmental impacts associated with the proposed Project, it could potentially cause greater impacts with regard to visual resources, and historical resources. Additionally, the land use impacts for Alternative 1B would be similar to that of the proposed Project. Consequently, this Alternative is also rejected.

The preservation of the nationally registered historic structure and the development of a performing arts center are important social and policy goals for the City. This alternative would achieve neither goal and therefore is socially infeasible.

The City Council hereby finds that each of the reasons set forth above would be an independent ground for rejecting Alternative 1B as infeasible, and by itself, independent of any other reason, would justify rejection of Alternative 1B as infeasible.

C. ALTERNATIVE 2: 2004 DESIGN CONCEPT

1. Summary of Alternative

Alternative 2, 2004 Design Concept is comprised of an original 2004/2005 design concept. In this concept, the 500-seat auditorium was accommodated within the walls of the existing Post Office, and a new addition housed the 150-seat multi-purpose performance/rehearsal/lecture space, classrooms, and additional support functions. Outdoor areas adjoining the Post Office and its addition were proposed for development into a series of gardens. An underground parking garage was also proposed as part of this concept, and was organized in a loose ring-like configuration around the inside perimeter of the Post Office property. Two parking layouts, accommodating a total of between 315 and 345 parking spaces on two levels, were considered. In contrast to the proposed Project, however, the underground parking garage was planned to occur entirely within the boundaries of the Post Office property, and would not have extended under either Cañon or Crescent Drives, or underneath the City Hall property. There were significant development constraints associated with this alternative however, including the challenging logistics of constructing the underground parking garage on site, the close proximity of the garage placement to the footings of the Post Office and the potential this posed for inadvertent structural damage to occur as a result, potential circulation constraints within the parking garage due to tight corners, as well as prohibitively high construction costs.

However, creating a professional performing arts center within the historic building would not have met project goals. In addition to posing the potential to affect the historic building structurally due to the deep excavation required abutting the perimeter of the existing building, as well as other physical constraints presented by the existing historic building, the constraints of the dimensions and footprint of the existing structure would have resulted in a substantially reduced stage area with only a single wing instead of two wings (one on either side of the stage) required by professional theaters in order to move scenery, costumes, props, and performers. In addition, there would be no fly space (typically 90 feet) above the stage for scenery due to the lower ceiling of the historic building. Since acoustics are a function of the height and depth of the space, the smaller stage, lack of a fly space, and reduced overall interior volume would also result in inferior acoustics.

All of these constraints would have compromised the professional quality and limited the types of presentations the theater could offer, limiting both the type and quality of programming and potentially jeopardizing the Center's economic viability in comparison with competing new state of the arts facilities in the surrounding area.

2. Reasons for Rejecting Alternative; Infeasibility

Based on the summary of Alternative 2 discussed above, this alternative would not meet the Center's objectives to construct a "state-of-the-art theater for live performances of professional theater, music, dance and associated arts..." nor would it meet the Center's objective "[t]o develop a performing arts center that is financially viable."

The 2004 Design Concept would achieve six out of ten of the City's and Center's project objectives:

- To provide a venue for conducting and supporting educational and public performance activities that work synergistically with the theater, including classes, workshops, lectures, special events, meetings, rehearsals, and performing arts productions.
- To create a visual and physical link between the civic center to the east and local business establishments to the west through walkway, garden, and courtyard spaces that also provide a serene setting for project users and visitors and special events.

City Objectives:

- To promote reuse of an existing underutilized historic City facility.
- To make use of the opportunity presented by the subject site to link the activities of the City's central dining and shopping district to the City's center for civic and cultural activities.
- To resume the site's longtime function as a community meeting/gathering place.
- To substantially increase the supply of public parking in convenient pedestrian proximity to the City's Business Triangle.

The 2004 Design Concept would not achieve the following four project objectives:

- To develop a viable, state-of-the-art-theater for live performances of professional theater, music, dance, and associated arts as part of a multi-use performing arts venue that contributes to the economic vitality of the area and energizes its milieu.
- To rehabilitate and adaptively reuse the historic Post Office into a financially viable, professional setting that, through flexible spaces and learning areas, facilitate varied, multiple, concurrent cultural, theatrical and educational activities and opportunities for all ages, and supports the performing arts theater with administrative and logistical facilities.

City Objectives:

- To provide a public parking facility that is easily accessible to motorists and minimally disruptive to traffic circulation around the project site.
- To augment the supply of public parking in a fiscally responsible manner.

Further, Alternative 2 would cause greater impacts with regard to historical resources than that of the proposed Project and mostly similar impacts, with some less significant impacts, than the proposed Project. Overall, however, due to the greater impacts on historic resources, which is a long-term impact, the City Council finds that this alternative is not environmentally superior.

Thus, because this alternative will not meet all of the project objectives and has the potential to cause greater impacts, the City Council rejects this alternative as infeasible. Additionally, this alternative would have greater parking impacts on the community, causing theater patrons to compete with patrons of other businesses for parking and would not expand the supply of parking to serve the City, thus providing adequate parking for residents and businesses is an important policy and social goal of the City and therefore this alternative is socially infeasible. The City Council hereby finds that each of the reasons set forth above would be an independent ground for rejecting Alternative 2 as infeasible by itself, and independent of any other reason would justify rejection of Alternative 2 as infeasible.

D. ALTERNATIVE 3: POST OFFICE USE

1. Summary of Alternative

Under this alternative, an arrangement would be made with the USPS to return the Post Office building to its original use as a post office. Although USPS is not currently exploring the idea of re-establishing a post office at the subject property, this use would be consistent with how the property was used historically, conforms to the property's General Plan designation and provides a baseline for comparison purposes of the environmental impacts associated historically with the building's use as a postal facility over many years. To accommodate such a use per current USPS operational requirements, it is anticipated that some tenant improvements to the Post Office would occur consistent with the building's National Register-listed status as an historic resource and the Secretary of the Interior's Standards.

2. Reasons for Rejecting Alternative: Infeasibility

The Post Office Use Alternative would achieve just two of the City's project objectives and none of the Center's objectives:

- To promote reuse of an existing underutilized historic City facility.
- To resume the site's longtime function as a community meeting/gathering place.

The Post Office Use Alternative would not achieve the following City and Center project objectives:

- To develop a viable, state-of-the-art-theater for live performances of professional theater, music, dance, and associated arts as part of a multi-use performing arts venue that contributes to the economic vitality of the area and energizes its milieu.

- To provide a venue for conducting and supporting educational and public performance activities that work synergistically with the theater, including classes, workshops, lectures, special events, meetings, rehearsals, and productions of the performing arts.
- To rehabilitate and adaptively reuse the historic Post Office into a financially viable, professional setting that, through flexible spaces and learning areas, facilitate varied, multiple, concurrent cultural, theatrical and educational activities and opportunities for all ages, and supports the performing arts theater with administrative and logistical facilities.
- To create a visual and physical link between the civic center to the east and local business establishments to the west, through walkway, garden, and courtyard spaces that also provide a serene setting for project users and visitors and for special events.

City Objectives:

- To make use of the opportunity presented by the subject site to link the activities of the City's central dining and shopping district to the City's center for civic and cultural activities.
- To substantially increase the supply of public parking in convenient pedestrian proximity to the City's Business Triangle.
- To provide a public parking facility that is easily accessible to motorists and minimally disruptive to traffic circulation around the project site.
- To augment the supply of public parking in a fiscally responsible manner.

Further, this Alternative 3 has the potential to cause greater operational impacts to air quality and traffic. Because Alternative 3 would have greater operational environmental impacts, this Alternative is rejected as environmentally inferior.

In addition, this alternative is legally infeasible as no entity, other than the U.S. Postal Service, may operate a post office and the Postal Service has abandoned this building for a more modern facility several blocks away. Finally, this Alternative is socially infeasible because it would not achieve the important policy and social goals of the City Council to provide a performing arts center to the community and to expand the supply of parking available to residents and businesses.

The City Council hereby finds that each of the reasons set forth above would be an independent ground for rejecting Alternative 3 as infeasible, and by itself, independent of any other reason, would justify rejection of Alternative 3 as infeasible.

E. ALTERNATIVE 4: REDUCED DENSITY ALTERNATIVE

1. Summary of Alternative

Under this alternative, the theater would be reduced in size from 500 to 275 seats and the overall building square footage would decrease from 28,000 under the proposed project to 26,500 square feet. The proposed seating reduction could be made by removing the balcony level and two rows of seating at the orchestra level. The height of the theater building would also be reduced from 45 feet to 30 feet, which would affect the overhead space available above the stage. These changes would reduce the hall volume, which would adversely affect the acoustical performance of the facility, particularly for musical performances. A two-level subterranean public parking garage, similar in size and configuration to the parking garage under the proposed project, as described in the June 2008 Draft EIR, would also be constructed under this alternative.

2. Reasons for Rejecting Alternative; Infeasibility

The Reduced Density Alternative would achieve six of the 10 project objectives:

- To provide a venue for conducting and supporting educational and public performance activities that work synergistically with the theater, including classes, workshops, lectures, special events, meetings, rehearsals, and performing arts productions.
- To create a visual and physical link between the civic center to the east and local business establishments to the west through walkway, garden, and courtyard spaces that also provide a serene setting for project users and visitors and special events.

City Objectives:

- To promote reuse of an existing underutilized historic City facility.
- To make use of the opportunity presented by the subject site to link the activities of the City's central dining and shopping district to the City's center for civic and cultural activities.
- To resume the site's longtime function as a community meeting/gathering place.
- To substantially increase the supply of public parking in convenient pedestrian proximity to the City's Business Triangle.

The Reduced Density Project Alternative would not achieve the following four City and Center project objectives:

- To develop a viable, state-of-the-art-theater for live performances of professional theater, music, dance, and associated arts as part of a multi-

use performing arts venue that contributes to the economic vitality of the area and energizes its milieu.

- To rehabilitate and adaptively reuse the historic Post Office into a financially viable, professional setting that, through flexible spaces and learning areas, facilitate varied, multiple, concurrent cultural, theatrical and educational activities and opportunities for all ages, and supports the performing arts theater with administrative and logistical facilities.

City Objectives:

- To provide a public parking facility that is easily accessible to motorists and minimally disruptive to traffic circulation around the project site.
- To augment the supply of public parking in a fiscally responsible manner.

Further, this Alternative 4 would cause mostly similar impacts compared to the proposed Project with a few impacts less or slightly less than that of the proposed Project. Overall, this alternative is only slightly environmentally superior to the Project. Additionally, for little environmental gain, this Alternative would sacrifice the quality of important policy and social goals; specifically, providing a state of the art performing arts center for the community. Also, it would not provide as much parking to fulfill important policy and social goals of meeting the parking needs of residents and businesses. The City Council finds, therefore, that this alternative is not socially feasible as it compromises important policy and social goals for little or no environmental benefit.

The City Council hereby finds that each of the reasons set forth above would be an independent ground for rejecting Alternative 4 as infeasible, and by itself, independent of any other reason, would justify rejection of Alternative 4 as infeasible.

EXHIBIT B

Statement of Overriding Considerations

The following Statement of Overriding Considerations is made in connection with the proposed approval of the Wallis Annenberg Center for the Performing Arts and Garage (the "Project").

CEQA requires the decision-making agency to balance the economic, legal, social, technological or other benefits of a project against its unavoidable environmental risks when determining whether to approve a project. If the benefits of the project outweigh the unavoidable adverse effects, those effects may be considered acceptable. CEQA requires the agency to provide written findings supporting the specific reasons for considering a project acceptable when significant impacts are unavoidable. Such reasons must be based on substantial evidence in the EIR or elsewhere in the administrative record. The reasons for proceeding with this Project despite the adverse environmental impacts that may result are provided in this Statement of Overriding Considerations.

The City Council finds that the economic, social and other benefits of the Project outweigh the significant and unavoidable effects identified in the Final EIR and the record of proceedings. In making this finding, the City Council has balanced the benefits of the Project against its unavoidable impacts and has indicated its willingness to accept those adverse impacts. The City Council finds that each one of the following benefits of the Project, independent of the other benefits, would warrant approval of the Project notwithstanding the unavoidable environmental impacts of the Project as identified in the Final EIR.

A. The development of the Wallis Annenberg Center for the Performing Arts would adaptively reuse an existing underutilized historic City facility and provide a community space for the residents of the City of Beverly Hills.

B. The proposed Project would provide a viable, state-of-the-art-theater for live performances of professional theater, music, dance, and associated arts as part of a multi-use performing arts venue that contributes to the economic vitality of the area.

C. The development of the Project, in particular the public parking garage would substantially increase the supply of public parking in an area that is convenient and within pedestrian proximity to the City's business triangle, and that would also be accessible to motorists and minimally disruptive to traffic circulation.

D. The development of the Project would create a visual and physical link to the activities of the City's central shopping district to the City's center for civic and cultural activities.

The City Council finds that the foregoing benefits provided through approval of the Wallis Annenberg Center for the Performing Arts and Garage outweigh the identified significant adverse environmental impacts. The City Council further finds that each of the individual Wallis Annenberg Center for the Performing Arts Project benefits discussed above outweighs the unavoidable adverse environmental effects identified in the Final EIR and

therefore finds those impacts to be acceptable. The City Council further finds that each of the benefits listed above, standing alone, is sufficient justification for the City Council to override these unavoidable environmental impacts.

EXHIBIT C

Mitigation Monitoring and Reporting Program

**MITIGATION MONITORING
and
REPORTING PROGRAM**

**Wallis Annenberg Center for the Performing Arts Project
(SCH # 2007011008)**

Prepared for

City of Beverly Hills Department of Community Development

City Hall

455 N. Rexford Drive

Beverly Hills, CA 90210

Contact: Michele McGrath, Senior Planner

Phone: (310) 285-1123

DR mon jan 19

January 2009

TABLE OF CONTENTS

Foreword ii
List of Acronyms iii
Introduction..... 1
Mitigation Monitoring and Reporting..... 3
Appendix A: Sample Compliance Form..... A-1

FOREWORD

This Mitigation Monitoring and Reporting Program (MMRP) is a California Environmental Quality Act (CEQA)-mandated outcome of the environmental analysis process undertaken for the Wallis Annenberg Center for the Performing Arts Project in Beverly Hills. The results of the environmental analyses, including proposed mitigation measures, are documented in the Final EIR (January 2009) for the proposed project.

LIST OF ACRONYMS

AB	Assembly Bill
BMPs	Best Management Practices
Caltrans	California Department of Transportation
CDFG	California Department of Fish & Game
CEQA	California Environmental Quality Act
City	City of Beverly Hills
DTSC	Department of Toxic Substances Control
EIR	Environmental Impact Report
MBTA	Migratory Bird Treaty Act
MMRP	Mitigation & Monitoring Reporting Program
MND	Mitigated Negative Declaration
NPDES	National Pollutant Discharge Elimination System
PVC	Polyvinyl chloride (a thermoplastic polymer)
SWPPP	Stormwater Pollution Prevention Plan
SWRCB	(California) State Water Resources Control Board
USFWS	United States Fish & Wildlife Service
Center	Wallis Annenberg Center for the Performing Arts

INTRODUCTION

The California Environmental Quality Act (CEQA) requires that agencies adopting Environmental Impact Reports (EIRs) and Mitigated Negative Declarations (MNDs) take affirmative steps to determine that approved mitigation measures are implemented subsequent to project approval.

Effective January 1, 1989, CEQA was amended to add Section 21081.6, implementing Assembly Bill (AB) 3180. As part of CEQA (state-mandated) environmental review procedures, Section 21081.6 requires a public agency to adopt a monitoring and reporting program for assessing and ensuring efficacy of any mitigation measures applied to a proposed project. Specifically, the lead or responsible agency must adopt a reporting or monitoring program for mitigation measures incorporated into a project or imposed as conditions of approval. The program must be designed to ensure compliance during project implementation. As stated in Public Resources Code, Section 21081.6 (a) (1):

“The public agency shall adopt a reporting or monitoring program for the changes made to the project or conditions of project approval, adopted in order to mitigate or avoid significant effects on the environment. The reporting or monitoring program shall be designed to ensure compliance during project implementation. For those changes which have been required or incorporated into the project at the request of a responsible agency or a public agency having jurisdiction by law over natural resources affected by the project, that agency shall, if so requested by the lead agency or a responsible agency, prepare and submit a proposed reporting or monitoring program.”

AB 3180 provides general guidelines for implementing monitoring and reporting programs (MMRP). Specific reporting and/or monitoring requirements, to be enforced during project implementation, shall be defined prior to final approval of the proposal by the responsible decision maker(s). In response to established CEQA requirements and those of AB 3180 (Public Resources Code Section 21000 et seq.), the proposed Mitigation Monitoring and Reporting Program for the Wallis Annenberg Center for the Performing Arts project shall be submitted for adoption by the decision makers prior to completion of the environmental review process.

The City of Beverly Hills (City) will use this Mitigation Monitoring and Reporting Program (MMRP) to ensure compliance with mitigation measures associated with development proposed under the Wallis Annenberg Center for the Performing Arts Project. The MMRP describes the procedures the Applicants will use to implement the mitigation measures and identifies at what point the mitigation measure is to be monitored. “Monitoring Procedure” used herein refers to the observation of mitigation activities at the Project site in the design of plans or in the operations of the proposed Project. “Responsible Party For Implementation” used herein identifies the agency or party responsible for implementation of the mitigation, and the monitoring procedure; note, however, that this term does not designate who may be allocated ultimate financial responsibility in Agreements between the City and the Center. “Implementation Schedule” used herein identifies at what point the mitigation measure is to be monitored.

Mitigation is required to address significant or potentially significant impact(s) to the following resources:

- Visual Resources
- Historic Resources
- Archeological and Paleontological Resources
- Biological Resources
- Geological/ Soils/ Seismicity
- Hazardous Materials
- Traffic and Transportation
- Air Quality (GHG emissions)

Although the impact(s) that could occur in the following resource areas are expected to be less than significant, mitigation is nonetheless proposed to ensure any potential impact(s) that do occur are minimized:

- Noise

A sample mitigation monitoring compliance form is provided at the end of this document. For detailed information regarding environmental resource impact methodology and analysis, please refer to the Recirculated Draft EIR and Final EIR.

MITIGATION MONITORING AND REPORTING

MITIGATION MEASURE	RESPONSIBLE PARTY FOR IMPLEMENTATION	MONITORING PROCEDURE	IMPLEMENTATION SCHEDULE
<p>Visual Resources</p> <p>AES-2 A detailed plan shall be developed by the Project's landscape architect specifying the design treatment given the driveway and garage appurtenances, and to refine the replacement landscape/hardscape design elements along Crescent Drive and the front lawn area of City Hall. The plans shall be subject to the review and approval of the project's preservation architect. The plans shall also be submitted to the City's Architectural Commission for its review and recommendations. The recommendations of the Architectural Commission shall be considered in the final project design plans/specifications.</p>	<p>Applicants</p>	<p>(1) Applicant shall submit to the Community Development Department a detailed landscape plan prepared by a landscape architect. The landscape plan shall specify the design treatment given the driveway and garage appurtenances, and refine the replacement landscape/hardscape design elements along Crescent Drive and the front lawn area of City Hall.</p> <p>(2) Plans shall be reviewed for approval by the project preservation architect.</p> <p>(3) Plans shall be presented to the City's Architectural Commission for its review and recommendations.</p>	<p>This measure shall be met prior to the issuance of relevant building permits</p>
<p>AES-1 Indirect lighting shall be the project proponent's preferred method of providing exterior lighting for the proposed project. Any non-historic direct exterior lighting shall include full-cutoff shielded fixtures or equivalent technology that will contain the light within the site and avoid spillover lighting impacts off-site. In addition, all non-historic interior lighting near windows and building entrances shall be designed to avoid glare and spillover lighting effects off-site.</p>	<p>Applicants</p>	<p>Building permit plan check shall review exterior lighting and reflected ceiling plans for compliance with mitigation measure.</p>	<p>This measure shall be met prior to the issuance of relevant building permits</p>

Mitigation Monitoring and Reporting Program

MITIGATION MEASURE	RESPONSIBLE PARTY FOR IMPLEMENTATION	MONITORING PROCEDURE	IMPLEMENTATION SCHEDULE
<p>Air Quality</p> <p>AIR-1 The applicant shall implement all applicable fugitive dust control measures specified in SCAQMD Rule 403 during project construction.</p>	<p>Applicants</p>	<p>Grading and building permit plan check shall review a construction management plan for compliance with this measure. Field inspectors shall also review construction work to ensure it complies with the requirements in the Construction Management Plan.</p>	<p>This measure shall be met during the construction period. This measure shall be in effect until the issuance of a certificate of occupancy.</p>
<p>The proposed project's contribution to climate change/worldwide GHG emissions would not be cumulatively considerable. Nevertheless, it is recommended that the following Best Management Practices or measures be implemented to the extent possible to help further reduce greenhouse gas emissions and the effects of global warming:</p> <ul style="list-style-type: none"> • Use recycled, low-carbon, and otherwise climate-friendly building materials such as salvaged and recycled-content materials for building, hard surfaces, and non-plant landscaping materials. • Minimize, reuse, and recycle construction-related waste. • Use light-colored roof materials to reflect heat. <ul style="list-style-type: none"> • Use energy-efficient lighting, such as low-pressure sodium or light emitting diodes, for traffic, street, and other outdoor lighting. • Use energy-efficient lighting and lighting control systems. • Use energy-efficient HVAC systems and control systems. • Use energy-efficient equipment and appliances. • Use solar, low-emission, tank-less, and/or other efficient water heaters. • Install water-efficient irrigation systems and devices, such as soil moisture-based irrigation controls. • Install water-efficient fixtures and appliances. • Restrict the use of water for cleaning outdoor surfaces. • Provide interior and exterior storage areas for recyclables and green waste; and adequate recycling containers located in public areas. 		<p>Building permit plan check shall review construction plans and specifications for efforts to implement recommendations.</p>	<p>None</p>

Mitigation Monitoring and Reporting Program

MITIGATION MEASURE	RESPONSIBLE PARTY FOR IMPLEMENTATION	MONITORING PROCEDURE	IMPLEMENTATION SCHEDULE
<ul style="list-style-type: none"> Encourage use of low or zero-emission vehicles. Implement a travel demand management program which institutes such measures as ride sharing and carpooling. <p>Provide bicycle facilities, such as bicycle parking and security.</p> <p>The new 500-seat theatre building shall either use photovoltaics or be constructed so that photovoltaics may be installed in the future.</p>	Applicants	Building permit plan check shall review construction plans and specifications for implementation.	This measure shall be met prior to the issuance of relevant building permits
Biological resources			
<p>BR-1 Prior to the issuance of a construction permit for the proposed project, the City's Arborist shall evaluate the health of the existing coast live oak. Based upon the results of those findings, the City shall recommend the process for transplanting the tree on a new site identified by the City Arborist or its removal and replacement in kind, on a site identified by the City Arborist.</p> <p>The contractor shall adhere to all recommendations made by the City's Arborist prior to removal or transplanting of the tree. If transplanting is specified in the permit, the tree shall be transplanted between October 1 and November 30 to reduce transpirational stress, and placed in a location specified by the City Arborist. The transplanted tree shall be maintained by the applicant for a period of 2 years. If the transplanted tree fails to survive within 2 years of transplanting, the applicant shall bear the responsibility of replacing the tree in kind.</p>	Applicants	<p>(1) City Arborist shall evaluate the health of the existing coast live oak and recommend the process for transplanting the tree on a new site or its removal and replacement in kind.</p> <p>(2) Applicant shall follow recommendations made by the City's Arborist prior to removal or transplanting of the tree.</p> <p>(3) City Arborist shall monitor the health of the tree for a period of 2 years.</p>	This measure shall be required prior to the removal of the coast live oak. If the oak is transplanted, this measure shall be in effect for two years after tree is transplanted.
<p>BR-2 In order to avoid or minimize the potential to remove or destroy occupied nests of native birds, the contractor shall conduct construction activities for the proposed Wallis Annenberg Center for the Performing Arts that result in grading or in the removal of shrubs or trees during the non-breeding season for birds (approximately September 1 through February 15). Alternatively, if construction cannot be limited to this period, a survey of the construction zones by a qualified ornithologist shall be conducted not more than 2 days prior to construction activities on the site in order to identify any active bird nests that may be present on or adjacent the site. If the ornithologist detects any occupied nests of native birds within the construction zone, they will conspicuously flag off the area(s) supporting bird nests and provide a minimum buffer of 100 feet between the nest and the limits of construction. The Contractor shall instruct the construction crew</p>	Applicants	<p>(1) Applicant shall conduct grading and vegetation removal activities during the non-breeding season for birds or, alternatively, submit to the Community Development Department a field survey of the construction zones conducted by a qualified ornithologist in order to identify any active bird nests.</p> <p>(2) Community Development</p>	This measure shall be met prior to the issuance of grading permit and prior to construction. This measure may be in effect throughout the construction process.

Mitigation Monitoring and Reporting Program

MITIGATION MEASURE	RESPONSIBLE PARTY FOR IMPLEMENTATION	MONITORING PROCEDURE	IMPLEMENTATION SCHEDULE
<p>to avoid any activities in this zone and ensure compliance with those instructions until the bird nest(s) is/are no longer occupied, per a subsequent survey by the qualified ornithologist.</p>		<p>Department shall review the results of the survey and direct grading permits in accordance with the mitigation measure.</p>	
<p>Historical Resources</p>			
<p>HR-1 Immediately upon approval of the EIR for the proposed project by the City, a qualified preservation architect approved by the City shall be engaged by the project proponent to ensure that the project advances through design development, construction documents production, construction, and murals protection/conservation processes in conformance with the Standards. The preservation architect shall review and concur with all plans for shoring of the buildings on the Post Office and City Hall properties, hazardous materials remediation, design and placement of the underground parking garage and its appurtenances, and seismic and structural modifications required to accommodate the proposed project, and shall oversee the Historic American Building Survey (HABS) photographic recordation process. The preservation architect and/or his/her designee shall report to the City's Community Development Director at the time of City review of detailed project design drawings, prior to issuance of any building, shoring, excavation, or hazardous materials remediation permit to be issued by the City, and on at least a monthly basis thereafter up until 60 days of the date the completed project is placed in service.</p>	<p>Applicants</p>	<p>(1) Qualified preservation architect approved by City and hired by Applicant shall review and concur with all plans for shoring of the buildings on the Post Office and City Hall properties, hazardous materials remediation, design and placement of the underground parking garage and its appurtenances, and seismic and structural modifications required to accommodate the proposed project, and shall oversee the Historic American Building Survey (HABS) photographic recordation process. (2) The preservation architect shall report to the City's Community Development Director at the time of City review of detailed project design drawings, prior to issuance of any building, shoring, excavation, or hazardous materials remediation permit to be issued by the City, and on at least a monthly basis thereafter</p>	<p>This measure shall be required upon adoption of the FEIR for the project. This measure shall be in effect until 60 days after the issuance of a certificate of occupancy.</p>
<p>HR-2 As a requirement for the renovation of the Post Office building, the Center shall ensure that a Historic Materials Protection/Preservation Treatment Plan shall be formulated under the direction of the project's preservation architect to address</p>	<p>Applicants</p>	<p>Applicant shall develop a Historic Materials Protection/Preservation</p>	<p>This measure shall be required prior to the issuance of construction permits for the Post Office Building. This measure</p>

Mitigation Monitoring and Reporting Program

MITIGATION MEASURE	RESPONSIBLE PARTY FOR IMPLEMENTATION	MONITORING PROCEDURE	IMPLEMENTATION SCHEDULE
<p>the disposition, handling, safe interim storage, and conservation-appropriate reinstallation of character defining historic fabric (viz., marble, moldings, flooring, window sash, iron window grilles, roof tile, etc.) that could be damaged or misplaced during the construction process. The Materials Protection/Preservation Treatment Plan shall be incorporated as part of the final construction plans/specifications. The preservation architect shall ensure that all project work is implemented according to the above-referenced Plan and in conformance with the Standards.</p>		<p>Treatment Plan under the direction of the preservation architect to address the disposition, handling, safe interim storage, and conservation-appropriate reinstallation of character defining historic fabric. (2) The Historic Materials Protection/Preservation Treatment Plan shall be incorporated into final construction plans and specifications. (3) The preservation architect shall ensure that all project work is implemented according to the above-referenced Plan and in conformance with the Standards.</p>	<p>shall be in effect throughout the construction process.</p>
<p>HR-3 Prior to commencement of the construction process and removal or demolition of features on the project grounds, both the Center and City shall ensure that a HABS outline format narrative description of both the Post Office and City Hall properties is prepared under the direction of the preservation architect, including contemporary and historic photographs, and that references previous historic structure/evaluation reports. The report shall consist of not less than 50 contemporary large format black and white negatives (two of each image), 8- x10-inch archivally processed black and white prints, as well as proof sheets, focused on documenting the areas of potential impact and change. The preservation architect shall retain a file copy of the report and photographs to ensure project compliance with the Standards throughout the development process. In addition, the original document shall be transmitted to HABS at the National Park Service, and copies submitted to the Beverly Hills Library and to the Community Development Department for inclusion in its project file.</p>	<p>Applicants</p>	<p>(1) Applicants shall prepare HABS outline format narrative description of both the Post Office and City Hall properties under the direction of the preservation architect, including contemporary and historic photographs, and that references previous historic structure/evaluation reports. (2) The original document shall be transmitted to HABS at the National Park Service, and copies submitted to the Beverly Hills Library and to the Community Development</p>	<p>This measure shall be required prior to commencement of the construction process and removal or demolition of features on the project grounds.</p>

Mitigation Monitoring and Reporting Program

MITIGATION MEASURE	RESPONSIBLE PARTY FOR IMPLEMENTATION	MONITORING PROCEDURE	IMPLEMENTATION SCHEDULE
<p>HR-4 A Phase II Environmental Site Assessment of the Post Office will be conducted prior to development of final construction drawings at the request of the Center. If the recommendations in the Environmental Assessment call for the abatement of character-defining plaster, lead paint finishes, or asbestos-containing materials, the preservation architect shall assist in the development of a remediation plan that conforms to the Standards, and shall ensure that the remediation process is implemented in accordance with the Standards. The remediation plan shall be incorporated into the final construction plans/specifications.</p>	<p>Applicants</p>	<p>Department</p> <p>If a Phase II Environmental Assessment requires the abatement of character-defining materials or finishes, the preservation architect shall participate in development of remediation plan to ensure protection of building's historic fabric. The remediation plan shall be incorporated into the final construction plans and specifications. All documentation shall be submitted to the satisfaction of the Director of the Community Development Department before issuance of construction/demolition permits for the Post Office building.</p>	<p>This measure shall be required prior to development of final construction drawings and compliance shall be demonstrated prior to the issuance of construction/demolition permits for the Post Office Building.</p>
<p>HR-5 Prior to commencing any excavation activities for the underground parking garage and adjacent 500-seat theater building, a Shoring Plan shall be formulated by the City and Center that acknowledges the presence of the foundations and footings of the Post Office and City Hall—both of which are significant historical resources for the purposes of CEQA. The Shoring Plan shall describe the system of foundations and caissons that support the Post Office and city hall, as well as anticipate the range in the type of structural damage might occur as a result of extensive excavation activities that are proposed. The Shoring Plan shall specify how such problems (e.g., differential settlement) can be avoided and the specific measures that shall be taken to prevent damage to the structural systems of the building. All such measures shall be incorporated into the final construction plans/specifications, and both the preservation architect and construction contractor possessing appropriate historic preservation construction experience shall ensure that the measures are fully implemented.</p>	<p>Applicants</p>	<p>(1) Applicant shall prepare a Shoring Plan that acknowledges the presence of the foundations and footings of the Post Office and City Hall.</p> <p>(2) Recommendations of the shoring plan shall be incorporated into final construction plans and specifications.</p>	<p>This measure shall be required prior to commencing any excavation activities for the underground parking garage and adjacent 500-seat theater building. This measure shall be in effect throughout the construction process.</p>
<p>HR-6 Under the direction of the project's preservation architect, and/or his/her designee, the Center shall ensure that a professionally accredited art conservator</p>	<p>Applicants</p>	<p>Applicant shall prepare a Mural Protection Plan and Mural</p>	<p>This measure shall be met prior to the issuance of relevant demolition or</p>

Mitigation Monitoring and Reporting Program

MITIGATION MEASURE	RESPONSIBLE PARTY FOR IMPLEMENTATION	MONITORING PROCEDURE	IMPLEMENTATION SCHEDULE
<p>completes an evaluation of the Kassler murals to assess their current condition and to formulate a Mural Protection Plan that specifies what measures shall be taken to prevent potential impacts to the murals during the construction process. In addition, a Mural Conservation Plan shall be formulated to ensure appropriate long-term maintenance and care of the murals after completion of the construction process. The City's Community Development Director shall approve any such plan prior to the commencement of any work.</p>		<p>Conservation Plan under the direction of a professionally accredited art conservator and submit said plans to the Community Development Department for review and approval.</p>	<p>building permits for Post Office building.</p>
<p>HR-7 The preservation architect shall review and concur in design plans for the underground parking garage, including the design of access portals, garage appurtenances, as well as the replacement landscape features, in order to ensure conformance with the Standards.</p>	<p>Applicants</p>	<p>Preservation architect shall review and concur in design plans as applicable.</p>	<p>This measure shall be required prior to the issuance of building permits for the Garage.</p>
<p>Archaeological Resources</p>			
<p>AR-1 If archaeological materials are encountered within the proposed project site during any phase of construction, work must stop within 50 feet of the find, and the find area must be avoided and protected. Discoveries shall be examined by a professional archaeologist, as defined by the Secretary of the Interior's Standards, and evaluated for their potential significance according to California Register criteria. The archaeological resource shall be treated as appropriate, which could include testing, evaluation, and possibly data recovery or other mitigation measures following standard archaeological procedures.</p>	<p>Applicants</p>	<p>(1) Grading and construction plans and specifications shall instruct contractors to halt construction within 50 feet of an archeological find until discoveries are examined and appropriate treatment measures are implemented. (2) Professional archaeologist shall examine materials as defined by the Secretary of the Interior's Standards, and evaluate them for their potential significance.</p>	<p>This measure shall be required throughout the construction process.</p>
<p>AR-2 If human remains are exposed during construction, State Health and Safety Code Section 7050.5 states that no further disturbance shall occur until the county coroner has made the necessary findings as to origin and disposition pursuant to PRC Section 5097.98. Construction must halt in the area of the discovery of human remains, the area must be protected, and consultation and treatment shall occur as prescribed by law.</p>	<p>Applicants</p>	<p>Grading and construction plans and specifications shall instruct contractors to halt construction in the area of the discovery of human remains.</p>	<p>This measure shall be required throughout the construction process.</p>

Mitigation Monitoring and Reporting Program

MITIGATION MEASURE	RESPONSIBLE PARTY FOR IMPLEMENTATION	MONITORING PROCEDURE	IMPLEMENTATION SCHEDULE
<p>AR-3 Should archaeological resources be identified during construction, the City shall retain a qualified archaeologist to conduct post-field artifact processing, including washing, analyzing, and packing artifacts for curation. A qualified archaeologist, retained by the City, shall write a report of the archaeological finds in accordance with the guidelines put forth by the California Department of Parks and Recreation. In addition, the City shall finance the permanent curation of artifacts and documents in a repository consistent with the National Park Service guidelines for the curation of archaeological collections.</p>	<p>Applicants</p>	<p>If archeological resources are identified during construction, City shall retain a qualified archeologist to conduct post-field artifact processing and prepare a report of the archaeological finds in accordance with the guidelines put forth by the California Department of Parks and Recreation.</p>	<p>This measure shall be required throughout the construction process.</p>
<p>PR-1 In the event that excavation below 6 feet in depth from the present ground surface reveals any paleontologic resources, then the excavation shall be monitored by a qualified paleontologist retained by the City. The monitor shall be equipped to salvage fossils and samples of sediments during initial ground disturbance to avoid construction delays. Monitors shall be empowered to temporarily halt or divert equipment to allow removal of abundant or large specimens. Monitoring may be reduced if the potentially fossiliferous units, previously described, are not found to be present or, if present, are determined by qualified paleontologic personnel to have a low potential to contain fossil resources.</p>	<p>Applicants</p>	<p>Excavation below 6 feet in depth from the present ground surface shall be monitored by a qualified paleontologist retained by the City.</p>	<p>This measure shall be throughout the construction process.</p>
<p>PR-2 Recovered specimens shall be prepared by a qualified paleontologist retained by the City. The paleontologist shall be present during initial ground disturbance. A qualified paleontologist shall be retained until all paleontologic finds are identified, washed, analyzed, and stored for permanent preservation.</p>	<p>Applicants</p>	<p>City shall retain a qualified paleontologist to be present during initial ground disturbance and to prepare any recovered specimens.</p>	<p>This measure shall be required throughout the construction process.</p>
<p>PR-3 Specimens shall be curated by a qualified paleontologist, retained by the City, into a professional, accredited museum repository with permanent retrievable storage.</p>	<p>Applicants</p>	<p>City shall ensure that recovered specimens are curated into a professional accredited museum repository.</p>	<p>This measure shall be required throughout the construction process.</p>
<p>PR-4 A report of findings, with an appended itemized inventory of specimens, shall be prepared by a qualified paleontologist retained by the City. The report and inventory, when submitted to the City, will signify completion of the program to mitigate impacts to paleontologic resources.</p>	<p>Applicants</p>	<p>Paleontologist retained by City shall prepare a report of findings.</p>	<p>This measure shall be required throughout the construction process.</p>

Mitigation Monitoring and Reporting Program

MITIGATION MEASURE	RESPONSIBLE PARTY FOR IMPLEMENTATION	MONITORING PROCEDURE	IMPLEMENTATION SCHEDULE
<p>Geology/Soil/Seismicity</p> <p>GS-1 All earthwork and grading performed by the grading contractor, landscape contractor, utility contractors, and/or other trade contractors shall meet the requirements of the State of California building and structural codes and be performed in accordance with the recommendations provided in the geotechnical investigation for the project.</p>	<p>Applicants</p>	<p>Grading permit plan check shall ensure that all earthwork and grading performed as part of the project is conducted and that activities are performed in compliance with State codes and performed in accordance with the recommendations provided in the geotechnical investigation for the project .</p>	<p>This measure shall be required throughout the construction process.</p>
<p>GS-2 All excavation and shoring systems shall meet the minimum requirements of OSHA, and shall be developed with the input of the project's preservation architect.</p>	<p>Applicants</p>	<p>Grading and building permit plan check shall ensure that all excavation and shoring systems meet the minimum requirements of OSHA.</p>	<p>This measure shall be required throughout the construction process.</p>
<p>GS-3 To reduce the potential for damage to improvements and structures resulting from excavation operations for the proposed project, the ground surface and/or structures around the excavation shall be monitored for movement with a variety of instrumentation. If, during the course of construction, instrumentation detects ground movement that exceeds a predetermined value, the work shall stop, the contractor's methods reviewed by the project architect and engineering specialist with input from the City's Community Development Department. The new corrective measures identified in that consultation shall be fully and immediately implemented by the construction contractor. Typical monitoring methods could include installation of ground survey points around the outside of the excavation to monitor settlement and/or placing monitoring points on nearby structures to monitor performance of the structures. Additionally, inclinometers can be installed along the sides of the excavation to monitor lateral deflection of the sidewalks during excavation.</p>	<p>Applicants</p>	<p>Grading plans and specifications shall provide that ground surface and/or structures will be monitored for movement and that if, during the course of construction, instrumentation detects ground movement that exceeds a predetermined value, the work shall stop, the contractor's methods will be reviewed by the project architect and engineering specialist with input from the City's Building and Safety Department, and appropriate changes will be implemented by the construction contractor.</p>	<p>This measure shall be required throughout the construction process.</p>
<p>GS-4 The implementation of industry-standard stormwater pollution-control best management practices (BMPs) would reduce soil erosion impacts to a less-than-significant level. Erosion control measures that would be implemented as part of</p>	<p>Applicants</p>	<p>Applicant shall submit a Stormwater Pollution Prevention Plan to be reviewed and</p>	<p>This measure shall be required prior to or in conjunction with the issuance of construction permits for the project. This</p>

Mitigation Monitoring and Reporting Program

MITIGATION MEASURE	RESPONSIBLE PARTY FOR IMPLEMENTATION	MONITORING PROCEDURE	IMPLEMENTATION SCHEDULE
<p>BMPs would include placement of sandbags around basins; use of proper grading techniques; appropriate sloping, shoring, and bracing of the construction site; and covering or stabilizing topsoil stockpiles. Construction industry-standard stormwater BMPs can be found in the State of California's Stormwater Best Management Practices Handbook, Construction Activity.</p>		<p>approved to the satisfaction of the Director of Public Works.</p>	<p>measure shall be in effect throughout the construction process.</p>
<p>GS-5 A geotechnical investigation shall be performed by qualified licensed professionals before final design of any structures, and recommendations provided in the report shall be implemented in the project plans and specifications by the design team (i.e., architect, structural engineer, civil engineer, landscape engineer, etc.). The appropriate recommendations should be based on the 2007 California Building Code, City of Beverly Hills Building Code, and other applicable jurisdictional building codes. The recommendations, plans and specifications shall be implemented during construction by the various trade contractors.</p>	<p>Applicants</p>	<p>Construction plans and specifications shall implement recommendations from the geotechnical investigation.</p>	<p>This measure shall be required prior to development of final construction drawings. This measure shall be in effect throughout the construction process.</p>
<p>GS-6 Ground Shaking. During the design phase of the project, the project applicants shall ensure that a site-specific geotechnical evaluation is performed. Design and construction of structures for the proposed project shall conform to all applicable provisions and guidelines set forth in the new 2007 California Building Code (CBC). The CBC is based on the 1997 Uniform Building Code (UBC) and sets forth regulations concerning proper earthquake design and engineering. In addition, design and construction shall conform to the 2007 CBC earthquake design criteria for Seismic Zone 4.</p>	<p>Applicants</p>	<p>Building permit plan check shall ensure that construction of structures for the proposed project shall conform to all applicable provisions and guidelines set forth in the new 2007 California Building Code and the 2007 CBC earthquake design criteria for Seismic Zone 4..</p>	<p>This measure shall be required prior to development of final construction drawings. This measure shall be in effect throughout the construction process.</p>
<p>GS-7 Compressible/Collapsible Soils. During the design phase of the project, the project applicants shall see that that a site-specific geotechnical evaluation is performed to evaluate the presence of compressible/collapsible soils at the site. The settlement potential of the materials will be evaluated in areas where structures are proposed. If the settlement potential exceeds acceptable tolerances for the structure, then remedial measures will be incorporated into the design and construction by the project architect and construction contractor. If the settlement potential exceeds acceptable tolerances for the structure, then remedial measures will be incorporated into the design and construction. Examples of possible mitigation measures include surcharging, over excavation and recompaction, compaction grouting, a settlement period after or during construction, and</p>	<p>Applicants</p>	<p>(1) Applicant shall perform a site-specific geotechnical evaluation to evaluate the presence of compressible/collapsible soils. (2) If the settlement potential exceeds acceptable tolerances for the structure, construction plans and specifications shall incorporate remedial measures. construction.</p>	<p>This measure shall be required prior to development of final construction drawings. This measure shall be in effect throughout the construction process.</p>

Mitigation Monitoring and Reporting Program

MITIGATION MEASURE	RESPONSIBLE PARTY FOR IMPLEMENTATION	MONITORING PROCEDURE	IMPLEMENTATION SCHEDULE
<p>specialized foundation design.</p> <p>GS-8 Corrosive Soil Conditions. Per the California Building Code, construction of foundations using sulfate-resistant concrete is considered appropriate to mitigate sulfate attack. To mitigate corrosion to ferrous metal, consideration should be given to using non-ferrous materials (i.e., using coated, PVC or other non metallic pipes), installing corrosion protection systems (i.e., cathodic protection), and/or replacing corrosive subgrade soil with non-corrosive import soil. During the design phase of the project, the project applicant shall see a site-specific geotechnical evaluation is performed to characterize the presence and extent of corrosive soil. Appropriate mitigation shall be designed using the collected data.</p>		<p>(1) Applicant shall perform site-specific geotechnical evaluation to characterize the presence and extent of corrosive soils. (2) Construction plans and specifications shall incorporate recommendations of the geotechnical evaluation to avoid or reduce corrosive effects of soils.</p>	<p>This measure shall be required prior to development of final construction drawings. This measure shall be in effect throughout the construction process.</p>
<p>GS-9 Expansive Soil Conditions. Mitigation of expansive soils may include the replacement of expansive subgrade soils with non-expansion potential import soil in the upper 2 to 3 feet beneath structures and hardscape areas, pre-saturation of subgrade soils, the placement of moisture barriers above and around expansive subgrade soils to help prevent variations in soil moisture content, and the use of lime to reduce the expansion potential of the onsite soil.</p>	<p>Applicants</p>	<p>Grading and construction plans and specifications shall demonstrate efforts to reduce the effects of expansive soils, including, for example, replacement of expansive subgrade soils with non-expansion potential import soil in the upper 2 to 3 feet beneath structures and hardscape areas, pre-saturation of subgrade soils, the placement of moisture barriers above and around expansive subgrade soils to help prevent variations in soil moisture content, and/or the use of lime to reduce the expansion potential of the onsite soil.</p>	<p>This measure shall be required prior to development of final construction drawings. This measure shall be in effect throughout the construction process.</p>
<p>Hazardous Materials</p>			
<p>HM-1 A soil and/or groundwater management plan (SGMP) shall be developed for any future development involving soil excavation, grading, or other subsurface disturbance proposed by the project proponent. The plan shall address the monitoring of excavated soil, community and worker health and safety, and soil handling, stockpiling, characterization, onsite reuse, export, and disposal protocols. The objective of the SGMP is to assist the contractor in the excavation, notification,</p>	<p>Applicants</p>	<p>Applicant shall prepare and submit a soil and/or groundwater management plan to the Community Development Department for review.</p>	<p>This measure shall be required prior to the issuance of any building permits involving excavation, grading, or other subsurface disturbance. This measure shall be in effect throughout the construction process.</p>

Mitigation Monitoring and Reporting Program

MITIGATION MEASURE	RESPONSIBLE PARTY FOR IMPLEMENTATION	MONITORING PROCEDURE	IMPLEMENTATION SCHEDULE
<p>monitoring, segregation, characterization, handling, and reuse and/or disposal (as appropriate) of waste that may be encountered during the earthwork or dewatering activities. The SGMP should be prepared by a professional environmental consultant and in accordance with local regulatory and/or Regional Water Quality Control Board (RWQCB) guidelines, and the standard of care within the industry. All SGMP recommendations shall be incorporated into the project construction plans. The project contractor and preservation architect, and/or his/her designee, shall ensure full compliance with the SGMP during the construction of the project.</p> <p>HM-2 Sampling to characterize the soil on the subject property for the presence of heavy metals, petroleum hydrocarbons, polycyclic aromatic hydrocarbons (PAHs), herbicides, or other constituents prior to soil export, reuse, or disposal shall be conducted. Sampling of the areas proposed for disturbance/excavation shall be conducted by an OSHA-qualified professional retained by the project proponent. One of the areas onsite that should receive particular scrutiny during the sampling/characterization process is along the Cañon Drive portion of the property in the vicinity of the abandoned UST and fuel line left in place there. If the abandoned UST and/or fuel line requires removal for construction activities, the UST and/or fuel line shall be removed in accordance with applicable OSHA requirements. During excavation for the proposed project, the contractor shall observe the exposed soil for visual evidence of contamination, such as discolored soil. If visual indicators are observed, all grading and excavation work shall cease, and a Phase II investigation shall be designed and performed to verify the presence and extent of contamination on the site. All construction dewatering activities shall be carried out in conformance with RWQCB requirements.</p>	<p>Applicants</p>	<p>(1) Grading plans and specifications shall instruct contractors to observe exposed soil for visual evidence of contamination. (2) If visual contamination indicators are observed all grading and excavation work shall stop, and an investigation shall be designed and performed. (3) If contaminants are identified, further investigation will verify presence of contamination, and all construction dewatering activities shall be carried out in conformance with RWQCB requirements</p>	<p>This measure shall be required prior to the issuance of any building permits involving excavation, grading, or other subsurface disturbance. This measure shall be in effect throughout the construction process.</p>
<p>HM-3 A discharge permit will likely be required for dewatering, and water may need to be characterized and treated prior to discharge, with the coordination of RWQCB and local wastewater discharge agency. The project architect, and/or his/her designee, and construction contractor, who shall have site-specific health and safety program (HASP) training prior to commencing grounddisturbing work on the project, shall contact the RWQCB and local wastewater discharge agency for guidance on the discharge of dewatering effluent requirements.</p>	<p>Applicants</p>	<p>Applicant shall obtain a discharge permit for dewatering activities.</p>	<p>This measure shall be required prior to the issuance of any building permits involving excavation, grading, or other subsurface disturbance. This measure shall be in effect throughout the construction process.</p>
<p>HM-4 Under the direction of the project's preservation architect and/or his/her designee, surveys shall be conducted prior to building renovation or demolition to evaluate the presence, locations, and quantities of hazardous building materials.</p>	<p>Applicants</p>	<p>Applicant shall remove asbestos, lead, or other hazardous building materials</p>	<p>This measure shall be required prior to the issuance of any construction or demolition permits. This measure shall</p>

Mitigation Monitoring and Reporting Program

MITIGATION MEASURE	RESPONSIBLE PARTY FOR IMPLEMENTATION	MONITORING PROCEDURE	IMPLEMENTATION SCHEDULE
<p>Should ACMs, LCSs, or other hazardous building materials be encountered in the project building, the project proponent shall retain a licensed abatement contractor to remove (subject to the direction of the project's preservation architect, and/or his/her designee, and construction contractor) those materials in accordance with AQMD and California OSHA regulations before renovation or demolition activities commence.</p>		<p>only by a licensed abatement contractor under direction of the preservation architect and/or his/her designee.</p>	<p>be in effect throughout the construction process.</p>
<p>HM-5 In the event that the portion of the site traversed by North Crescent Drive is underlain by utility lines, it is possible that the utility lines have asbestoscontaining materials (ACMs). Prior to disturbance of these lines, the project proponent shall ensure that surveys are conducted to evaluate the presence, locations, and quantities of ACMs. Should ACMs or other hazardous building materials be encountered, a licensed abatement contractor, under the supervision of the project architect, and/or his/her designee, and construction contractor, shall be retained to remove them before disturbance occurs.</p>	<p>Applicants</p>	<p>Applicant shall conduct and submit to the Community Development Department surveys to evaluate the presence, locations, and quantities of ACMs in the presence of underground utility lines.</p>	<p>This measure shall be required prior to the issuance of any building permits involving excavation, grading, or other subsurface disturbance. This measure shall be in effect throughout the construction process.</p>
<p>HM-6 A site-specific health and safety program (HASP) shall be prepared in accordance with the requirements of the Occupational Safety and Health Administration (OSHA) standards and regulations, and with California OSHA requirements for hazardous waste operations and emergency response regulations. The HASP shall include a community health and safety component that stipulates appropriate training for any person performing subsurface work. The program should be reviewed and signed by a Certified Industrial Hygienist, and the program's recommendations shall be incorporated into the project's construction plans and implemented by the project proponent.</p>	<p>Applicants</p>	<p>Applicant shall prepare and submit a site-specific health and safety program (HASP) for review by Community Development Department.</p>	<p>This measure shall be required prior to the start of construction. This measure shall be in effect throughout the construction process.</p>
<p>Noise</p>			
<p>N-1 Construction operations shall not occur between 6:00 p.m. and 8:00 a.m. Monday through Friday, or at any time on Saturday, Sunday or on federal holidays. The hours of construction, including noisy maintenance activities and all spoils and material transport, shall be restricted to the periods and days permitted by the local noise or other applicable ordinance unless an after-hours permit has been obtained. In issuing an after-hours permit, the building official shall consider the noise impacts of the activities for which the permit is issued.</p>	<p>Applicants</p>	<p>Construction plans and specifications shall indicate permitted hours of construction.</p>	<p>This measure shall be in effect throughout the construction process.</p>
<p>The following measures are recommended to further minimize construction noise.</p>	<p>Applicants</p>	<p>Grading and building permit plan</p>	<p>This measure shall be in effect</p>

Mitigation Monitoring and Reporting Program

MITIGATION MEASURE	RESPONSIBLE PARTY FOR IMPLEMENTATION	MONITORING PROCEDURE	IMPLEMENTATION SCHEDULE
<ul style="list-style-type: none"> • All noise-producing construction equipment and vehicles using internal combustion engines may be equipped with mufflers, air-inlet silencers where appropriate, and any other shrouds, shields, or other noise-reducing features in good operating condition that meet or exceed original factory specification. Mobile or fixed "package" equipment (e.g., arc-welders, air compressors) may be equipped with shrouds and noise control features that are readily available for that type of equipment. • Electrically powered equipment shall be used instead of pneumatic or internal combustion powered equipment, where feasible. • Material stockpiles and mobile equipment staging, parking, and maintenance areas shall be located as far as practicable from noise-sensitive receptors. • Construction site and access road speed limits shall be established and enforced during the construction period. • The use of noise-producing signals, including horns, whistles, alarms, and bells, shall be for safety warning purposes only. • No project-related public address or music system shall be audible at any adjacent sensitive receptor. • The onsite construction supervisor shall have the responsibility and authority to receive and resolve noise complaints. A clear appeal process to the owner shall be established prior to construction commencement that will allow for resolution of noise problems that cannot be immediately solved by the site supervisor. 		<p>check and site inspection shall review plans and operations for efforts to implement recommendations.</p>	<p>throughout the construction process.</p>
<p>Traffic and Transportation</p>			
<p>TR-1 Construction Traffic Management Plan—To mitigate the significant but temporary impact, the project proponent shall develop and submit a Construction Traffic Management Plan prior to commencement of construction to include plans to accomplish the following:</p> <ul style="list-style-type: none"> • Maintain access for land uses in proximity of the project site during project construction. • Schedule deliveries and pick-ups of construction materials to non-peak travel 	<p>Applicants</p>	<p>Applicant shall develop and submit a Construction Traffic Management Plan to Community Development Department and City Traffic Engineer for review.</p>	<p>This measure shall be required prior to the issuance of a building or demolition permit. This measure shall be in effect throughout the construction process.</p>

Mitigation Monitoring and Reporting Program

MITIGATION MEASURE	RESPONSIBLE PARTY FOR IMPLEMENTATION	MONITORING PROCEDURE	IMPLEMENTATION SCHEDULE
<p>periods, to the maximum extent feasible.</p> <ul style="list-style-type: none"> • Coordinate deliveries and pick-ups to reduce the potential of trucks waiting to load or unload for protracted periods of time. • Minimize obstruction of through traffic lanes on surrounding public streets. • Construction equipment traffic from the contractors shall be controlled by flagman when necessary for traffic circulation or safety reasons. • Identify designated transport routes for heavy trucks (in addition to haul trucks) to be used over the duration of the proposed project. • Schedule vehicle movements to ensure that no vehicles waiting off-site impede public traffic flow on the surrounding streets. • Establish requirements for loading/unloading and storage of materials on the project site, where parking spaces would be encumbered, length of time traffic travel lanes can be encumbered, sidewalk closings or pedestrian diversions to ensure the safety of the pedestrian and access to local businesses. • Coordinate with adjacent businesses and emergency service providers to ensure adequate access exists to the project site and neighboring businesses. 			
<p>TR-2 Construction Worker Parking Plan—To mitigate the impact, the Center shall develop and submit a Construction Worker Parking Plan prior to commencement of construction that identifies parking locations for construction workers. To the maximum extent feasible, all worker parking shall be accommodated on the project site. During construction activities when construction worker parking cannot be accommodated on the project site, the plan shall identify alternate parking locations for construction workers and the method of transportation to and from the project site for approval by the City 30 days prior to commencement of construction. The Construction Worker Parking Plan must include appropriate measures to ensure that the parking location requirements for construction workers will be strictly enforced. These could include but are not limited to the following measures:</p> <ul style="list-style-type: none"> • Provide all construction contractors with written information on where their workers and their subcontractors are permitted to park, and provide clear 	Applicants	Applicant shall develop and submit a Construction Worker Parking Plan to Community Development Department and City Traffic Engineer for review.	This measure shall be required prior to the issuance of a building or demolition permit. This measure shall be in effect throughout the construction process.

Mitigation Monitoring and Reporting Program

MITIGATION MEASURE	RESPONSIBLE PARTY FOR IMPLEMENTATION	MONITORING PROCEDURE	IMPLEMENTATION SCHEDULE
<p>consequences to violators for failure to follow these regulations. This information will clearly state that no parking is permitted on residential streets north of Wilshire or in public parking structures.</p> <ul style="list-style-type: none"> • No construction worker parking shall be permitted within 500 feet of the nearest point of the project site except within designated areas. The contractor shall be responsible for informing subcontractors and construction workers of this requirement, and if necessary, for hiring a security guard to enforce these parking provisions. The contractor shall be responsible for all costs associated with enforcement of this mitigation measure. • In lieu of the above, the project developer/construction contractor has the option of phasing demolition and construction activities such that all construction worker parking can be accommodated on the project site throughout the entire duration of demolition and construction activities. 			
<p>TR-3 <u>Beverly Drive and Santa Monica Boulevard</u>—The 231 North Beverly Drive (William Morris) project is to provide an exclusive right-turn lane on the eastbound Santa Monica Boulevard North approach. However, were this mitigation not implemented by the proponent of the 231 North Beverly Drive project prior to its occupancy, there would be an increase in operational impacts to the intersection that would be significant and unavoidable.</p>	Applicants	City Traffic Engineer shall review and approve construction plans for an exclusive right-turn lane on the eastbound Santa Monica Boulevard North approach.	This measure shall be required prior to the issuance of the first Certificate of Occupancy issued for the project.
<p>TR-4 <u>Cañon Drive & Santa Monica Boulevard North</u>—Restripe Cañon Drive to provide an exclusive right-turn lane on the northbound approach, resulting in one left-turn lane, two through lanes, and one right-turn lane. The northbound right-turn lane would begin at approximately the location of the entrance driveway to the performing arts center drop-off/pick-up area. This mitigation shall be implemented by the project proponent prior to occupancy of the project.</p>	Applicants	City Traffic Engineer shall review and approve construction plans to restripe Cañon Drive to provide an exclusive right-turn lane on the northbound approach, resulting in one left-turn lane, two through lanes, and one right-turn lane.	This measure shall be required prior to the issuance of the first Certificate of Occupancy issued for the project.
<p>TR-5 <u>Crescent Drive & Santa Monica Boulevard North</u>— Improve Santa Monica Boulevard North to provide an exclusive right-turn lane on the eastbound approach, resulting in one left-turn lane, two through lanes, and one right-turn lane. This may entail narrowing of the existing sidewalk along the south side of Santa Monica Boulevard North between the existing bus pull-out and Crescent Drive. The improvement may also require relocation of the existing Metro bus stop currently</p>	Applicants	City Traffic Engineer shall review and approve construction plans to (1) Provide an exclusive right-turn lane on the eastbound approach, resulting in one left-turn lane, two through lanes,	This measure shall be required prior to the issuance of the first Certificate of Occupancy issued for the project.

Mitigation Monitoring and Reporting Program

MITIGATION MEASURE	RESPONSIBLE PARTY FOR IMPLEMENTATION	MONITORING PROCEDURE	IMPLEMENTATION SCHEDULE
<p>located just west of Crescent Drive (on the near side of the intersection) to just east of Crescent Drive (the far side of the intersection). Relocation of the Metro stop would require coordination with the Los Angeles County Metro Transportation Authority. This mitigation shall be implemented by the project proponent prior to occupancy of the project.</p>		<p>and one right-turn lane; and (2) Relocate the existing Metro bus stop currently located just west of Crescent Drive to just east of Crescent Drive.</p>	
<p>TR-6 The Center shall work with the City of Beverly Hills to develop and implement a parking operations plan for the facility to ensure that sufficient parking is provided to meet the peak parking demands projected to be generated by the various events and activities at the Center.</p> <p>The plan could include the following elements:</p> <ol style="list-style-type: none"> Whenever it is projected that the activities at the performing arts center will generate parking demands that could potentially exceed the amount of parking available in the garage for the Center (100 spaces between 11:00 AM and 3:00 PM; up to 500 spaces in the morning and evening hours), cast, crew and employees should park at an off-site location. The Center should enter into an agreement with the owners of an appropriate off-site location to accommodate these users. During time periods when usage of the site is expected to generate a parking demand that could potentially exceed the marked capacity of the parking garage, the on-site valet could stack-park vehicles in the valet portion of the project parking garage. With valet or attendant parking on the lower level, 45 to 60 additional stacked cars may be accommodated on the lower level. For rare time periods when off-site cast/crew/staff parking and stack parking are not sufficient to allow the parking garage to accommodate the full performing arts center parking demand, an appropriate portion of the performing arts center patrons should park at a remote off-site overflow location. The performing arts center should enter into an agreement with the owners of appropriate off-site location(s) to secure use of such parking. Event patrons can be directed to the alternative parking location(s) with flyers in ticket mailers. Alternatively, valets could pick up vehicles in the valet zone and then transport them to an off-site location. Arrangements should be made with the designated parking facilities to have dedicated and reserved parking for patrons of events at the performing arts center. The event ticket could be used as passage into the lot(s) 	<p>Applicants</p>	<p>Applicants shall prepare and implement a parking operations plan for the facility to ensure that sufficient parking is provided.</p>	<p>This measure shall be required within one year of the issuance of a Certificate of Occupancy for the project. This requirement shall be required throughout the life of the project.</p>

Mitigation Monitoring and Reporting Program

MITIGATION MEASURE	RESPONSIBLE PARTY FOR IMPLEMENTATION	MONITORING PROCEDURE	IMPLEMENTATION SCHEDULE
4. The City and the Cetner shall work together to develop an appropriate parking management plan to address garage operation issues.			

APPENDIX A

SAMPLE COMPLIANCE FORM

**PROJECT TITLE
MITIGATION MEASURE MONITORING COMPLIANCE FORM**

Reporting Period: Pre-Construction Construction Post-Construction

Report Date: _____

Mitigation Measure:

Has the Mitigation Measure been implemented?

Yes No

Notes:

Is further action or monitoring required?

Yes No

If yes, describe:

Is consultation with outside agencies required?

Yes No

If yes, identify agency: _____

Has consultation with outside agency been completed?

Yes No

Monitoring Verified By: _____ Date: _____

ATTACHMENT 2
DRAFT RESOLUTION - LEASE

RESOLUTION NO. 09-R-_____

RESOLUTION OF THE COUNCIL OF CITY OF
BEVERLY HILLS APPROVING THE AMENDED AND
RESTATED LEASE BY AND AMONG THE CITY OF
BEVERLY HILLS, THE WALLIS ANNENBERG
CENTER FOR THE PERFORMING ARTS, AND THE
PARKING AUTHORITY OF THE CITY OF BEVERLY
HILLS

The City Council of the City of Beverly Hills does hereby find, determine, resolve and order as follows:

Section 1. That certain amended and restated lease, dated _____, and identified as Contract No. _____, (the "Lease") a copy of which is on file in the office of the City Clerk, by and among the City of Beverly Hills ("City"), the Wallis Annenberg Center for the Performing Arts ("Tenant"), and the Parking Authority of the City of Beverly Hills ("Parking Authority") is hereby approved.

Section 2. The Lease has been environmentally reviewed pursuant to the provisions of the California Environmental Quality Act (Public Resources Code Sections 21000, *et seq.* ("CEQA"), the State CEQA Guidelines (California Code of Regulations, Title 14, Sections 15000, *et seq.*), and the City's Local CEQA Guidelines. The City prepared an initial study and, based on the information contained in the initial study, concluded that there was substantial evidence that the Lease might have a significant environmental impact on several specifically identified environmental resources. Pursuant to CEQA Guidelines Sections 15064 and 15081, and based upon the information contained in the Initial Study, the City ordered the preparation of an Environmental Impact Report ("EIR") for the Project to analyze the Lease's potential

impacts on the environment. The City Council, by Resolution No. 09-R-_____ adopted on January __, 2009, (a) made certain CEQA findings and determinations, (b) certified the Final Environmental Impact Report (“FEIR”) (c) adopted a Statement of Overriding Considerations and (d) adopted a Mitigation Monitoring and Reporting Program. Resolution No. 09-R-_____ is incorporated herein by reference, and made a part hereof as if fully set forth herein. The documents and other material that constitute the record on which this decision is based are located in the Department of Community Development and are in the custody of the Director of Community Development. Further, the mitigation measures set forth in the FEIR have been incorporated into the Lease.

Section 3. The Mayor is authorized and directed to execute said Lease on behalf of the City Council, and the City Clerk is directed to attest thereto.

Section 4. The City Manager or his designee shall administer the terms and conditions of the Lease on behalf of the City.

Section 5. The City Council shall furnish a copy of said Lease after it has been approved and fully executed, along with a copy of this resolution, to: Wallis Annenberg Center for the Performing Arts, 470 North Canon Drive, Beverly Hills, California, 90210, , Attention: Executive Director

Section 6. The City Clerk shall certify to the adoption of this resolution and shall cause this resolution and his certification to be entered in the Book of Resolutions of the of this City.

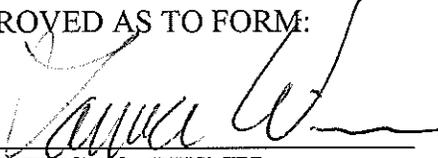
Adopted:

BARRY BRUCKER
Mayor of the City of Beverly Hills

ATTEST:

BYRON POPE
City Clerk

APPROVED AS TO FORM:



LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT

RODERICK J. WOOD, CCM
City Manager

ANNE BROWNING McINTOSH
Interim Director of Community
Development

DAVID D. GUSTAVSON
Director of Public Works &
Transportation

ATTACHMENT 3
PROPOSED LEASE

AMENDED AND RESTATED LEASE

by and among the

CITY OF BEVERLY HILLS,
a municipal corporation,
as Landlord

WALLIS ANNENBERG CENTER FOR THE PERFORMING ARTS,
a California nonprofit public benefit corporation,
as Tenant, and

THE PARKING AUTHORITY OF THE
CITY OF BEVERLY HILLS,
a parking authority established pursuant to
the Parking Law of 1949 of
the State of California

AMENDED AND RESTATED LEASE

THIS AMENDED AND RESTATED LEASE ("Lease") is made and entered into as of the ____ day of January, 2009 (the "Effective Date"), by and among the CITY OF BEVERLY HILLS ("City"), a municipal corporation, WALLIS ANNENBERG CENTER FOR THE PERFORMING ARTS ("Tenant"), a California nonprofit public benefit corporation, formerly known as Beverly Hills Cultural Center Foundation, and for purposes of the provisions of this Lease that refer to the "Parking Authority," THE PARKING AUTHORITY OF THE CITY OF BEVERLY HILLS, a parking authority established pursuant to the Parking Law of 1949 of the State of California (the "Parking Authority") (each, a "Party" and collectively, the "Parties").

RECITALS

- A. The City is the owner of the land described on Exhibit "A" attached hereto that is located in Beverly Hills, California and the improvements thereon (collectively the "Premises"). The Premises are generally depicted on the Site Plan attached hereto as Exhibit "A-1".
- B. The City and the Tenant are parties to a Lease dated March 28, 2000 for the Premises, supplemented by a Key Receipt and Use Acknowledgment dated November 3, 2000, and amended by a Lease Amendment dated January 28, 2003, a Lease Amendment II dated July 19, 2005 and a Lease Amendment III dated December 5, 2007 (collectively, the "Existing Lease").
- C. The Parking Authority is the owner of the area generally depicted on the Site Plan attached hereto as Exhibit "A-1" attached hereto and described thereon as the "Garage Area" (the "Garage Area").
- D. The City and Tenant desire to further amend the Existing Lease in several respects and have therefore agreed to amend and restate the Existing Lease. The Parking Authority has agreed to become a party to this Amended and Restated Lease for the purpose of constructing a parking garage in the Garage Area, which shall be available for use by Tenant to the extent set forth in this Lease.

AGREEMENT

NOW, THEREFORE, in reliance on the foregoing recitals and in consideration of the mutual agreements set forth in this Lease and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and Tenant (and to the extent provided herein, the Parking Authority) hereby agree as follows (and this Lease shall supersede and replace the Existing Lease as of the date of this Lease):

1. Definitions.

1.1. Specific Definitions. As used in this Lease, the following words and phrases shall have the following meanings:

1.1.1. Alteration - any addition or change to, or modification of, the Property made by Tenant or the Garage made by the City or Parking Authority, and the installation of any and all exterior signs, but excluding installation of trade fixtures and equipment (including theater equipment, which can be removed without materially damaging the Property) and the Renovation and Construction Work.

1.1.2. Available Funds - any donated cash, pledges, letters of credit, and other forms of payment or commitments reasonably satisfactory to the City, and reasonably projected interest earnings on donated amounts given to Tenant for the purpose of constructing the Renovation and Construction Work.

1.1.3. Authorized Representative - any officer, agent, employee, or independent contractor retained or employed by either Party, acting within authority given the Authorized Representative by that Party.

1.1.4. Building - That certain building located on the Land which has been used historically as the Beverly Hills Post Office.

1.1.5. Effective Date - the date set forth in the first paragraph of this Lease.

1.1.6. Environmental Laws - means all federal, state, local and foreign laws and regulations relating to pollution or protection of human health or the environment, including, without limitation, laws and regulations relating to emissions, discharges, releases or threatened releases of Hazardous Materials, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials.

1.1.7. Expiration - the coming to an end of the time specified in this Lease as its duration.

1.1.8. Funding Date - shall have the meaning set forth in Section 4.1 of the Work Letter attached hereto as Exhibit "B".

1.1.9. Hazardous Material - means any substance, material or waste which is or becomes regulated as hazardous/contaminating or potentially hazardous/contaminating by the United States government, the State of California, or any local or other governmental authority, including, without limitation, any material, substance or waste which is (i) defined as a "hazardous waste," "acutely hazardous waste," "restricted hazardous waste," or "extremely hazardous waste" under Sections 25115, 25117, or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code; (ii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code; (iii) defined as a "hazardous material," "hazardous

substance,” or “hazardous waste” under Section 25501 of the California Health and Safety Code; (iv) defined as a “hazardous substance” under Section 25281 of the California Health and Safety Code; (v) petroleum; (vi) asbestos; (vii) a polychlorinated biphenyl; (viii) listed under Article 9 or defined as “hazardous” or “extremely hazardous” pursuant to Article 11 of Title 22 of the California Code of Regulations, Chapter 20; (ix) designated as a “hazardous substance” pursuant to Section 311 of the Clean Water Act (33 U.S.C. Section 1317); (x) defined as a “hazardous waste” pursuant to Section 1004 of the Resource Conservation and Recovery Act (42 U.S.C. Section 6903); (xi) defined as a “hazardous substance” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601); or (xii) any other substance, whether in the form of a solid, liquid, gas or any other form whatsoever, which by any government requirements either requires special handling in its use, transportation, generation, collection, storage, treatment or disposal, or is defined as “hazardous” or is harmful to the environment or capable of posing a risk of injury to the public health and safety.

1.1.10. Land - the land identified on Exhibit “A” attached hereto.

1.1.11. Law - any judicial decision, statute, constitution, ordinance, resolution, regulation, rule, administrative order, or other requirement of any municipal, county, state, federal, or other government agency or authority having jurisdiction over the Parties or the Property, or both, in effect either at the time of execution of this Lease or at any time during the Term, including, without limitation, any regulation or order of a quasi-official entity or body (e.g., board of fire examiners or public utilities).

1.1.12. Person - a natural person or a legal entity.

1.1.13. Property - the Land and all improvements now or hereafter located on the Land.

1.1.14. Provision - any term, agreement, covenant, condition, clause, qualification, restriction, reservation, or other stipulation in this Lease that defines or otherwise controls, establishes, or limits the performance required or permitted by either Party.

1.1.15. Site Plan - the site plan attached hereto as Exhibit “A-1”.

1.1.16. Studio – a new approximately 150 seat flexible rehearsal hall/studio theater to be constructed by Tenant within the Building.

1.1.17. Successor - any assignee, transferee, personal representative, heir, or other Person succeeding lawfully, and pursuant to the provisions of this Lease, to the rights or obligations of either Party.

1.1.18. Tenant - Wallis Annenberg Center for the Performing Arts, a California nonprofit public benefit corporation, and any Successor hereunder.

1.1.19. Term - the initial term of thirty-five (35) Lease Years beginning on the Funding Date and any extensions thereof as provided in Section 3.1 hereof.

1.1.20. Termination - the ending of the Term for any reason before Expiration.

1.1.21. Theater – A new theater building that is to be constructed on the Land in the area generally depicted on the Site Plan.

1.2. Other Definitions. The following additional terms are defined in the following Sections of this Lease:

1.2.1. Additional Disputes	Section 19
1.2.2. Adjustment Date	Section 8.1
1.2.3. Award	Section 11.1.3
1.2.4. Basic Rent	Section 4.1
1.2.5. City Indemnified Claims	Section 9.3
1.2.6. City Indemnified Parties	Section 9.2
1.2.7. City-Sponsored Event	Section 5.4
1.2.8. City's Landscaping Contribution	Section 8.1
1.2.9. City's Notice	Section 10.3.1
1.2.10. City Non-Profit Organization	Section 10.4
1.2.11. Condemnation	Section 11.1.1
1.2.12. Condemnor	Section 11.1.4
1.2.13. Cost of Improvements	Section 11.5.1
1.2.14. Date of Taking	Section 11.1.2
1.2.15. Disqualification Judgment	Section 19.11.1
1.2.16. EIR	Section 3.2
1.2.17. Garage	Section 2.2.1
1.2.18. Gross Error	Section 19.11.3

1.2.19. Index	Section 8.1
1.2.20. Initiating Party	Section 19
1.2.21. Insurance Renegotiation Date	Section 9.5
1.2.22. Lease Year	Section 3.1
1.2.23. Major Components of the Property	Section 17
1.2.24. Minimum Performances	Section 5.2
1.2.25. Parking Authority	Section 2.2.4
1.2.26. Parking Operating Agreement	Section 2.2.3
1.2.27. Party	Section 26.12
1.2.28. Performing Arts Center	Section 5.1
1.2.29. Permitted Uses	Section 5.1
1.2.30. Property Naming Request	Section 17
1.2.31. Renovation and Construction Work	Section 6.1
1.2.32. Rent	Section 4.1
1.2.33. Reply	Section 19.4(3)
1.2.34. Request For Arbitration	Section 19
1.2.35. Reserved Tenant Spaces	Section 2.2.3
1.2.36. Responding Party	Section 19
1.2.37. Supplemental Garage Contribution	Section 2.2.1
1.2.38. Taxes	Section 4.2.1
1.2.39. Tenant Indemnified Claims	Section 9.2
1.2.40. Tenant Indemnified Parties	Section 9.3
1.2.41. Tenant Parties	Section 9.2
1.2.42. Tenant's Garage Contribution	Section 2.2.1
1.2.43. Tenant's Notice	Section 10.2.1

1.2.44. Theater Operator	Section 13.2
1.2.45. Unamortized Improvement Value	Section 11.5
1.2.46. Work Letter	Section 2.2.1

2. Lease of Property.

2.1. Lease. For and in consideration of the covenants and conditions set forth in this Lease, the City hereby leases the Property to Tenant and Tenant leases the Property from the City for the Term on the terms and conditions stated in this Lease.

2.2. Parking.

2.2.1. Pursuant to the provisions of the work letter attached hereto as Exhibit "B" (the "Work Letter"), the Parking Authority shall construct a parking garage (the "Garage") under Crescent Drive adjacent to the Property in the area generally depicted on the Site Plan attached hereto as Exhibit "A-1". Tenant shall contribute to the cost of the construction of the Garage, as additional rent, an amount (the "Tenant Garage Contribution") equal to Five Million Dollars (\$5,000,000) in accordance with and subject to the provisions of Section 6 of the Work Letter.

2.2.2. Throughout the Term hereof, Tenant and Tenant's patrons shall have the right to use all or a portion of the Garage for parking at rates established in accordance with the Parking Operating Agreement (as defined below). Tenant and City acknowledge that City currently owns other public parking areas in the vicinity of the Property and may in the future own still other public parking areas in the vicinity of the Property, and the City agrees that Tenant and its patrons shall have the nonexclusive right on a first come first served basis, to use such public parking, to the extent available from time to time, at the charges for such parking then applicable thereto.

2.2.3. City (acting through its Director of Parking Operations) and Tenant shall, promptly following the execution of this Lease, use good faith efforts to finalize the terms of an operating agreement for the Garage setting forth the standards for the operation of the Garage and shall, from time to time during the term of the Lease, use good faith efforts to reach agreement on appropriate amendments to the same to reflect changes in the demand for parking and the uses to which the Property is being put. The foregoing agreement, when finalized, and as so amended from time to time shall be referred to herein as the "Parking Operating Agreement." Notwithstanding the foregoing, the Parking Operating Agreement shall at all times (unless City and Tenant have both consented to the contrary, which consent may be withheld by either Party in its sole and absolute discretion) contain provisions intended to achieve the following: (i) Tenant shall be guaranteed the right at all times to use not less than 100 parking spaces (the "Minimum Tenant Spaces"); (ii) if the City reasonably anticipates that the demand for parking by other than Tenant and Tenant's patrons will merit such a restriction, the City may from time to time, but only between the hours of 11:00 a.m. and 3:00 p.m. Monday through Saturday, restrict Tenant and Tenant's patrons to use only the Minimum Tenant Spaces; (iii) and if the City sells monthly daytime parking, it will be restricted to no later

than 6 P.M., Monday through Friday (such monthly parkers being hereinafter referred to as the "Monthly Parkers"); and (iv) except for parking between the hours of 11:00 a.m. and 3:00 p.m. Monday through Saturday, Tenant shall have the right, if Tenant reasonably determines that the demand for parking by Tenant and Tenant's patrons will exceed the number of parking spaces provided by the Minimum Tenant Spaces, to request to purchase (at least 24 hours in advance) parking not set aside for Monthly Parkers described in the preceding clause (iii) and the City shall use reasonable efforts to accommodate such request. The Parking Operating Agreement will be developed in a manner that protects the City's ability to offer limited-hour monthly parking and peak period (11 a.m. – 3 p.m.) transient parking in the City's Garage spaces while operating the off-hour operations of the Garage in a manner that prioritizes parking in favor of the activities of the Tenant on the Property. If the City (acting through its Director of Parking Operations) and Tenant are unable to agree upon the terms of the initial Parking Operating Agreement or subsequent modifications to the Parking Operating Agreement, the matter shall be determined by the City Council.

2.2.4. The Parking Authority or City may, at its own expense, make or construct, or cause to be made or constructed, Alterations to the Garage during the Term, provided that the Parking Authority and City shall not make any Alterations that materially adversely affect Tenant's operations (including, without limitation, the rights of Tenant set forth in this Section 2.2); provided that the City and Parking Authority may, as reasonably necessary to effect such Alterations, create temporary material adverse changes so long as the City or Parking Authority (as applicable) use reasonable efforts to minimize the impact on Tenant's business, including, without limitation, but only if necessary, using good faith efforts to provide alternative parking in City lots to compensate for any reduced parking capacity or utilization caused by such temporary changes.

2.2.5. The City agrees to contract with the Parking Authority to operate the Garage in accordance with the Parking Operations Plan, and the Tenant shall have the right to enforce the Parking Operations Plan directly against the Parking Authority.

2.3. Possession. Possession of the Property shall be delivered to Tenant on the Funding Date. Prior to delivery of such possession on the Funding Date, Tenant may occupy office space in the Building and may also enter the balance of the Premises from time to time for the purposes of showing the Premises to Tenant's architects, engineers and contractors in connection with planning the Renovation and Construction Work and planning Tenant's operations provided Tenant has obtained (and maintains) the liability and casualty insurance described in Sections 9.4 et. seq. and has delivered reasonable evidence thereof to Landlord.

2.4. Condition of Property; Environmental Remediation. Tenant is not relying on any representation or warranty of any kind whatsoever, express or implied, from the City or any other governmental authority or public agency, or their respective agents or employees, as to any matters concerning the Property and/or the Building and is leasing the Property on an "as is" basis. Tenant hereby acknowledges receipt of that

certain Phase I Environmental Site Assessment dated July 2, 2007 and revised August 28, 2007, prepared by Ninyo & Moore. The City will reimburse Tenant within thirty (30) days after written demand (with reasonable evidence of the costs incurred by Tenant) for all costs incurred by Tenant in remediating Hazardous Materials in connection with the Renovation and Construction Work up to a maximum reimbursement amount equal to \$240,000.

3. Term.

3.1. Term and Commencement Date. The Term shall be thirty-five (35) Lease Years commencing on the Funding Date (or, if Tenant elects to perform the Renovation and Construction Work in Phases as permitted by the Work Letter, the first Funding Date). When the Funding Date has been determined, Tenant or the City may prepare and deliver to the other a supplemental agreement confirming the same and setting forth the Expiration of the Term. Promptly following such request, the parties shall jointly execute such supplemental agreement. As used herein, the term "Lease Year" shall mean a period of twelve (12) consecutive calendar months; provided, however, that if the Funding Date is other than the first day of a calendar month, the first Lease Year shall also include the period of time from the Funding Date to the last day of the calendar month in which the Funding Date occurs. Tenant may extend the Term for two consecutive periods of ten (10) years each by giving written notice of its election to do so to the City not later than one (1) year prior to the end of the then existing Term; provided, Tenant shall not be in default hereunder at the time of such exercise and shall have been in full compliance with the provisions of Sections 5.2 and 5.3 hereof during the two year period immediately prior to such exercise.

3.2. Environmental Review; Mitigation. The City represents and warrants that the City has undertaken all action required by the California Environmental Quality Act in order to enter into this Lease. The mitigation measures set forth in the environmental impact report prepared in connection with this Lease and adopted by the City (the "EIR") shall be allocated and performed as follows:

3.2.1. The Parking Authority shall, at its expense, be responsible for the performance of all mitigation measures required by the EIR that relate to the Garage; provided that Tenant shall reimburse the City within thirty (30) days after written demand, as additional rent, for one half of the cost associated with: (i) the construction of a right turn lane from Santa Monica Boulevard North onto Crescent Drive and (ii) the construction of a right turn lane from northbound Canon Drive onto Santa Monica Boulevard North.

3.2.2. Tenant shall, at its expense, be responsible for the performance of all other mitigation measures required by the EIR that relate to the Property or to the Renovation and Construction Work.

3.3. Additional Work by Parking Authority. The Parking Authority shall, at its expense (and without reimbursement from Tenant) construct a right turn lane from westbound Santa Monica Boulevard South onto northbound Canon Drive. The

work described in Section 3.2 and this Section 3.3 that is to be performed by the Parking Authority is referred to herein (and in the Work Letter) as the "Offsite Improvements".

4. Rent.

4.1. Basic Rent and Rent. Tenant shall pay to the City as rent ("Basic Rent"), during the term of this Lease, the sum of One Hundred and No/100 Dollars (\$100.00) per year, payable in advance on the first business day of each calendar year. All amounts, costs, expenses, charges, liabilities, obligations or covenants required to be kept, undertaken or performed by Tenant hereunder including, without limitation, Tenant's obligation to complete the Renovation and Construction Work and Tenant's obligations to pay for utilities and services pursuant to Section 7 hereof, shall constitute "Rent" hereunder.

4.2. Taxes.

4.2.1. Payment of Taxes. As additional Rent, Tenant shall pay directly to the appropriate taxing authorities (to the extent that Tenant is not exempted by Law) all real property taxes, possessory interest taxes, special taxes and assessments, if any, including without limitation, all property taxes on personal property located on the Property, all taxes on leasehold improvements, levied or assessed upon or against the Property, Tenant's interest in the Property or against Tenant during the Term (collectively "Taxes"). Such Taxes shall be paid before delinquency and before any fine, interest or penalty shall become due or be imposed by operation of Law for their non-payment, and Tenant shall promptly upon request furnish to the City satisfactory evidence establishing such payment.

4.2.2. Tenant's Right to Contest Taxes. Tenant at its cost shall have the right, at any time, to seek a reduction in the assessed valuation of the Property or to contest any Taxes that are to be paid by Tenant so long as reasonably adequate security is provided to the City to assure Tenant's compliance with this Section. If Tenant seeks a reduction or contests the Taxes, the failure on Tenant's part to pay the Taxes shall not constitute a default as long as Tenant complies with the provisions of this subsection. The City shall not be required to join in any such proceeding or contest brought by Tenant unless the provisions of any law require that the proceeding or contest be brought by or in the name of City or any owner of the Property. City shall cooperate with Tenant as reasonably required to enable Tenant to process any such proceeding or contest. Notwithstanding the foregoing, in no event shall the City be required to bear any out of pocket cost in connection with any such proceeding or contest.

4.2.3. Substitute and Additional Taxes. If at any time during the Term the State of California or any political subdivision of the state, including any county, city, city and county, public corporation, district, or any other political entity of this state, levies or assesses against the City a tax, fee, or excise on rents, on the square footage of the Property, on the act of entering into this Lease, or on the occupancy of Tenant, or any other tax, fee, or excise, however described, as a direct substitution in whole or in part for, or in addition to, any Taxes that Tenant would otherwise be

obligated to pay pursuant to this Lease, Tenant shall pay before delinquency that tax, fee, or excise on rents.

4.3. Place for Payment. Basic Rent and any other Rent payable to the City shall be paid to the City at the address to which notices to the City are given.

4.4. Tax Credits for Historic Structures. In the event that the Building qualifies for tax credits applicable to historic structures, Tenant shall have the right to claim such credits, but only for the Renovation and Construction Work. If, in order to claim such tax credits, Tenant must cause its rights in and to the Building to be assigned to one or more entities that are controlled by Tenant, then provided the assignee and such control are reasonably acceptable to City, Tenant shall have the right to do so (but only to the extent required to qualify for such tax credits and without thereby relieving itself of primary liability under the terms of this Lease) notwithstanding any provision of this Lease to the contrary. Further, if it is necessary to do so in order for Tenant to claim such tax credits, Landlord and Tenant shall consider an amendment to this Lease to extend the term of the Lease to fifty five (55) years (with no options to extend). The City Manager may execute such amendment without further review or approval by the City Council.

5. Use.

5.1. Use by Tenant. Tenant shall use the Property solely for the Renovation and Construction Work and, thereafter, for a first class center for the presentation of theatrical, educational and cultural works, music and other performing arts, lectures, and exhibitions (collectively, the "Performing Arts Center"), which may, at Tenant's option, include as ancillary facilities indoor/outdoor concession facilities, broadcast facilities, museum-quality gift shop, visitor center, office space for Tenant's operations, and uses incidental thereto, subject to the terms of Section 13 to the extent applicable (collectively, the "Permitted Uses"). Tenant may also permit other events (including, without limitation, fundraisers and similar gatherings) provided Tenant obtains a Special Events Permit pursuant to Title 8, Chapter 4 of the Beverly Hills Municipal Code or its successor, if such Special Events Permit is required under such law and provided further that such events do not become the primary use on the Property during any three (3) consecutive months. Except for public holidays, closures required by Law, and such closures as may be reasonably required for maintenance, setups and installations, and restoration purposes, Tenant shall make the great hall, the sculpture garden, the pedestrian walkway to Canon Drive, and other similar public areas designed to be generally available to the public open to the general public not less than forty (40) hours per week without charge except when closure is necessary or appropriate for security reasons, for purposes of preventing use of the Property that may detract from the first class nature of the Property, or as a result of performances or other events, subject to reasonable rules and regulations promulgated by Tenant.

5.2. Minimum Performances. The Theater shall have not less than four hundred (400) nor more than five hundred (500) seats. Tenant shall schedule and cause at least thirty-six (36) performances in the Theater during the first year after substantial completion of the Renovation and Construction Work, Tenant shall schedule and cause at

least forty-eight (48) performances in the Theater during the second year after substantial completion of the Renovation and Construction Work, and, thereafter, Tenant shall schedule and cause at least seventy-two (72) performances in the Theater during each year of the Term (all of such required performances specified in this Section 5.2 are "Minimum Performances"); provided, however, that, if one or more closures are required in any years by Law, for maintenance purposes or for restoration purposes, the number of Minimum Performances required of Tenant in such year shall be reduced in proportion to the number of days of such closure(s) bears to the number of days in such year. All such Minimum Performances shall be before a paying audience (not including open rehearsals with an invited audience). In connection therewith, Tenant shall provide appropriate publicity to promote ticket sales. The Minimum Performances shall be of a professional quality.

5.3. Educational Activities. Tenant shall cause a reasonable number of the Minimum Performances each year to be directed primarily towards juvenile audiences. In addition, Tenant shall communicate with Beverly Hills schools about its educational activities in order to provide opportunities at the Property for school children to be exposed to the performing arts as part of their education. These activities shall be specifically addressed in the reports to be filed with the City in accordance with Section 18 hereof. Tenant shall include in its reports required under Section 18 specific reference to its compliance with this Section 5.3.

5.4. City-Sponsored Events. The City shall have the right to sponsor up to fifteen (15) events in the Theatre, the Studio or any other interior portion of the Property during each calendar year. In addition, Tenant shall make the Theater, the Studio or any other interior portion of the Property available to the City for five (5) evenings per year for civic, charitable or public functions or events, and Tenant shall permit the City or its designee to use the Theater for the installation ceremony of the Mayor. Each of the foregoing uses shall be referred to herein as a "City-Sponsored Event." In order to reserve the Theater, the Studio or any other interior portion of the Premises for each City-Sponsored Event, the City shall advise Tenant of its desired date not less than 60 days and not more than 100 days in advance of the requested date. If such requested date conflicts with previously scheduled performances, rehearsals, or other events of Tenant, the City shall not be entitled to reserve such date, shall be so advised, and may request an alternate date. The City shall reimburse Tenant for out-of-pocket direct costs incurred by Tenant in connection with such events, such as janitorial, security and production costs, but not utilities. As a condition to use of any portion of the Property, (i) the City shall inform Tenant at the time of reserving the portion of the Property to be used for such City-Sponsored Event the nature and purpose of the City-Sponsored Event, (ii) the City shall indemnify and hold Tenant harmless from and against any claims made against Tenant arising from the City's use of the Property, and (iii) prior to the City-Sponsored Event, the City shall obtain and deliver to Tenant evidence of public liability and property damage insurance with liability limits of not less than Two Million Dollars (\$2,000,000) for any single occurrence and Three Million Dollars (\$3,000,000) in the aggregate, and property damage limits of not less than Five Hundred Thousand Dollars (\$500,000) per occurrence, insuring against all liability of the City arising out of and in connection with the City-Sponsored Event.

5.5. Restrictions on Use. Notwithstanding the foregoing:

5.5.1. Specific Restrictions and Prohibited Uses. Without expanding upon or enlarging the Permitted Uses, the following uses of the Property are expressly prohibited:

5.5.1.1. the Property shall not be used or developed in any way which is inconsistent with any applicable law, ordinance or regulation or which constitutes a nuisance; provided, however, that the foregoing shall not give the City the right to promulgate laws, ordinances or regulations applicable solely to Tenant (as distinguished from laws, ordinances or regulations of general application) to effect unilateral modifications of the Lease that increase the obligations or reduce the rights of Tenant;

5.5.1.2. the Property shall not be used to conduct any activity that would qualify as an adult entertainment business, as the term "adult entertainment business" is defined in Section 4-7-102 of the Beverly Hills Municipal Code;

5.5.1.3. the placement of antennae or other external devices for the transmission or reception of television signals or any other form of electromagnetic radiation, unless the antenna or other external device is consistent with the City's telecommunications regulations, including those applying to antennae, consistent with the City's telecommunications master plan, and approved in writing by the City in accordance with Section 26.13.

6. Renovation of Property.

6.1. Renovation and Construction Work. Tenant shall complete the Renovation and Construction Work, as defined in, and in accordance with, the Work Letter. The Renovation and Construction Work shall be subject to the receipt by Tenant of all required governmental planning and entitlement approvals. Approval of plans for the Renovation and Construction Work by the City under the Work Letter shall be in addition to and unrelated to approvals required to be obtained from the Building Department of the City, and approval and review by the City in its capacity as landlord hereunder shall not be deemed to be assurance that such plans comply with applicable law or their adequacy for any other purpose. Tenant shall be solely responsible for all costs and expenses incurred in connection with the design, entitlement and construction of the Renovation and Construction Work. The City shall use good faith efforts to cause all reviews for the purposes of approvals hereunder to be undertaken by its staff in a timely manner considering the time commitments set forth in this Lease.

6.2. Historic Preservation. Tenant acknowledges that the Building has been listed on the National Register of Historic Places. As such, Tenant acknowledges that the Renovation and Construction Work and any Alterations by Tenant will be subject to a number of legal constraints. Tenant shall comply with all relevant preservation statutes and/or regulations. Tenant acknowledges that certain deed restrictions were

imposed on the Property at the time it was transferred from the Federal Government and agrees that Tenant shall comply with those deed restrictions.

6.3. Permits and Other Approvals. Tenant shall be responsible for obtaining all permits, licenses and other governmental approvals necessary to perform the Renovation and Construction Work. Tenant shall comply with the fine arts requirements of the City and pay all applicable permit fees and taxes, including without limitation the Recreation and Park Tax.

6.4. Subsequent Alterations. Tenant may, at its own expense, make or construct, or cause to be made or constructed, Alterations to the Property during the Term in addition to the Renovation and Construction Work, provided that all such Alterations, shall be (i) consistent with, and within the scope of, the Permitted Uses set forth in Section 5.1, and (ii) made in accordance and compliance with all applicable laws. The obligations of Tenant to obtain the prior consent of the City shall be as set forth below.

6.4.1. Interior Alterations. Tenant shall have the right to make non-structural Alterations to the interior of any structure located on the Property without the prior consent of the City, provided, however, that Tenant shall first obtain the written consent of the City for such Alterations to the portions of the Building interior identified on the Site Plan as "Historic Areas." Any disapproval of non-structural Alterations to such Historic Areas shall be based on recommendations provided to the City by a professional consultant selected by the City who satisfies the then-current United States Secretary of the Interior minimum professional qualifications in "historic architecture", which recommendations shall accompany the City's disapproval of the proposed Alterations. All structural Alterations shall require the City's prior written consent.

6.4.2. Exterior Alterations; New Structures. Tenant shall first obtain the written consent of the City as Landlord (through its Administrative Services Department) for any Alterations not covered by Section 6.4.1; however, Landlord's consent shall not be required for normal replacements of landscaping and paving. Tenant's requests for such Alterations for which Landlord's consent is required, shall be filed with the Community Development Department of the City in the form prescribed by such department. The Director of Community Development or the Director's designee may approve the Alteration if the Director or Director's designee determines that it substantially conforms to the design in the plans for the Renovation and Construction Work previously approved by the City Council, do not violate any provision of this Lease, and have only a minor impact on the appearance of the Property. The Director or the Director's designee may refer to the Architectural Commission any Alteration that the Director or designee deems appropriate for review by the Commission due to the size, location, or other characteristics or impacts of the Alteration. Such Alterations shall be reviewed in the same way that other projects are reviewed by the Architectural Commission. Any other Alterations, including changes to any approved outdoor dining, may be approved by the Director of Community Development or the Director's designee if they substantially conform to the design in the plans for the Renovation and Construction Work approved by the City Council, do not violate any provision of this Lease, have only a minor impact on the appearance of the Property, and have no other

material impact on the community. Alternatively, the Director or the Director's designee may refer any proposed Alteration to the Planning Commission for review. If the Community Development Director or the Director's designee refers an Alteration to the Planning Commission, then the Planning Commission shall consider the proposed Alteration pursuant to the procedure for review of Development Plan Review applications and shall approve the Alteration if the Commission makes the findings necessary to approve a Development Plan Review application. The decision of the Planning Commission may be appealed to the City Council by Landlord or Tenant.

6.4.3. Alterations During Last Five Years of Term.

Notwithstanding anything herein to the contrary, the City shall have the right to approve all Alterations to the Property during the last five (5) years of the Lease Term, as the same may have been extended.

6.5. Protection of City. Nothing in this Lease shall be construed as constituting the consent of the City, express or implied, to the performance of any labor or the furnishing of any materials or any specific improvements, Alterations or repairs to the Property or any part thereof by any contractor, subcontractor, laborer or materialman, nor as giving Tenant or any other person any right, power or authority to act as agent of or to contract for, or permit the rendering of, any services, or the furnishing of any materials, in any such manner as would give rise to the filing of mechanics' liens or other claims against the Property or the City.

6.5.1. Posting Notices. The City shall have the right at all reasonable times and places to post and, as appropriate, keep posted, on the Property any notices which the City may deem necessary for the protection of the City or the Property from mechanics' liens or other claims. Tenant shall give the City at least thirty (30) days prior written notice of the commencement of any work to be done on the Property, in order to enable the City timely to post such notices.

6.5.2. Prompt Payment. Tenant shall make, or cause to be made, prompt payment of all monies due and owing to all persons doing any work or furnishing any materials or supplies to Tenant or any of its contractors or subcontractors in connection with the Property. Tenant shall have the right to contest any such amount; provided, however, the entire expense of any such contest (including interest and penalties which may accrue) shall be the responsibility of Tenant.

6.5.3. Liens; Indemnity. Tenant shall keep the Property free and clear of all mechanics' liens and other liens arising out of or in connection with work done for Tenant and/or any parties claiming through Tenant. Tenant agrees to and shall indemnify, defend and hold the City harmless from and against any claims, liabilities, losses, damages, costs, expenses, and attorneys' fees incurred in connection with stop notices and/or claims of lien(s) of laborers or materialmen or others for work performed or materials or supplies furnished to Tenant or persons claiming under it. In the event any lien is recorded, Tenant shall, within five (5) business days after demand, furnish the bond described in California Civil Code Section 3143, or successor statute, which results

in the removal of such lien from the Property, together with any other evidence requested by the City to evidence that such claim will be paid, removed or discharged.

7. Utilities and Services. Tenant shall make all arrangements for and pay for all other utilities furnished to or used on the Property, including, without limitation, electricity, water, gas, telephone, cable and internet service and janitorial service, and for all connection charges. The City shall cooperate with Tenant and the utility providers as reasonably necessary to enable Tenant to obtain such utility connections.

8. Maintenance.

8.1. Maintenance of Landscaping. Tenant shall maintain the landscaping of the Property at its sole cost and expense (subject to the contribution of the City set forth in the next sentence). The City shall contribute fifty percent (50%) of the costs incurred by Tenant each month in maintaining the landscaping (the "City's Landscaping Contribution") provided that the City's Landscaping Contribution shall not exceed Two Thousand Five Hundred and No/100 Dollars (\$2,500.00) each month subject to the adjustment set forth below (the "City Contribution Cap"). The City's Landscaping Contribution shall be paid to Tenant in advance, on the first day of each month, commencing on the Funding Date; provided, however, that, if the Funding Date is other than the first day of a calendar month, the City's Landscaping Contribution for the period from the Funding Date to the last day of the calendar month in which the Funding Date occurs shall be prorated based on the number of days from the Funding Date to the last day of the calendar month in which the Funding Date as a fraction of the number of days in such calendar month. On the first day of the second and each subsequent Lease Year (each, an "Adjustment Date"), the City Contribution Cap shall be adjusted to equal the product obtained by multiplying the amount of the City Contribution Cap in effect immediately prior to the Adjustment Date in question by a fraction, the numerator of which shall be the Index (as defined below) in effect on the Adjustment Date in question, and the denominator of which shall be the Index in effect on the date twelve (12) months prior to the Adjustment Date in question. As used herein, the term "Index" shall mean the Consumer Price Index for All Urban Consumers (Los Angeles/Orange County/Riverside Area: Base 1982-84 = 100), as published by the United States Department of Labor. The landscaping shall be maintained in a condition at least as well as that maintained for the landscaping on the City Hall across the street from the Property. The landscaping proposed in connection with the Renovation and Construction Work shall be subject to the approval of the City as set forth in the Work Letter. All subsequent material changes to the landscaping shall be subject to the City's prior written consent in accordance with Section 6.4.1.

8.2. Maintenance of Property. Subject to the City's obligation to cause the appurtenant portions of the Garage located on the Property to be maintained pursuant to Section 8.3, Tenant shall, throughout the Term, at Tenant's sole cost and expense, maintain and operate the Property and every part thereof (including making all replacements as necessary), including, without limitation, the roof, exterior walls and foundations, all plumbing, electrical, HVAC systems, fixtures, windows, doors, skylights, entrances, vestibules, structural parts, interior walls, and ceilings, in good, neat, clean and

attractive condition and repair, ordinary wear and tear excepted. Tenant shall maintain the Property in accordance with and shall comply with all applicable Laws (including, without limitation, the Americans with Disabilities Act), rules, ordinances, orders and regulations of (1) federal, state, county, municipal, and other governmental agencies and bodies having or claiming jurisdiction and all their respective departments, bureaus and officials; (2) the insurance underwriting board or insurance inspection bureau having or claiming jurisdiction over the Property; and (3) all insurance companies insuring all or any part of the Property under policies required by this Lease. Tenant's maintenance obligations specifically include without limitation responsibility for making any improvements or Alterations required to be made to the Property pursuant to new or amended Laws, such as (but not limited to) those relating to handicapped access. If Tenant fails to maintain the Property in accordance with its obligations hereunder, and such failure shall continue for a period of thirty (30) days following written notice from the City demanding that Tenant comply with its maintenance obligations and if disputed by Tenant, such failure is confirmed by arbitration under Section 19, then (unless the failure to maintain has created an emergency, in which case no notice or arbitration confirmation shall be required), the City shall have the right but not the obligation to perform the applicable maintenance; provided, however, that, in the absence of an emergency, if the nature of the maintenance in question requires more than thirty (30) days to complete, the City shall not have the right to perform the same so long as Tenant has commenced such maintenance and is thereafter diligently prosecuting the same to completion. If the City performs such maintenance, it shall deliver an invoice Tenant for the actual cost thereof, which invoice shall be supported by reasonable documentation substantiating the cost of repair thereof, and shall be paid by Tenant within thirty (30) days. In connection with any maintenance that would materially and adversely affect Tenant's operations, City shall use good faith efforts to provide alternative parking in City lots if necessary to alleviate the material adverse affect.

8.3. Maintenance of Garage. The City shall, throughout the Term, at the City's sole cost and expense, cause the Garage and every part thereof to be maintained (including making all replacements as necessary) in good, neat, clean and attractive condition and repair, ordinary wear and tear excepted, and to be operated in accordance with the provisions of the Parking Operating Agreement. The foregoing maintenance and operating obligations shall include those portions of the Garage and appurtenant facilities located on the Property, including all driveways, Garage ramps, and pedestrian access points, but not the motor court areas, which shall be maintained, repaired and replaced by Tenant; however, if the City uses the motor court for a valet operation or for a self-park entrance to the Garage for the public, then the City shall equitably share in the cost of maintaining, repairing and replacing the motor court area. City shall have the right to enter onto such portions of the Property to effect such maintenance and operation at reasonable times; provided that the City shall use reasonable efforts to minimize disturbance to the operations of Tenant. The City's maintenance obligations specifically include without limitation responsibility for making any improvements or alterations required to be made to the Garage pursuant to new or amended Laws, such as (but not limited to) those relating to handicapped access. If the City fails to maintain the Property in accordance with its obligations hereunder in such a way as to materially adversely impact Tenant's operations, and such failure shall

continue for a period of thirty (30) days following written notice from Tenant demanding that the City comply with its maintenance obligations, and if disputed by City such failure is confirmed by arbitration under Section 19, then (unless the failure to maintain has created an emergency, in which case no notice or arbitration confirmation shall be required), Tenant shall have the right but not the obligation to perform the applicable maintenance; provided, however, that, in the absence of an emergency, if the nature of the maintenance in question requires more than thirty (30) days to complete, Tenant shall not have the right to perform the same so long as the City has commenced such maintenance and is thereafter diligently prosecuting the same to completion. If Tenant performs such maintenance, it shall invoice the City for the actual cost thereof, which invoice shall be supported by reasonable documentation substantiating the cost of repair thereof. Tenant's invoice shall be paid by the City within thirty (30) days following receipt.

8.4. Waiver. Tenant waives the provisions of Civil Code Sections 1941 and 1942 with respect to the City's obligations for tenantability of the Property and Tenant's right to make repairs and deduct the expenses of such repairs from Rent.

8.5. Nuisance. Tenant shall not conduct or permit to be conducted any private or public nuisance on or about the Property, nor commit any waste thereon. No rubbish, trash, waste, residue, brush, weeds or undergrowth or debris of any kind or character shall ever be placed or permitted to accumulate upon any portion of the Property required to be maintained by Tenant, except in appropriate receptacles intended for such purposes, nor shall any portion of the Property be maintained so as to render the Property a fire hazard or unsanitary, unsightly, offensive, or detrimental nor shall any similar activity be permitted by Tenant on any other portion of the Property.

8.6. Protection of Great Hall Murals. Tenant shall take all appropriate action to preserve and protect the murals in the great hall of the Building. In the event of any dispute concerning the actions necessary to preserve and protect the murals, the City shall retain a consultant with experience protecting murals, who shall be reasonably satisfactory to Tenant, to provide recommendations concerning the appropriate protection of the murals, and Tenant shall abide by such recommendations.

9. Indemnity and Exculpation; Insurance.

9.1. Exculpation of City. Tenant waives all claims against the City for damage to Person or property arising for any reason other than the intentional torts or gross negligence of the City or its Authorized Representatives; provided, however, that the foregoing shall not limit the City's obligations or the rights of Tenant set forth elsewhere in this Lease. Tenant, as a material part of the consideration to the City, hereby agrees that neither the City nor any City Indemnified Parties shall be liable to Tenant for, and Tenant expressly assumes the risk of and waives any and all claims it may have against the City or any City Indemnified Parties with respect to, any and all damage to property or injury to persons in, upon or about the Property resulting from any act or omission of the City or of any City Indemnified Party (whether or not negligent) or from any other cause whatsoever, including without limitation, any injury or damage to

persons or property resulting from any casualty, explosion, falling plaster or other masonry or glass, steam, gas, electricity, water or rain which may leak from any part of the Property or any other portion of the Property or from the pipes, appliances or plumbing works therein or from the roof, street or subsurface or from any other place, or resulting from dampness, or any other cause whatsoever; provided, however, that the foregoing shall not (i) limit the City's obligations or the rights of Tenant set forth elsewhere in this Lease or (ii) relieve the City from liabilities that the City may have as a municipality (i.e., in its governmental capacity). Notwithstanding anything to the contrary contained in this Lease, neither City nor any City Indemnified Parties shall be liable for consequential damages arising out of any loss of the use of the Property or any equipment or facilities therein by Tenant or any Tenant Parties. Tenant shall use reasonable efforts to give prompt notice to the City in case of fire or accidents in the Property.

9.2. Tenant's Indemnification. Except as otherwise provided in this Lease, Tenant shall be liable for, and shall indemnify, defend and hold harmless the City and the City's officers, employees, agents, successors and assigns (collectively, "City Indemnified Parties"), from and against, any and all claims, damages, judgments, suits, causes of action, losses, liabilities and expenses, including attorneys' fees, charges and disbursements and court costs (collectively, "Tenant Indemnified Claims"), arising or resulting from (i) any act or omission of Tenant or any of Tenant's agents, employees, contractors, subtenants, assignees, licensees or invitees (collectively, "Tenant Parties"); (ii) the use of the Property and conduct of Tenant's business by Tenant or any Tenant Parties or any other activity, work or thing done, permitted or suffered by Tenant or any Tenant Parties, in or about the Property; and/or (iii) any default by Tenant of any obligations on Tenant's part to be performed under the terms of this Lease, exclusive of any Tenant Indemnified Claims to the extent arising out of or in connection with the negligence or willful misconduct by the City or its employees, contractors, or agents (acting within the scope of their relationship with the City). Except as otherwise provided in this Lease, in case any action or proceeding is brought against the City or any City Indemnified Parties by reason of any such Tenant Indemnified Claims, Tenant, upon notice from the City, shall defend the same at Tenant's expense by counsel reasonably approved in writing by the City. Except as otherwise provided in this Lease, the obligation of Tenant to indemnify, defend and hold harmless the City Indemnified Parties under this Section 9.2 shall survive the expiration or earlier termination of this Lease.

9.3. The City's Indemnification. Except as otherwise provided in this Lease, but without limiting any other obligations of the City pursuant to this Lease, the City shall be liable for, and shall indemnify, defend and hold harmless Tenant and Tenant's officers, employees, agents, successors and assigns (collectively, "Tenant Indemnified Parties"), from and against, any and all claims, damages, judgments, suits, causes of action, losses, liabilities and expenses, including attorneys' fees, charges and disbursements and court costs (collectively, "City Indemnified Claims"), to the extent arising or resulting from the construction, maintenance and operation of the Garage and the appurtenant Garage facilities located on the Property, exclusive of any Tenant Indemnified Claims to the extent arising out of or in connection with the negligence or willful misconduct by Tenant or its employees, contractors, or agents (acting within the

scope of their relationship with Tenant). Except as otherwise provided in this Lease, in case any action or proceeding is brought against Tenant or any Tenant Indemnified Parties by reason of any such City Indemnified Claims, the City, upon notice from Tenant, shall defend the same at the City's expense by counsel reasonably approved in writing by Tenant. Except as otherwise provided in this Lease, the obligation of the City to indemnify, defend and hold harmless the Tenant Indemnified Parties under this Section 9.3 shall survive the expiration or earlier termination of this Lease.

9.4. Required Insurance Coverages.

9.4.1. During the Term of this Lease, Tenant shall, at its cost, purchase and keep in force public liability and property damage insurance with liability limits of not less than Two Million Dollars (\$2,000,000) for any single occurrence and Three Million Dollars (\$3,000,000) in the aggregate, and property damage limits of not less than Five Hundred Thousand Dollars (\$500,000) per occurrence, insuring against all liability of Tenant arising out of and in connection with Tenant's use or occupancy of the Property and Worker's Compensation insurance in the amounts required by applicable Law. Such liability insurance shall include and cover, in a manner reasonably acceptable to the City, liability relating to the serving of alcohol. Additionally, prior to any production to be staged on the Property that includes unusual risk, such as controlled fire, pyrotechnics, engulfing or entrapping material such as water or any other such unusual production components, Tenant shall ensure that, to the extent the same is customary for theatrical productions featuring such matters, Tenant has in place such additional insurance coverage as is customary for theatrical productions featuring such matters. Further, if requested from time to time by the City's Risk Manager, Tenant shall provide evidence of such additional coverage.

9.4.2. During the Term of this Lease, Tenant shall, at its cost, purchase and keep in force a policy of casualty insurance on the Building and the Theater, with vandalism and malicious mischief endorsements, to the extent of "full replacement value" (as described in Section 9.7 hereof), subject to a retention or deductible approved by the City in its reasonable discretion, and naming City as loss payee. All of such insurance shall be placed and maintained with such insurance company or companies and in such form as shall be reasonably satisfactory to the City. If permitted by the City's casualty insurance policy, Tenant shall have the right to include all or a portion of the improvements on the Property within the coverage provided by the City's policy, in which event Tenant shall reimburse the City from time to time, as additional rent, for the additional cost of the City's policy triggered by such inclusion within thirty (30) days after written request from City given from time to time. The City shall reasonably cooperate in connection with the proposed inclusion of improvements on the Property, including obtaining from time to time as requested by Tenant quotes from the City's insurer for such inclusion. Tenant shall have no duty to purchase earthquake insurance.

9.4.3. During the Term of this Lease, the City or Parking Authority shall, at its cost, purchase and keep in force (i) public liability and property damage insurance with liability limits of not less than Two Million Dollars (\$2,000,000)

for any single occurrence and Three Million Dollars (\$3,000,000) in the aggregate, and property damage limits of not less than Five Hundred Thousand Dollars (\$500,000) per occurrence, insuring against all liability of the City and Parking Authority arising out of and in connection with the operation of the Garage, (ii) Worker's Compensation insurance in the amounts required by applicable Law, and (iii) a policy of casualty insurance on the Garage, with vandalism and malicious mischief endorsements, to the extent of "full replacement value" (as described in Section 9.7 hereof), subject to a retention or deductible determined by City. In any event, the City and Parking Authority shall have the right to self-insure Workers' Compensation and the first \$1,000,000 in casualty damage; provided that any casualty covered by such self-insurance shall be subject to the waiver of subrogation set forth in Section 9.10 as though it had been covered by insurance. In the event of a covered casualty, and without limiting the obligations of the City and Parking Authority set forth elsewhere in this Lease, the City (or if it so elects, the Parking Authority) shall receive the proceeds from such casualty insurance policy.

9.4.4. All public liability insurance and property damage insurance maintained by Tenant shall insure performance by Tenant of the indemnity provisions this Lease. All public liability insurance and property damage insurance maintained by the City shall insure performance by the City of the indemnity provisions of this Lease. The policies of casualty insurance required hereunder shall provide extended coverage, insuring against loss or damage by fire, lightning and the additional perils included in the standard extended coverage endorsement, as well as those included in the "all risk" policy, and burglary and theft insurance on the trade fixtures, furnishings and equipment used or to be used by the insuring party on the Property or the Garage, as applicable. Either party shall have the right to provide its required insurance coverage pursuant to one or more blanket policies, provided such blanket policies expressly afford the coverage that would otherwise be required by this Lease.

9.4.5. During periods of construction on the Property, Tenant or Tenant's contractor will provide completed value builder's risk insurance reasonably satisfactory to the City, together with (i) broad form liability and breach of warranty coverages by endorsement; and (ii) non owned, non hired automotive liability coverage with a policy limit of One Million Dollars (\$1,000,000). Such insurance shall name City as loss payee. During periods of construction on the Garage, the City or the City's contractor will provide completed value builder's risk insurance reasonably satisfactory to Tenant, together with (i) broad form liability and breach of warranty coverages by endorsement; and (ii) non-owned, non-hired automotive liability coverage with a policy limit of One Million Dollars (\$1,000,000).

9.4.6. The City and "the Beverly Hills City Council and each member thereof and every officer, employee and agent of the City of Beverly Hills" shall be named as additional insureds on all public liability insurance policies required by this Lease to be maintained by Tenant, and Tenant shall be named as an additional insured on all public liability insurance policies required by this Lease to be maintained by the City. All such policies shall contain cross-liability endorsements.

9.4.7. A certificate evidencing all insurance coverages required by this Lease to be maintained by Tenant, in such form as shall be reasonably acceptable to the City, shall be filed with the City no later than five (5) business days after the effective date thereof and such policy or policies shall provide that such insurance coverages will not be canceled or reduced without at least thirty (30) days prior written notice to the City or ten (10) business days in case of cancellation for failure to pay the premium. At least ten (10) business days prior to the expiration of such policies, a certificate showing that such insurance coverages have been renewed shall be filed with the City. A certificate evidencing all insurance coverages required by this Lease to be maintained by the City, in such form as shall be reasonably acceptable to Tenant, shall be delivered to Tenant no later than five (5) business days after the effective date thereof and such policy or policies shall provide that such insurance coverages will not be canceled or reduced without at least thirty (30) days prior written notice to Tenant or ten (10) business days in case of cancellation for failure to pay the premium. At least ten (10) business days prior to the expiration of such policies, a certificate showing that such insurance coverages have been renewed shall be delivered to Tenant.

9.5. Increase in Amount of Public Liability Insurance. The amounts of liability insurance coverages required by this Section 9 shall be subject to renegotiation on each fifth anniversary of the Funding Date (each, an "Insurance Renegotiation Date"). If the City and Tenant cannot agree upon the amount of insurance by the sixtieth (60th) day preceding an Insurance Renegotiation Date, the matter shall be submitted to binding arbitration in accordance with Section 19. In no event shall the amounts of liability insurance and/or property damage insurance, as applicable, be decreased as a result of such renegotiation or arbitration. Following such renegotiation or arbitration, the Parties shall execute an amendment to this Lease setting forth the renegotiated insurance provisions or the arbitration judgment, as appropriate.

9.6. Required Provisions. All insurance policies required by this Section 9 shall be for a term of not less than one (1) year and shall additionally provide:

9.6.1. that the full amount of any losses to the extent public liability insurance proceeds are available shall be payable to additional insureds notwithstanding any act, omission or negligence of Tenant or the City which might otherwise result in forfeiture of such insurance;

9.6.2. in any casualty insurance policy, a waiver of all right of subrogation against Tenant and the City, and the City's officers, agents, employees and volunteers with respect to losses payable under such policies;

9.6.3. in any casualty insurance policy, that such policies shall not be invalidated should the insured waive, prior to a loss, any or all right of recovery against any Party for losses covered by such policies;

9.6.4. that the liability policies shall provide coverage on a "primary basis" with respect to time additional insureds, regardless of any other

insurance or self-insurance that such additional insureds may elect to purchase or maintain;

9.6.5. that such policies shall not be suspended, voided, canceled, reduced in coverage or in limits or materially changed without at least thirty (30) days prior written notice to Tenant and the City or ten (10) business days in case of cancellation for failure to pay the premium;

9.6.6. that the liability insurance shall apply separately to each insured against whom a claim is made, except with respect to the overall limits of said insurer's liability; and

9.6.7. that such liability policies shall contain no special limitations on the scope of protection afforded to the additional insureds, and no failure to comply with the reporting provisions of such liability policies shall affect the coverage afforded to such additional insureds.

9.7. Determination of Replacement Value. The "full replacement value" of the improvements to be insured under the fire and extended coverage insurance required by Sections 9.4.2 and 9.4.3 shall be determined by each company issuing the insurance at the time their respective policies are initially obtained. Not more frequently than once each year, either Party shall have the right to notify the other Party that it elects to have the replacement value redetermined by an insurance company. The redetermination shall be made promptly and in accordance with generally recognized standards and practices of the insurance industry, and each Party shall be promptly notified of the results by the company. The insurance policy shall be adjusted according to the redetermination.

9.8. Proceeds of Fire and Extended Coverage Insurance. All casualty insurance proceeds payable with respect to the Building, and with respect to all improvements existing as of the Funding Date (as distinguished from insurance proceeds payable for any other improvement on the Property, for any of Tenant's personal property, furniture, fixtures and equipment, and for any tenant improvements made to the Building at Tenant's expense) shall be made payable to the City. All other insurance proceeds shall be made payable to Tenant. However, unless Tenant elects to terminate this Lease or to not restore the Building in accordance with, and subject to the terms of, Section 10.2, the City shall place the proceeds payable to the City in an interest bearing account at a financial institution reasonably acceptable to Tenant, with interest thereon to be added to and to become a part of the same, and apply such proceeds to repair and reconstruct the Building as required by Section 10.2, using the following procedures:

9.8.1. Within six (6) months after the date of the destruction, Tenant shall submit to the City complete plans and specifications, which shall be designed to restore the Building as close to the original plan and elevation thereof as is practical and reasonable or to such modified plan conforming to laws and regulations then in effect as shall be first approved in writing by the City. The City within thirty (30) days after submission thereof shall either approve the plans and specifications or serve

written notice upon Tenant of disapproval thereof and its objections thereto. If the City reasonably objects to such plans and specifications, Tenant shall revise the same and re-submit for approval in accordance with the foregoing. This process shall be repeated until such time as plans and specifications have been submitted to the City for which the City does not have a reasonable objection.

9.8.2. Tenant shall furnish to the City a copy of any contract or contracts which Tenant shall enter into for the making of such restoration; or, if the restoration is to be done by Tenant, a copy of all subcontracts made by Tenant in connection with such restoration and an estimate of the cost thereof, both in stages and upon completion, which shall be certified by the architect of Tenant as being reasonably accurate.

9.8.3. During the progress of restoration from time to time as may be agreed upon, and subject to Tenant's compliance with the requirements set forth in Section 9.8.4, the City shall pay to Tenant out of such proceeds, the amounts payable under the construction contract for work done, materials supplied and services rendered. Such payments shall be made not later than the date ten (10) days following request for disbursement. All of such restoration work shall be subject to the provisions of this Lease with respect to the Renovation and Construction Work.

9.8.4. At the time of each such request for advance by Tenant and as a condition precedent thereto,

(1) Tenant shall submit a certificate signed by Tenant and the architect of Tenant not more than thirty (30) days prior to such request setting forth the following:

(A) that the sum then requested either has been paid by Tenant or is justly due to contractors, subcontractors, engineers, architects, or other Persons who have rendered services or furnished materials for the restoration therein specified; the names and addresses of such Persons, a brief description of such services and materials, the several amounts so paid or due to each of said Persons in respect thereof; and that the sum then requested does not exceed the value of the services and materials described in the certificate;

(B) that the cost, as estimated by the Persons signing such certificate, of the restoration required to be done subsequent to the date of such certificate in order to complete the same, does not exceed the insurance money, plus any amount deposited by Tenant to defray such cost and remaining in the hands of the City after payment of the sum requested in such certificate (provided, however, that such certification shall not be required if Tenant has given a Tenant Notice pursuant to Section 10.2.1 and the City has agreed to fund the applicable shortfall); and

(C) that all of the work of restoration so far completed is proper and in accordance with the plans and specifications; and

(2) there shall not have been filed with respect to the Property or any part thereof or upon Tenant's leasehold interest therein any vendor's, mechanic's, laborer's, materialmen's or other similar lien, which has not been discharged of record, except such as will be discharged by payment of the amount then requested, subject to Tenant's rights to contest upon posting of adequate security.

9.8.5. At the completion of the restoration and following disbursement of the final advance to Tenant required to complete the payment of restoration costs, any such insurance proceeds remaining shall be delivered to Tenant. In no event, however, shall the City be liable for any amount in excess of the amounts so received, plus interest thereon, and in the event that the cost of restoration exceeds the proceeds of insurance so held, Tenant shall pay such additional cost (unless Tenant has given a Tenant Notice pursuant to Section 10.2.1 and the City has agreed to fund the applicable shortfall, in which case the City shall pay such additional cost. All actual costs and charges of the City incurred under this Section shall be borne by the City.

9.9. Other Required Insurance. Each Party shall also procure and maintain in form and coverage satisfactory to the other Party:

9.9.1. boiler and machinery insurance if available at reasonable cost; and

9.9.2. other insurance (except earthquake), in amounts from time to time required by the other Party, against other insurable risks, if at the time they are commonly insured against for properties similarly situated and if such insurance is available at a reasonable cost.

9.10. Waiver of Subrogation. The Parties release each other, from any claims for damage to any Person or to the Property and to the fixtures, personal property, and Alterations of either in or on the Property and the Garage that are caused by or result from risks insured against under any insurance policies required by this Lease to be maintained by the Parties or otherwise carried by the Parties and in force at the time of any such damage to the extent that such insurance policies cover such claim (or would have covered such claim but for the failure of a Party to maintain required insurance). Each Party shall cause its insurance policies obtained by it to provide that the insurance company waives all rights of recovery by way of subrogation against the other Party in connection with any damage covered by any policy.

9.11. Failure to Procure Insurance. Failure of either Party to procure or renew the herein required insurance shall, if not cured within two (2) days after written notice from the other Party, constitute a default hereunder. In the event of a Party's failure to maintain required insurance, in addition to the other rights and remedies provided hereunder, the other Party may, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith and all monies so paid by the other Party shall promptly be repaid by Party who has failed to maintain the required insurance, with interest thereon at the rate of 10% per annum. Payment of such interest shall not excuse or cure any default under this Lease. Further, in the event of

Tenant's failure to maintain such insurance, in addition to the other rights and remedies provided hereunder, during the period of such failure no performances or events may be held on the Property.

9.12. No Release of Insurers. The Parties' covenants, agreements and indemnification in Section 9 are not intended to and shall not relieve any insurance carrier of its obligations under policies required to be carried by the City or Tenant, respectively, pursuant to the Provisions of this Lease.

10. Destruction.

10.1. Lease to Govern Tenant's Rights. The Parties agree that their rights in case of destruction shall be governed solely by the Provisions of this Lease.

10.2. Restoration by Tenant.

10.2.1. If, during the Term, the Building and/or the Theater are totally or partially destroyed, Tenant shall promptly commence and thereafter diligently pursue to completion restoration of each to a condition as comparable as the same was in immediately before the destruction to the extent such restoration is economically feasible; provided, however, that if the destruction is such that the insurance proceeds available to Tenant (or that would have been available to Tenant but for Tenant's failure to maintain the insurance required by this Lease), together with the deductible or retention applicable to such policy, are insufficient to cover the cost of such reconstruction as reasonably determined by Tenant, Tenant shall have the right, at its option, in lieu of such restoration (i) to terminate this Lease, or (ii) in the case of substantial damage to the Building for which there are insufficient insurance proceeds, to elect not to restore the Building, but to otherwise keep this Lease in full force and effect. Tenant and the City shall cooperate with one another to determine the estimated cost of restoration and the resulting shortfall, and Tenant shall make either of the foregoing elections by delivering written notice ("Tenant's Notice") to the City of such determination within a reasonable time following the calculation of the estimated cost of restoration and resulting shortfall in funds.

10.2.2. If Tenant elects to terminate the Lease pursuant to Section 10.2.1, such termination shall be effective on the date sixty (60) days following delivery of Tenant's Notice unless the City elects, by delivering written notice to Tenant within such sixty (60) day period, to fund the shortfall. If the City timely delivers notice of its election to fund the shortfall, Tenant's Notice shall be deemed withdrawn and of no further force or effect, and Tenant shall have the obligation to restore the damaged structure(s), subject to the City's funding of the estimated shortfall in accordance with the provisions of Section 10.2.4.

10.2.3. If Tenant elects not to restore the Building pursuant to Section 10.2.1, the City shall have a period of sixty (60) days following delivery of Tenant's Notice within which to elect to fund the shortfall. If the City timely delivers notice of its election to fund the shortfall, Tenant's Notice shall be deemed withdrawn and of no further force or effect, and Tenant shall have the obligation to restore the

damaged structure(s), subject to the City's funding of the shortfall in accordance with the provisions of Section 10.2.4.

10.2.4. If the City has elected to fund the shortfall in accordance with Section 10.2.2 or 10.2.3, the City shall, within thirty (30) days thereafter, place an amount equal to the shortfall estimated by Tenant in Tenant's Notice into an account with the financial institution holding the insurance proceeds deposited in accordance with the provisions of Section 9.8. In reconstructing the Building and/or the Theater, insurance proceeds shall first be used for the reconstruction, and, when such funds have been exhausted, the City shall apply funds from the foregoing account. If, upon completion of the restoration, there are funds remaining in such account, those funds shall be returned to the City. If the funds in such account are not sufficient to complete the restoration, the City shall be responsible for paying such additional amounts as are required for such completion.

10.2.5. If Tenant has elected not to restore the Building but to keep the Lease in effect pursuant to Section 10.2.1, and the City has not elected to fund the shortfall, Tenant shall take such steps as are reasonably necessary to prevent further damage to the Building and cause the same to be secured so as to prevent public access thereto; provided, however, that if the damage to the Building is so severe as to make the foregoing not cost effective, Tenant shall instead cause the remaining portions of the Building to be razed and the Building site to be cleared of rubble and returned to a level pad.

10.2.6. In reconstructing the Building and/or the Theater, Tenant shall comply with the conditions precedent to the commencement of Renovation and Construction Work set forth in the Work Letter. In the event the insurance proceeds and other funds available to Tenant, in the reasonable judgment of the City, are insufficient to pay for the cost of restoration, the City shall have the right to terminate this Lease, provided that Tenant shall have the right, within a reasonable period of time, to provide reasonable evidence to the City that Tenant has the ability to fund the shortfall and to commit to reconstruct the Building and Theater within a reasonable period of time, in which case City shall not have the right to terminate.

10.2.7. If either the City or Tenant elects to terminate this Lease pursuant to this Section, all insurance proceeds payable with respect to such destruction shall be assigned and/or delivered to the City to the extent the same cover the Building structure, and Tenant shall be entitled to retain all proceeds payable for all other structures, Tenant's personal property, trade fixtures, tenant improvements, loss of business and relocation costs, if any.

10.3. Restoration by City.

10.3.1. If, during the Term, the Garage is totally or partially destroyed, the City shall promptly commence and thereafter diligently pursue to completion restoration of the Garage to a condition as comparable as the Garage was in immediately before the destruction to the extent such restoration is economically feasible;

provided, however, that if the destruction is such that the insurance proceeds available to the City are insufficient to cover the cost of such reconstruction as reasonably determined by the City, the City shall have the right, at its option, in lieu of such restoration, to elect not to restore the Garage; provided, further, that if the sole reason for the insufficiency of insurance proceeds is that the City has self-insured a portion of the risk or has a deductible or retention, as permitted by this Lease, then the City shall not make such election unless the City determines the City has other public needs for the funds and such needs relate to the casualty that caused the damage. The City shall make the foregoing election by delivering written notice (the "City's Notice") to Tenant of such determination within a reasonable time following the City's calculation of the estimated cost of restoration, which notice shall set forth the City's calculation of the shortfall in funds.

10.3.2. If the City elects not to restore the Garage pursuant to Section 10.3.1, Tenant shall have a period of sixty (60) days following delivery of the City's Notice within which to elect to fund the shortfall estimated by the City in the City's Notice. If Tenant timely delivers notice of its election to fund the shortfall, the City's Notice shall be deemed withdrawn and of no further force or effect, and the City shall have the obligation to restore the Garage, subject to Tenant's funding of the shortfall in accordance with the provisions of Section 10.3.3.

10.3.3. If Tenant has elected to fund the shortfall in accordance with Section 10.3.2, Tenant shall, within thirty (30) days thereafter, place an amount equal to the shortfall estimated by the City in the City's Notice into an account with a financial institution reasonably acceptable to the City and Tenant, which account shall be jointly controlled by the City and Tenant. In reconstructing the Garage, the City shall first apply funds provided by its insurer to the reconstruction, and, when such funds have been exhausted, shall apply funds from the foregoing joint account, and Tenant shall reasonably cooperate with the City to make such funds available as required to pay the cost of restoration. If, upon completion of the restoration, there are funds remaining in such account, those funds shall be returned to Tenant.

10.4. Termination by City; Other Available Parking. If City elects not to restore the Parking Garage under Section 10.3.1 and Tenant does not elect to fund the shortfall under Section 10.3.1, then City shall use good faith efforts to make available, in other City public parking garages in the vicinity of the Premises, public parking for Tenant's patrons on a first-come, first served basis at the public parking rate then applicable to such parking.

10.5. Tenant's Right to Terminate. Tenant shall have the right, upon giving not less than thirty (30) days written notice to the City at any time, to terminate this Lease at any time prior to the Parking Authority's commencement of construction of the Garage or after the completion of the Building. Tenant shall have no liability or obligations hereunder from and after the date of such termination but shall not be released from obligations or liabilities incurred up to such date. In such event, Tenant shall surrender the Property in accordance with the provisions of Section 22. If, at the time of such termination, the Renovation and Construction Work is not yet completed, Tenant

shall transfer all remaining Available Funds to the City concurrently with such termination, to the extent it is lawfully permitted to do so pursuant to the pledge restrictions affecting the Available Funds that shall have been disclosed to the City as of the applicable Funding Date, and the City shall deliver such funds to a City Non-Profit Organization. As used herein, the "City Non-Profit Organization" shall mean a 501(c)(3) corporation designated by the City for the purpose of completing the Renovation and Construction Work and/or Garage (and Tenant Garage Specification Work) and/or operating the Property. Additionally, if at the time of such termination, the Tenant has failed to timely make any payment of the Tenant Garage Contribution or the Garage Specification Funds, then to the extent of such payments not made by Tenant, the Available Funds may be used by the City Non-Profit Organization to construct (or fund the construction of) the Garage.

11. Condemnation; Termination of Lease by City as Result of Condemnation.

11.1. Definitions.

11.1.1. Condemnation. "Condemnation" means (1) the exercise of any governmental power, whether by legal proceedings or otherwise, by a Condemnor and (2) a voluntary sale or transfer by the City to any Condemnor, either under threat of condemnation or while legal proceedings for condemnation are pending.

11.1.2. Date of Taking. "Date of Taking" means the date the Condemnor has the right to possession of the property being condemned.

11.1.3. Award. "Award" means all compensation, sums, or anything of value awarded, paid, or received on a total or partial condemnation.

11.1.4. Condemnor. "Condemnor" means any public or quasi-public authority, or private corporation or individual, having the power of condemnation.

11.2. Rights and Obligations Governed by Lease. If during the Term there is any taking of all or any part of the Property or any interest in this Lease by Condemnation, the rights and obligations of the Parties shall be determined pursuant to this Section 11.

11.3. Total Taking.

11.3.1. Effect on Lease. If the Property is totally taken by Condemnation, this Lease shall terminate on the Date of Taking. If the City's interest in the Property is taken, this Lease shall remain in effect. If the Tenant's interest under this Lease is taken by City or an entity controlled by or related to City, then this Lease shall terminate.

11.3.2. Distribution of Award. Upon a total taking by any entity other than the City or an entity controlled by or related to the City (including, without limitation, a community redevelopment agency), any Award for or on account of the Property shall be allocated to the Parties in accordance with their respective interests in

the Property (and, without limiting Tenant's rights, such allocation shall take into consideration Tenant's Garage Contribution).

11.4. Partial Taking.

11.4.1. Tenant's Right to Terminate. If any portion but less than all of the Property is taken by Condemnation, this Lease shall remain in effect, except that Tenant can elect to terminate this Lease if the portion of the Property not so taken cannot be so repaired or reconstructed, taking into consideration the amount of the Award available for repair, so as to be suitable for Tenant's continued use of the Property for the same use as the Property was being used immediately prior to the taking, all as reasonably determined by Tenant.

11.4.2. Restoration of Property. If there is a partial taking of the Property and this Lease remains in full force and effect pursuant to Section 11.4.1, the Award shall be made available to Tenant for restoration of the remainder of the Property. In making such restoration, Tenant shall comply with the conditions precedent to the commencement of Renovation and Construction Work set forth in the Work Letter. Any portion of the Award remaining after such restoration shall be allocated to the Parties in accordance with their respective interests in the Property.

11.4.3. Distribution of Award. If there is a partial taking of the Property by the City or an entity controlled by or related to the City (including, without limitation, a community redevelopment agency) and Tenant elects to terminate this Lease pursuant to Section 11.4.1, the Award shall be allocated to the Parties in accordance with their respective interests in the Property (and, without limiting Tenant's rights, such allocation shall take into consideration Tenant's Garage Contribution).

11.5. Special Provisions Governing City Takings. To the extent permitted by Law, the City, for itself and for or any entity controlled by or related to the City (including, without limitation, a community redevelopment agency), hereby agrees that a total taking of the Tenant's interest in this Lease or a partial taking that would give Tenant a right to terminate this Lease pursuant to Section 11.4.1 shall only be effected if the City reasonably determines that (a) the overriding public interest or necessity requires the City to take possession of the Property, (b) the City's proposed use of the Property is planned and located in a manner that will be most compatible with the greatest public good and least private injury, and (c) the Property is necessary for the City's overriding proposed use. Further, if the taking results in a termination of this Lease, the City and Tenant hereby stipulate to an Award for the Tenant's interest in this Lease, which will be paid solely to Tenant, that is the greater of (i) the Award determined by the court for such taking, or (ii) the "Unamortized Improvement Value," the amount of which shall be calculated in accordance with the following:

11.5.1. As used herein, the term "Cost of Improvements" shall mean the sum of (i) all amounts expended by Tenant for the Renovation and Construction Work, including all hard and soft costs, (ii) all amounts subsequently expended by Tenant

for other improvements and Alterations to the Property, including all hard and soft costs, and (iii) Tenant's Garage Contribution.

11.5.2. The Cost of Improvements shall be amortized over a number of years equal to the number of remaining Lease Years (including the twenty (20) Lease Years attributable to Tenant's options to extend the Term) at a rate of interest equal to the prime rate of interest as published in the Wall Street Journal plus two percent (2%) in effect as of the date of each completion of such Improvement. The Unamortized Improvement Value shall be equal to the sum obtained by adding the unamortized values calculated in accordance with the foregoing two sentences as of the Date of Taking.

If the taking results in a termination of this Lease, the City shall use good faith efforts to find a suitable replacement property owned by the City for the conduct of Tenant's business.

12. Covenant of Nondiscrimination. Tenant herein covenants by and for itself, its successors, assigns, and sublessees 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 subleasing, transferring, use, occupancy, tenure or enjoyment of the Property herein leased nor shall Tenant 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 Tenant, lessees, sublessees, subtenants or vendees in the Property. Tenant agrees to include in each assignment, sublease and other contract entered into by it with respect to the Property a covenant by the assignee, sublessee or other contracting party to the same effect as Tenant is obligated in the preceding sentence.

13. Prohibition Against Voluntary Assignment, Subletting, and Encumbering.

13.1. City's Consent Required. Tenant acknowledges that the City is entering into this Lease based on the non-profit character, stated purpose, and quality of the members of the Board of Directors of Tenant. Consequently, except as provided in this Section 13 or as permitted by Section 25, Tenant shall not assign (including, without limitation, by operation of Law) or transfer its interest in this Lease or in the Property (or any interest, right or privilege therein), or sublease all or any part of the Property, or allow any other person or entity (except Tenant's Authorized Representatives) to occupy or use on a continuous basis all or any part of the Property, without first notifying the City in writing and obtaining the City's prior written consent, which consent may be granted or withheld in the City's sole and absolute discretion. Nothing herein shall grant the City the right to approve any of Tenant's employees or staff members.

13.2. Theater Operator. Notwithstanding anything in this Lease to the contrary, the City shall not have the right to approve persons or entities to whom portions of the Premises have been turned over in the normal course of business for the production

or staging of theatrical, educational and cultural works, music and other performing arts, lectures, exhibitions, and similar events; provided, however, that the City shall have the right to approve any Theater Operator (as defined below), which approval shall not be unreasonably withheld. As used herein, the term "Theater Operator" shall refer to an independent third party with whom Tenant contracts to (i) operate all or substantially all of the Performing Arts Center for an extended period of time; or (ii) the Theater and/or the Studio for an extended period of time. The City shall not withhold its consent to Theater Operator based upon the nature or content of any past, present or future performance, lecture, presentation, show, exhibition or similar event, or series of such events.

13.3. Standards for Withholding Consent. Notwithstanding anything in this Lease to the contrary, the City shall not withhold its consent to any sublease, concession, license agreement or other arrangement unless the City reasonably determines that (a) the proposed subtenant, concessionaire or licensee is not financially solvent, or (b) the operations of the proposed subtenant, concessionaire, or licensee would be inconsistent with the high quality of establishments in the City of Beverly Hills.

13.4. Deemed Approval. To the extent that the City's consent to a sublease, concession, license agreement or other arrangement is required under this Section 13, the City's failure to provide Tenant its written disapproval of the arrangement within thirty (30) days after its receipt of a copy of the agreement relating to such arrangement shall be deemed to constitute the City's approval of the same.

13.5. No Waiver. No consent to any assignment, transfer or sublease shall constitute a further waiver of the Provisions of this Section. Tenant shall reimburse the City for the reasonable out-of-pocket costs of legal, financial and/or other analyses as well as the City's actual out-of-pocket costs incurred in connection with a proposed transaction whether or not the City ultimately grants its approval of the proposed assignment.

14. Compliance with Environmental Laws.

14.1. Tenant's Covenant. Tenant shall not cause or permit any Hazardous Material to be placed, released, 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, except in the manner permitted by applicable Law (including, without limitation, use of cleaning solvents, toner cartridges, etc. in the ordinary course of business). The foregoing shall not, without limitation, make Tenant liable for any Hazardous Material located on the Property as of the commencement of the Term (provided that Tenant shall properly handle, contain and/or dispose of the same as necessary in connection with its Renovation and Construction Work and any subsequent Alterations), nor shall Tenant have liability to the City for Hazardous Materials that migrate under the Property from adjacent property.

14.2. Violation of Tenant's Covenant. If Tenant causes or permits any Hazardous Material to be placed, released, used or disposed of on, under or at the Property in violation of Tenant's covenant set forth in Section 14.1 above, Tenant shall contain, abate or control such Hazardous Material and, if necessary, remove and dispose of same in accordance with all applicable Environmental Laws and other Laws. If Tenant fails to undertake such action within (a) thirty (30) days after Tenant's receipt of written notice from the City requiring Tenant to undertake such action (or such longer period as reasonably may be required, provided Tenant is diligently attempting to complete such action), or (b) such shorter period as may be required by any Environmental Law or other law, the City may (but shall not be obligated to) cause such action to be taken by a third party contractor or contractors after giving Tenant at least ten (10) days' notice of its intention to do so, and the amount of any cost or expense therefor shall be paid immediately by Tenant. If the City makes any payment or incurs any costs or expenses in connection therewith, such amounts, together with interest thereon from the date paid by the City, shall be deemed Rent, payable by Tenant to the City on demand.

14.3. Indemnification. Tenant hereby indemnifies the City and agrees to defend and hold the City 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, the City, its officers, employees and agents for, with respect to or as a direct or indirect result of, the violation by Tenant of its covenant contained in Section 14.1 above. Except as otherwise provided in this Lease, Tenant's liabilities for the undertakings and indemnifications set out in this Section 14 shall survive the Termination or the Expiration, as applicable, of this Lease.

15. Default.

15.1. Tenant's Default. The occurrence of any of the following shall constitute a default by Tenant:

15.1.1. failure to pay Rent or any other payment required to be made by Tenant hereunder as and when due (including, without limitation, any installment of the Tenant Garage Contribution), and such failure continues for ten (10) days after written notice from the City to Tenant;

15.1.2. abandonment of the Property or the leasehold estate by Tenant;

15.1.3. the subjection of any right or interest to attachment, execution, or other levy, or to seizure under legal process, if not released within ninety (90) days;

15.1.4. an assignment by Tenant for the benefit of creditors or the filing of a voluntary or involuntary petition by or against Tenant under any law for the purpose of adjudicating Tenant a bankrupt; or for extending time for payment, adjustment, or satisfaction of Tenant's liabilities; or for reorganization, dissolution, or

arrangement on account of or to prevent bankruptcy or insolvency; unless the assignment or proceeding, and all consequent orders, adjudications, custodies, and supervisions are dismissed, vacated, or otherwise permanently stayed or terminated within ninety (90) days after the assignment, filing, or other initial event;

15.1.5. the appointment of a receiver, unless such receivership is terminated within ninety (90) days after the appointment of the receiver, to take possession of Tenant's interest in the Property or of Tenant's interest in the leasehold estate or of Tenant's operations on the Property for any reason, including but not limited to, assignment for benefit of creditors or voluntary or involuntary bankruptcy proceedings, but not including receivership instituted by the City, the event of default being not the appointment of a receiver at the City's insistence but the event justifying the receivership; and

15.1.6. failure to perform any other covenant or Provision of this Lease, if the failure to perform is not cured within thirty (30) days after written notice. If the failure to perform cannot reasonably be cured within thirty (30) days, Tenant shall not be in default of this Lease if Tenant promptly commences to cure the failure to perform within the thirty (30) day period and thereafter diligently and in good faith prosecutes the cure to completion.

Any notice required to be given by the City to Tenant under this Section 15.1 shall specify in reasonable detail the event or act or failure to perform complained of by the City and the applicable Provision of this Lease which Tenant is alleged to have violated, shall be given in accordance with the provisions of Section 15, and shall demand that Tenant perform the provisions of this Lease within the applicable period of time provided for herein or quit the Property.

15.2. Remedies.

15.2.1. Cumulative Nature of Remedies. If any default by Tenant shall continue uncured, following notice of default as required by this Lease, for the period, if any, applicable to the default under the applicable provision of this Lease, the City shall have the remedies described in this Section 15.2 and all other remedies as may be provided at law.

15.2.2. Termination. The City may, at the City's election, terminate this Lease by giving Tenant notice of Termination. In the event the City terminates this Lease, the City may recover possession of the Property (which Tenant shall surrender and vacate upon demand) and remove all persons and property therefrom, and the City shall be entitled to recover as damages the worth at the time of the award of any unpaid Rent or other charges which have been earned at the time of Termination and any damages incurred by the City as a result of a failure by Tenant to perform its obligations hereunder but not any consequential damages. As used in this Section 15.2.2, the "worth at the time of the award" shall be computed by allowing interest at a rate equal to the lesser of (i) one hundred thirty three and one third percent (133 1/3%) of the prime rate as published in the Wall Street Journal, and (ii) the maximum rate at the time of the

award that a non-exempt lender is permitted to charge on loans for any use other than for personal, family or household purposes, under California Constitution Article XV, Section 1, as now in effect or hereafter from time to time amended.

15.2.3. Failure to Make a Garage Payment. In the event the Tenant fails to cure a failure by Tenant to timely pay an installment of the Tenant Garage Contribution under Section 6 of the Work Letter or the Garage Specification Funds, then in addition to the City's other remedies at law, in equity and under this Lease, Tenant hereby expressly agrees that City shall be entitled to obtain an injunction, upon ex parte application by City (with a copy delivered to the Tenant) to any California state court with jurisdiction, enjoining the Tenant's construction of the Renovation and Construction Work and the expenditure by Tenant of any funds for costs of designing or constructing the same, it being understood that absent the Tenant's full Tenant Garage Contribution and Garage Specification Funds, the City and Parking Authority will need to use some or all of Tenant's remaining funds to construct the Garage and the Tenant Garage Specification Work.

15.2.4. Assignment of Subrents. Tenant assigns to the City all subrents and other sums falling due from subtenants, licensees, permittees, and concessionaires (herein called subtenants) during any period in which the City has the right under this Lease, whether exercised or not, to reenter the Property for Tenant's default, and Tenant shall not have any right to such sums during that period. The City may at the City's election reenter the Property with or without process of law, without terminating this Lease, and either or both collect these sums or bring action for the recovery of the sums directly from such obligors. The City shall receive and collect all subrents and proceeds from reletting, applying to the payment of reasonable expenses of the City.

15.2.5. City's Right to Cure Tenant's Default. At any time after Tenant is in default, the City may, but is not obligated to, cure such default at Tenant's cost. If the City at any time, by reason of such default by Tenant, pays any sum or does any act, the sum paid by the City plus the reasonable cost of performing such act shall be due as additional Rent immediately at the time the sum is paid or the act performed. No such payment or act shall constitute a waiver of default or of any remedy for default or render the City liable for any loss or damage resulting from any such act.

15.2.6. City's Default. The City shall not be deemed to be in default in the performance of any obligation required to be performed by it hereunder unless and until it has failed to perform such obligation within thirty (30) days after written notice by Tenant to the City specifying wherein the City has failed to perform such obligation; provided, however, that if the nature of the City's obligation is such that more than thirty (30) days are required for its performance then the City shall not be deemed to be in default if it shall commence such performance within such thirty (30) day period and thereafter diligently and in good faith prosecute the cure to completion.

16. City's Entry on Property.

16.1. Generally. The City and its Authorized Representatives shall have the right to enter the Property at all reasonable times and after reasonable notice (except for emergencies) for any of the following purposes:

16.1.1. to determine whether the Property is in good condition and whether Tenant is complying with its obligations under this Lease;

16.1.2. to do any necessary maintenance and to make any restoration to the Property that the City has the right to perform and/or to abate any dangerous condition which exists thereon;

16.1.3. to serve, post, or keep posted any notices required or allowed under the provisions of this Lease; and

16.1.4. for any other purposes acting in its capacity as the City of Beverly Hills, irrespective of its position as landlord hereunder.

The City shall conduct its activities on the Property as allowed in this section in a manner that will cause the least inconvenience, annoyance, or disturbance to Tenant as reasonably possible.

17. Fund Raising; Security Interest of City. In connection with its fund raising activities, Tenant may grant naming rights to portions of the Property to donors, but no naming rights to Major Components of the Property shall be granted without the prior approval of the City. City acknowledges that the naming of the Wallis Annenberg Center for the Performing Arts has been approved by the City, as have the names "Goldsmith," "Tisch" and "Lovelace" in connection with the Theater, the sculpture garden and the Studio, respectively. Tenant shall submit a written request to the City (a "Property Naming Request") requesting approval of a name or list of names in connection with one or more of the Major Components of the Property. The City shall have ten (10) days following its receipt of a Property Naming Request to approve or disapprove such request. The City's failure to disapprove any Property Naming Request within such ten (10) day period shall be deemed its approval thereof. Following termination or expiration of this Lease for any reason, the City shall continue to honor any naming of the Property or any portion of the Property permitted by this Lease so long as the Property or the portion of the Property continues to exist. This covenant shall survive the termination (whether by Tenant or the City) or expiration of this Lease and shall be enforceable by any donor or his or her family, or their respective heirs, successors or assigns, whose name has been placed upon the Property or a portion of the Property. For the purposes of this Lease the following shall be deemed to be the "Major Components of the Property": The Theatre, the Building, the Studio and great hall located within the Building, the sculpture garden, the education courtyard and the promenade terrace. Donated cash for the Renovation and Construction Work shall be deposited in one or more interest bearing accounts with a financial institution reasonably approved by the City. Without limitation, the City hereby approves City National Bank.

Tenant shall grant to the City a security interest in all such funds and accounts to secure the obligations of Tenant hereunder to complete the Renovation and Construction Work and pay the Tenant Garage Contribution and the Garage Specification Funds and shall take all actions necessary or appropriate to perfect such security interest (including executing and causing City National Bank to execute a control agreement with respect to the account); provided, however, that, (i) notwithstanding such security interest, unless Tenant is in default under the terms of this Lease beyond applicable notice and grace periods, Tenant shall have full and unhindered access to the funds in such accounts to withdraw and apply such cash to the Renovation and Construction Work, (ii) such security interest shall expire and be of no further force or effect upon completion of the Renovation and Construction Work and Tenant's payment of the Tenant Garage Contribution and the Garage Specification Funds, and (iii) in the event that City shall elect to exercise its rights as a secured creditor, City shall deliver such cash to a City Non-Profit Organization. In the event the City fails to comply with the provisions of subpart (iii) in the immediately preceding sentence, the City shall indemnify, defend and hold harmless all contributors of cash that is not distributed to qualified 501(c)(3) organizations in connection with the exercise of the City's rights as secured party for any adverse tax consequences to such contributors as a result of the City's failure to comply with such subpart (iii).

18. Operation of Tenant/Reports. Tenant shall operate in a manner which preserves its status as an organization exempt from federal income tax under Section 501(c)(3) at all times. On or before the date that is 120 days following the end of each of Tenant's fiscal years, Tenant shall file a report on its activities for the previous year with the City, which report shall include, without limitation: (a) the names and addresses of all directors and members of the executive committee of Tenant, (b) a balance sheet and operating statement for the preceding year, (c) copies of the current articles of incorporation and bylaws of Tenant, and (d) a brief narrative description of the activities of the Performing Arts Center during the previous year. At all times during the Term, not less than a majority of the Board of Directors of Tenant and not less than a majority of the Executive Committee of the Board of Directors of Tenant shall be comprised of individuals whose principal residence is located in the City of Beverly Hills. Tenant shall establish methods of electing directors which provide opportunities for interested qualified members of the community to apply for service on the Board of Directors of Tenant from time to time. The City shall have the right to have the City Manager or a representative appointed by the City Manager and one member of the City Council attend all meetings of the Board of Directors of Tenant on a non-voting basis (except with respect to matters involving internal organization, employee relations, matters relating to the relationship of Tenant and the City, and legal matters). In addition, the City shall have the right to have a representative present at all meetings of committees of the Board of Directors which relate to overseeing the Renovation and Construction Work. Tenant shall give prior written notice to the City of all such meetings.

19. Arbitration. Except as otherwise provided by this Section 19, disputed matters under this Lease shall be settled by binding arbitration in accordance with the then existing provisions of the California Arbitration Act, which as of the date hereof is contained in Title 9 of Part III of the California Code of Civil Procedure, commencing

with Section 1280. Either Party (the "Initiating Party") may initiate the arbitration process by sending written notice ("Request for Arbitration") to the other Party (the "Responding Party") requesting initiation of the arbitration process and setting forth a brief description of the dispute or disputes to be resolved and the contention(s) of the Initiating Party. Within ten (10) days after service of the Request for Arbitration, the Responding Party shall file a response setting forth the Responding Party's description of the dispute and the contention(s) of Responding Party. If Responding Party has any "Additional Disputes" it shall follow the format described for the Initiating Party. The Initiating Party will respond within ten (10) days after service of the Additional Disputes setting forth Initiating Party's description of the Additional Disputes and contentions regarding the Additional Disputes. Notwithstanding anything to the contrary which may now or hereafter be contained in the California Arbitration Act, the Parties agree that the following provisions shall apply to any and all arbitration proceedings conducted pursuant to this Lease:

19.1. Selection of Arbitrator. The Parties shall attempt to agree upon an arbitrator who shall decide the matter. If, for any reason, the Parties are unable to agree upon the arbitrator within ten (10) days of the date the Initiating Party serves a request for arbitration on the Responding Party, then at any time on or after such date either Party may petition for the appointment of the arbitrator as provided in California Code of Civil Procedure Section 1281.6.

19.2. Arbitrator. The arbitrator shall be a retired judge of the California Superior Court, Court of Appeal or Supreme Court, or any United States District Court or Court of Appeals located within the State, who has agreed to resolve civil disputes.

19.3. Scope of Arbitration. The City and Tenant affirm that the mutual objective of such arbitration is to resolve the dispute as expeditiously as possible. The arbitration process shall not apply or be used to determine issues other than (i) those presented to the arbitrator by the Initiating Party provided those disputes are arbitrable disputes pursuant to this Lease, (ii) Additional Disputes presented to the arbitrator by the Responding Party, provided that any such Additional Disputes constitute arbitrable disputes pursuant to this Lease, and (iii) such related preliminary or procedural issues as are necessary to resolve (i) and/or (ii) above. The arbitrator shall render an award. Either Party may, at its sole cost and expense, request a statement of decision explaining the arbitrator's reasoning which shall be in such detail as the arbitrator may determine. Unless otherwise expressly agreed by the Parties in writing, the award shall be made by the arbitrator no later than the sooner of six (6) months after the date on which the arbitrator is selected by mutual agreement or court order, whichever is applicable, or five (5) months after the date of a denial of a petition to disqualify a potential arbitrator for cause. The City and Tenant hereby instruct the arbitrator to take any and all actions deemed reasonably necessary, appropriate or prudent to ensure the issuance of an award within such period. Notwithstanding the foregoing, failure to complete the arbitration process within such period shall not render such arbitration or any determination made therein void or voidable; however, at any time after the expiration of the foregoing five (5) or six (6) month periods, as applicable, either Party may deliver written notice to the arbitrator and the other Party either terminating the arbitration or declaring such Party's

intent to terminate the arbitration if the award is not issued within a specified number of days after delivery of such notice. If the arbitrator's award is not issued prior to the expiration of said specified period, the arbitration shall be terminated and the Parties shall recommence arbitration proceedings pursuant to this Section 19.

19.4. Section 1282.2. The provisions of Code of Civil Procedure Section 1282.2 shall apply to the arbitration proceedings except to the extent they are inconsistent with the following:

(1) Unless the Parties otherwise agree, the arbitrator shall appoint a time and place for the hearing and shall cause notice thereof to be served as provided in said Section 1282.2 not less than ninety (90) days before the hearing, regardless of the aggregate amount in controversy.

(2) No later than sixty (60) days prior to the date set for the hearing (unless, upon a showing of good cause by either Party, the arbitrator establishes a different period), in lieu of the exchange and inspection authorized by Code of Civil Procedure Section 1282.2(a)(2)(A), (B) and (C), the Parties shall simultaneously exchange the following documents by personal delivery to each other and to the arbitrator:

(a) a written Statement of Position, as further defined below, setting forth in detail that Party's final position regarding the matter in dispute and specific numerical proposal for resolution of monetary disputes;

(b) a list of witnesses each Party intends to call at the hearing, designating which witnesses will be called as expert witnesses and a summary of each witness's testimony;

(c) a list of the documents each intends to introduce at the hearing, together with complete and correct copies of all of such documents; and,

(d) if the issue involves a valuation matter, a list of all written appraisal evidence (as defined below) each intends to introduce at the hearing, together with complete and correct copies of all of such written appraisal evidence.

(3) No later than twenty (20) days prior to the date set for the hearing, each Party may file a reply to the other party's Statement of Position ("Reply"). The Reply shall contain the following information:

(a) a written statement, to be limited to that Party's rebuttal to the matters set forth in the other party's Statement of Position;

(b) a list of witnesses each Party intends to call at the hearing to rebut the evidence to be presented by the other Party, designating which witnesses will be called as expert witnesses;

(c) a list of the documents each intends to introduce at the hearing to rebut the evidence to be presented by the other party, together with complete and correct copies of all of such documents (unless, upon a showing of good cause by either party, the arbitrator establishes a different deadline for delivering true and correct copies of such documents);

(d) if the issue involves a valuation matter, a list of all written appraisal evidence, or written critiques of the other Party's written appraisal evidence if any, each intends to introduce at the hearing to rebut the evidence presented by the other Party, together with complete and correct copies of all of such written appraisal evidence (unless, upon a showing of good cause by either Party, the arbitrator establishes a different deadline for delivering true and correct copies of such written appraisal evidence); and

(e) Witnesses or documents to be used solely for impeachment of a witness need not be identified or produced.

(4) The arbitrator is not bound by the rules of evidence, but may not consider any evidence not presented at the hearing. The arbitrator may exclude evidence for any reason a court may exclude evidence or as provided in this Lease.

19.5. Statements of Position. Where the dispute involves insurance levels or other monetary amounts, the Statements of Position shall numerically set forth the monetary amounts in dispute, insurance level and/or other monetary amounts, and shall additionally set forth the facts supporting such Party's position.

19.6. Evidence. The provisions of Code of Civil Procedure Section 1282.2(a)(2)(E) shall not apply to the arbitration proceeding. The arbitrator shall have no discretion to allow a Party to introduce witnesses, documents or written appraisal evidence (other than impeachment testimony) unless such information was previously delivered to the other Party in accordance with Section 19.4, or such evidence consists of a transcript of a deposition of an expert witness conducted pursuant to Section 19.7. Notwithstanding the foregoing, the arbitrator may allow a Party to introduce evidence which, in the exercise of reasonable diligence, could not have been delivered to the other party in accordance with Section 19.5, provided such evidence is otherwise permissible hereunder.

19.7. Discovery. The provisions of Code of Civil Procedure Section 1283.05 shall not apply to the arbitration proceedings except to the extent incorporated by other sections of the California Arbitration Act which apply to the arbitration proceedings. There shall be no pre-arbitration discovery except as provided in Section

19.4; provided, however, each Party shall have the right, no later than seven (7) days prior to the date first set for the hearing, to conduct a deposition, not to exceed three (3) hours in duration unless the arbitrator otherwise determines that good cause exists to justify a longer period, of any person identified by the other Party as an expert witness pursuant to Sections 19.4 (2)(b) or 19.4 (3)(b).

19.8. Awards of Arbitrators.

19.8.1. Monetary Issues. With respect to monetary disputes (including the amount of coverage under the policies of insurance required pursuant to Section 9 of this Lease), the arbitrator shall have no right to propose a middle ground or any proposed modification of either Statement of Position. The arbitrator shall instead select whichever of the two Statements of Position is the closest to the monetary amount that the arbitrator determines to be the appropriate determination of coverage or other matter in dispute and shall render an award consistent with such Statement of Position. While the arbitrator shall have no right to propose a middle ground or any proposed modification of either Statement of Position concerning a Separate Dispute, the arbitrator shall have the right, if the arbitrator so chooses, to choose one Party's Statement of Position on one or more of the Separate Disputes, while selecting the other Party's Statement of Position on the remaining Separate Disputes. Upon the arbitrator's selection of a Statement of Position, pursuant to this Section 19, the Statement of Position so chosen and the award rendered by the arbitrator thereon shall be final and binding upon the Parties, absent Gross Error on the part of the arbitrator.

19.8.2. Nonmonetary Issues. With respect to nonmonetary issues and disputes, the arbitrator shall determine the most appropriate resolution of the issue or dispute, taking into account the Statements of Position submitted by the Parties, and shall render an award accordingly. Such award shall be final and binding upon the Parties, absent Gross Error on the part of the arbitrator.

19.9. Costs of Arbitration. Subject to the rights of the prevailing Party to recover the same as provided elsewhere in this Lease, Tenant and the City shall equally share the expenses and fees of the arbitrator, together with other expenses of arbitration incurred or approved by the arbitrator. Failure of either Party to pay its share of expenses and fees constitutes a material breach of such Party's obligations hereunder.

19.10. Amendment to Implement Judgment. Within seven (7) days after the issuance of any award by the arbitrator becomes final, the City will draft a proposed amendment to the Lease setting forth the relevant terms of such award. Within seven (7) days after delivery of a copy of the amendment to Tenant, Tenant will sign the amendment and return the executed copy to the City, which shall thereafter be considered by the City Council and thereafter approved by the City Council and executed by the City as soon as reasonably practicable.

19.11. Impact of Gross Error Allegations. Where either Party has charged the arbitrator with Gross Error:

19.11.1. The award shall not be implemented if the Party alleging Gross Error obtains a judgment of a court of competent jurisdiction stating that the arbitrator was guilty of Gross Error and vacating the arbitration award (“Disqualification Judgment”). In the event of a Disqualification Judgment, the arbitration process shall begin over immediately in accordance with this Section 19.11, which arbitration shall be conducted (with a different arbitrator) as expeditiously as reasonably possible.

19.11.2. The Party alleging Gross Error shall have the burden of proof.

19.11.3. For the purposes of this Section 19.11, the term “Gross Error” shall mean that the arbitration award is subject to vacation pursuant to California Code of Civil Procedure Section 1286.2 or any successor provision.

20. Notices. Any notice, demand, request, consent, approval or communication that either Party desires or is required to give to the other Party shall be in writing and shall be deemed given as of the time of hand delivery to the addresses set forth below, or if sent by United States registered or certified mail, postage prepaid, return receipt requested, on the business day following the date of actual delivery. Unless notice of a different address has been given in accordance with this section, all such notices shall be addressed as follows:

If to the City, to:

CITY OF BEVERLY HILLS
455 North Rexford Drive
Beverly Hills, California 90210
Attention: City Manager

With a copy to:

CITY OF BEVERLY HILLS
455 North Rexford Drive
Beverly Hills, California 90210
Attention: City Attorney

If to Tenant, to:

WALLIS ANNENBERG CENTER FOR
THE PERFORMING ARTS
470 North Canon Drive
Beverly Hills, CA 90210
Attention: Executive Director

With an additional copy to:

MANATT, PHELPS & PHILLIPS, LLP
11355 W. Olympic Boulevard
Los Angeles, California 90064
Attention: Martin E. Steere, Esq.

21. Attorneys’ Fees. In the event of any action, proceeding or arbitration arising out of or in connection with this Lease, whether or not pursued to judgment, the prevailing Party shall be entitled, in addition to all other relief, to recover its costs and reasonable attorneys’ fees, charges and disbursements, and also including all fees, costs and expenses incurred in executing, perfecting, enforcing and collecting any judgment.

22. Surrender of Property: Holding Over.

22.1. Surrender of Property. At the Expiration or earlier Termination of the Term, Tenant shall surrender possession of the Property to the City. Tenant shall leave the Property in good and broom-clean condition, reasonable wear and tear and damage by casualty that is not Tenant's obligation to repair excepted. All property that Tenant is not required to surrender but that Tenant does abandon shall, at the City's election, become the City's property at Expiration or Termination.

22.2. Holding Over. If Tenant with City's consent remains in possession of the Property after Expiration or Termination, such possession by Tenant shall be deemed to be a month to month tenancy terminable on thirty (30) days' notice given at any time by either Party. All Provisions of this Lease shall apply to the month to month tenancy except those provisions pertaining to the Term and Basic Rent. Basic Rent during any period that Tenant holds over shall increase to the market rent payable for first class office space in the City of Beverly Hills.

23. Estoppel Certificates. At any time and from time to time, within twenty (20) days after notice of request by either Party, the other Party shall execute, acknowledge, and deliver to the requesting Party, or to such other recipient as the notice shall direct, a statement certifying that this Lease is unmodified and in full force and effect, or, if there have been modifications, that it is in full force and effect as modified in the manner specified in the statement and acknowledging that there are no uncured defaults or failures to perform any covenant or Provision of this Lease on the part of the requesting Party or specifying any such defaults or failures which are claimed to exist.

24. Limitation on Liability.

24.1. Notwithstanding anything in this Lease, or at law, or in equity to the contrary, in any action, proceeding, arbitration, or otherwise by the City arising out of, in connection with, or relating directly or indirectly to this Lease, the City will proceed only against the assets of Tenant, including any interest of Tenant in the Property and not against any director, officer, employee or agent of Tenant, or any of their respective property. Notwithstanding anything in this Lease, or at law, or in equity, to the contrary, no director, officer, employee, or agent of Tenant shall have any personal liability to the City arising out of, in connection with, or relating directly or indirectly to this Lease other than for intentional torts or criminal acts.

24.2. Notwithstanding anything in this Lease, or at law, or in equity to the contrary, in any action, proceeding, arbitration, or otherwise by Tenant arising out of, in connection with, or relating directly or indirectly to this Lease, Tenant will proceed only against the assets of the City including any interest of the City in the Property and not against any member of the City Council, employee or agent of the City, or any of their respective property. Notwithstanding anything in this Lease, or at law, or in equity, to the contrary, no member of the City Council, employee, or agent of the City shall have any personal liability to Tenant arising out of, in connection with, or relating directly or indirectly to this Lease other than for intentional torts or criminal acts.

25. Bond Financing. In the event that Tenant determines that, in order to meet a Funding Date, Tenant requires proceeds from bond financing, then if the terms of the bond financing are acceptable to the City in its sole and absolute discretion, the City and Tenant may agree in writing to amend this Lease to provide such reasonable protections as are reasonably required by the commercial bank or banks that serve in the capacity as trustee for bonds that are issued by or on behalf of the Tenant and any bank, insurance company, pension fund or other financial institution which provides (a) a letter of credit, insurance policy, surety bond, line of credit or other instrument which secures or guarantees the payment of principal of and interest on any such bonds and/or (b) any letter of credit, line of credit, standby purchase agreement or other instrument then in effect which provides for the payment of the purchase price of any such bonds.

26. Miscellaneous.

26.1. Governing Law. This Lease shall be construed and interpreted in accordance with the laws of the State of California.

26.2. Covenants and Conditions. All Provisions, whether covenants or conditions, on the part of Tenant shall be deemed to be both covenants and conditions.

26.3. Transfer of City's Interest. In the event of any transfer or transfers of the City's interest in the Property or the Parking Authority's interest in the Garage, the applicable transferor shall be automatically relieved of any and all obligations and liabilities with respect to the interest transferred that accrue from and after the date of such transfer provided that the applicable transferee assumes or is otherwise bound by and obligated for such obligations and liabilities.

26.4. Waiver. The waiver by the City or Tenant of any breach by the other Party of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, or condition or any subsequent breach of the same or any other term, covenant, or condition herein contained. The subsequent acceptance of Rent hereunder by the City shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant, or condition of this Lease, other than the failure to pay the particular rents so accepted, regardless of the City's knowledge of such preceding breach at the time of acceptance of such Rent.

26.5. Time of Essence. Time is of the essence with respect to the performance of every Provision of this Lease in which time of performance is a factor.

26.6. Brokers. Each Party warrants to and for the benefit of the other that it has had no dealings with any real estate broker or other agent (attorneys excepted) in connection with the negotiation or making of this Lease.

26.7. Table of Contents: Headings. The table of contents of this Lease and the captions of the various sections of this Lease are for convenience and ease of reference only and do not define, limit, augment, or describe the scope, content, or intent of this Lease or of any part or parts of this Lease.

26.8. Entire Agreement; Modification. This Lease contains the entire agreement between the Parties. No verbal agreement or implied covenant shall be held to vary the provisions hereof, any statements, law or custom to the contrary notwithstanding. No promise, representation, warranty, or covenant not included in this Lease has been or is relied on by either Party. Each Party has relied on its own inspection of the Property and examination of this Lease, the counsel of its own advisors, and the warranties, representations, and covenants in this Lease itself. The failure or refusal of either Party to inspect the Property, to read this Lease or other documents, or to obtain legal or other advice relevant to this transaction constitutes a waiver of any objection, contention, or claim that might have been based on such reading, inspection, or advice. Each Party represents and warrants that it has the power and authority to enter into and carry out the provisions of this Lease. No provision of this Lease may be amended or varied except by an agreement in writing signed by the Parties hereto or their respective successors.

26.9. Severability. The invalidity or illegality of any provision shall not affect the remainder of this Lease and all remaining provisions shall, notwithstanding any such invalidity or illegality, continue in full force and effect.

26.10. Successors. Subject to the Provisions of this Lease on assignment and subletting, each and all of the covenants and conditions of this Lease shall be binding on and shall inure to the benefit of the heirs, successors, executors, administrators, assigns, and personal representatives of the respective Parties.

26.11. Consents of Parties. Except as otherwise specifically provided to the contrary herein, whenever this Lease provides for the consent or approval of a Party, such consent or approval, as applicable, shall not be unreasonably withheld or delayed. Except as set forth in Sections 6.4 and 8.1, wherever this Lease requires the consent or approval of the City, such consent or approval shall be in writing and shall be granted or withheld on behalf of the City by the City Manager. In the event that the consent or approval of the City is withheld, Tenant shall have the right to appeal such withholding of consent or approval to the City Council. If written request for consent or approval is given to a Party, and such Party fails to deliver written disapproval (together, in the case of requests for approval that cannot be unreasonably withheld, with an explanation of the reasonable basis or bases for such disapproval) within ten (10) business days following such request, the Party who fails to deliver such notice shall be deemed to have denied the requested consent or given its disapproval, as applicable. If the City Manager determines that a matter for which consent is requested requires approval of the City Council, the City Manager may so notify Tenant and the deadline by which the City must grant or withhold consent shall be extended for such time as is necessary for the matter to be noticed, calendared and heard by the City Council at the next available City Council meeting. Neither the City's execution of this Lease nor any consent or approval given by the City hereunder in its capacity as lessor shall waive, abridge, impair or otherwise affect the City's powers and duties as a governmental body, including but not limited to the power of eminent domain (except as set forth in Section 11.5). Any requirements under this Lease that Tenant obtain consents or approvals of the City are in addition to and not in lieu of any requirements of Law that Tenant obtain approvals or permits.

26.12. Joint and Several Obligations. "Party" shall mean City or Tenant; and if more than one person is City or Tenant, the obligations imposed on that Party shall be joint and several.

26.13. Telecommunications. Tenant may broadcast performances on the Property. However, methodology utilized by Tenant for such transmissions which involves exterior devices on the Building shall be subject to the prior written reasonable approval of the City. The Parties recognize, however, that the City can withhold such approval on the basis of aesthetics. Any revenues generated by such transmissions shall be retained by Tenant. The City shall have the right, at all times, to install telecommunication facilities on the Property in such a manner as not to unreasonably interfere with Tenant's use of the Property.

26.14. Execution; Recordation of Memorandum of Lease. This Lease shall not be recorded. However, upon the request of either Party, the Parties shall execute a memorandum of lease for recordation in form and substance as reasonably required by a title insurance company insuring Tenant's leasehold estate or the interest of any leasehold or fee Lender, and sufficient to give constructive notice of this Lease to subsequent purchasers and mortgagees.

26.15. Force Majeure. Notwithstanding anything to the contrary contained in this Lease, any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain services, labor, or materials or reasonable substitutes therefor, governmental actions, civil commotions, fire or other casualty, and other causes beyond the reasonable control of the Party obligated to perform shall excuse the performance of such Party for a period equal to any such prevention, delay or stoppage.

26.16. Ownership of Improvements. During the Term of the Lease, Tenant shall be deemed to be the owner of the Theater and any other improvements constructed by Tenant. The ownership of such improvements shall revert to the City upon Expiration or Termination.

26.17. Waiver of Governmental Rights. The City is entering into this Lease in its proprietary capacity and nothing herein shall waive, modify or impair the City's rights in its governmental capacity except to the extent otherwise expressly set forth herein, including, without limitation, the provisions of Section 11.5.

(Signatures appear on following page)

IN WITNESS WHEREOF, the undersigned have executed this Lease as of the date first written above.

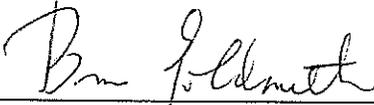
CITY OF BEVERLY HILLS

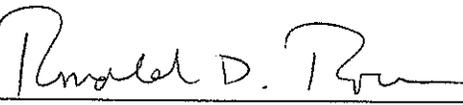
BARRY BRUCKER
Mayor of the City of Beverly Hills, California

ATTEST:

BYRON POPE
City Clerk

WALLIS ANNENBERG CENTER FOR THE
PERFORMING ARTS, a California nonprofit
public benefit corporation

By 
BRAM GOLDSMITH:
Chairman

By 
RONALD D. ROSEN
Secretary

APPROVED AS TO FORM:

APPROVED AS TO CONTENT

LAURENCE S. WIENER
City Attorney

RODERICK J. WOOD, CCM
City Manager

DAVID LIGHTNER
Deputy City Manager

KARL KIRKMAN
Risk Manager

Consent Agreement of the Parking Authority with respect to provisions pertaining to It:

THE PARKING AUTHORITY OF THE CITY OF
BEVERLY HILLS, a parking authority established
pursuant to the Parking Law of 1949 of the State of
California

BARRY BRUCKER
Chairman of the Parking Authority of the City of
Beverly Hills

ATTEST:

BYRON POPE
Secretary

EXHIBIT "A"

PROPERTY DESCRIPTION

THE LAND LYING AND BEING IN THE CITY OF BEVERLY HILLS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHEASTERLY LINE OF PACIFIC ELECTRIC RAILWAY COMPANY RIGHT OF WAY (HOLLYWOOD DIVISION) AS GRANTED BY DEED RECORDED IN BOOK 2940 PAGE 77 OF DEEDS, RECORDS OF SAID COUNTY, WITH A LINE DISTANT 10 FEET MEASURED NORTHEASTERLY FROM AND AT RIGHT ANGLES TO THE NORTHEASTERLY LINE OF CANON DRIVE SHOWN ON TRACT BEVERLY, RECORDED IN BOOK 11 PAGE 94 OF MAPS, RECORDS OF SAID COUNTY; THENCE NORTHEASTERLY ALONG SAID RIGHT OF WAY LINE 312.10 FEET TO A POINT IN THE SOUTHWESTERLY LINE OF CRESCENT DRIVE; THENCE SOUTH 39 DEGREES 31 MINUTES 40 SECONDS EAST ALONG SAID SOUTHWESTERLY LINE OF CRESCENT DRIVE, A DISTANCE OF 275.68 FEET TO AN INTERSECTION WITH A LINE PARALLEL WITH AND DISTANT 135 FEET MEASURED NORTHERLY AT RIGHT ANGLES FROM THE SOUTHERLY LINE OF BURTON WAY AS SAID BURTON WAY IS SHOWN ON THE MAP OF SAID TRACT BEVERLY; THENCE BEARING SOUTH 89 DEGREES 50 MINUTES 35 SECONDS WEST, A DISTANCE OF 167.65 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 894.95 FEET; THENCE WESTERLY ALONG SAID CURVE, A DISTANCE OF 216.75 FEET TO A POINT IN A LINE, SAID LINE BEING DISTANT 10 FEET MEASURED NORTHEASTERLY FROM AND AT RIGHT ANGLES TO SAID NORTHEASTERLY LINE OF CANON DRIVE; THENCE NORTHWESTERLY ALONG SAID LINE, A DISTANCE OF 53.38 FEET, MORE OR LESS, TO THE POINT OF BEGINNING; AND

THAT CERTAIN 35 FOOT STRIP OF LAND BEING A PORTION OF LOT "A" OF RANCHO RODEO OF LAS AGUAS, IN THE CITY OF BEVERLY HILLS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 107 PAGES 210 TO 212 OF MISCELLANEOUS RECORDS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AS DESCRIBED IN FINAL DECREE ON CONDEMNATION RECORDED MARCH 21, 1896 AS INSTRUMENT NO. 38 IN BOOK 1084, PAGE 133 OF DEEDS IN THE RECORDERS OFFICE OF SAID COUNTY BOUNDED NORTHEASTERLY BY THE SOUTHWESTERLY LINE OF CRESCENT DRIVE, 80 FEET WIDE, AS DESCRIBED IN ORDINANCE NO. 323 RECORDED NOVEMBER 24, 1931 IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND BOUNDED SOUTHWESTERLY BY THE NORTHEASTERLY LINE OF CANON DRIVE, 84 FEET WIDE, AS DESCRIBED IN ORDINANCE NO. 351 RECORDED SEPTEMBER 27, 1932 IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE NORTHWESTERLY 2 FEET AND THE SOUTHEASTERLY 2 FEET OF SAID 35 FOOT STRIP OF LAND.

EXHIBIT "A-1"

SITE PLAN

EXHIBIT "B"

WORK LETTER

This Work Letter is attached to and forms a part of that certain Amended and Restated Lease by and among the City of Beverly Hills, a municipal corporation, and Wallis Annenberg Center for the Performing Arts, a California nonprofit public benefit corporation, and (for the limited purposes described in the Amended and Restated Lease and this Work Letter) The Parking Authority of the City of Beverly Hills. Undefined capitalized terms used herein shall have the same meanings as set forth in the Amended and Restated Lease to which this Work Letter is attached as Exhibit "B" and of which this Work Letter forms a part. The purpose of this Work Letter is to set forth the terms and conditions relating to (i) Tenant's renovation of the Building, (ii) construction of the Theater, and (iii) construction of the landscaping and hardscaping of the balance of the Property (collectively, the "Renovation and Construction Work"), and (iv) the Parking Authority's construction of the Garage and the Offsite Improvements (as defined in Section 3.3 of the Lease).

1. Commencement and Phasing of Tenant's Work. The Renovation and Construction Work may, at the option of Tenant, be performed in two phases. One phase shall consist of the renovation and improvement work to the Building; the other phase shall consist of the construction of the Theater; however, the completion of the remaining site work on the Property, including the sculpture garden and the pedestrian walkway to Canon Drive, shall be included as part of the phase that is the second phase to be commenced. (Each phase may be referred to herein as a "Phase" and collectively as the "Phases.") Tenant shall not commence any Renovation and Construction Work for a Phase until: (i) the Funding Date (described in Section 4.1 below) for the applicable Phase has occurred; (ii) Tenant has delivered to City the evidence of Tenant's insurance described in this Lease; (iii) Tenant has delivered to City a copy of Tenant's GMAX or stipulated sum contract for the Renovation and Construction Work for the applicable Phase; (iv) Tenant has delivered to City copies of the payment and performance bonds described in Section 3.2 below for the applicable Phase, or if permitted by Section 3.2, a copy of the "Subguard" insurance described therein for the applicable Phase; and (v) the Parking Authority has approved the Construction Plans for the Renovation and Construction Work for the applicable Phase under Section 2.3 below. Tenant may commence and continue business operations in the Building or the new Theatre, respectively, provided: (i) if the operations are to commence in the new Theatre, the new Theatre and all site work on the Property have been Substantially Completed (as defined in Section 4.3 below), and if the operations are to commence in the Building, the Renovation and Construction Work to and for the Building shall have been Substantially Completed (as defined in Section 4.3 below); (ii) Tenant has obtained all necessary permits and the operations otherwise comply with all applicable laws; (iii) all mitigation measures applicable to such work or operations under the Environmental Impact Report for the applicable Renovation and Construction Work have been taken and/or satisfied, as applicable, including requirements relating to parking and traffic; and (v) Tenant is not in default under this Lease.

2. Plans and Specifications.

2.1 Attached hereto as Schedules 1 and 2, respectively, are conceptual plans for the Renovation and Construction Work and the Garage and Offsite Improvements. The Garage shall have the minimum specifications set forth in Schedule 3 attached hereto.

2.2 As soon as practicable, but in no event later than four (4) months after the Effective Date, Tenant shall submit to the City six (6) sets of schematic plans, outline specifications and construction cost estimates for the Renovation and Construction Work. As soon as practicable, but no later than six (6) months after the Effective Date, the Parking Authority shall submit to Tenant six (6) sets of schematic plans, outline specifications and construction cost estimates for the construction of the Garage and the Offsite Improvements (each of which shall be referred to herein as the "Schematic Plans"). The City shall have thirty (30) days within which to approve or disapprove the Schematic Plans submitted by Tenant, and Tenant shall have thirty (30) days within which to disapprove the Schematic Plans submitted by the Parking Authority on reasonable grounds; provided, however, that the Tenant's rights to disapprove the Parking Authority's Schematic Plans shall be limited to the portions of the Parking Authority's Schematic Plans that describe Garage improvements that are (a) within forty (40) feet of the Property, and within the Garage (but excluding vehicular ingress and egress equipment and improvements) and that materially and adversely affect the operation of the Theatre or the Renovation and Construction Work; (b) are immediately adjacent to and must be physically coordinated with the Renovation and Construction Work; or (c) improvements comprising the valet ramp. Notwithstanding the limited scope of Tenant's disapproval rights: (i) the Parking Authority shall discuss the design of the Garage with the Tenant regularly throughout the design process (however, the foregoing shall not be construed to expand the Tenant's disapproval rights or grant approval rights to the Tenant); and (ii) considering that the Garage entrance on southbound Santa Monica Boulevard (the "Garage Entrance") is located on the Premises being leased by Tenant, the Parking Authority shall not design or construct the Garage Entrance in a manner that materially and adversely affects the operation of the new Theatre (including the loading dock area for the new Theatre). All disapprovals shall be in writing, and shall set forth in detail the reasons for any disapproval and shall describe the specific portions of the plans that are being disapproved. Promptly following disapproval of proposed Schematic Plans, the party responsible for such Schematic Plans shall revise the same and resubmit for approval. The foregoing process shall be repeated as necessary until approval of the Schematic Plans in question.

2.3 Tenant and the Parking Authority shall each, as soon as practicable following approval of its respective Schematic Plans, but in no event later than twelve (12) months following such Schematic Plan approval, cause final plans, detailed specifications and an estimated budget for all work to be constructed, altered or modified as part of the Renovation and Construction Work and the Garage and Offsite Improvements construction, respectively (the "Construction Plans") and shall submit six (6) complete sets of the same to the other for approval. The Parking Authority shall have thirty (30) days within which to approve or disapprove the Construction Plans submitted

by Tenant, and Tenant shall have thirty (30) days within which to approve or disapprove the Construction Plans submitted by the Parking Authority. Tenant and the Parking Authority may disapprove said Construction Plans on the grounds that they do not reflect a natural evolution from or materially differ from the Schematic Plans; provided, however, that the Tenant's rights to disapprove the Parking Authority's Construction Plans shall be limited to the items described in Section 2.2(a), (b) and (c) above. All disapprovals shall be in writing, and shall set forth in detail the reasons for any disapproval. Promptly following disapproval of proposed Construction Plans, the party responsible for such Construction Plans shall revised the same and resubmit for approval. The foregoing process shall be repeated as necessary until approval of the Construction Plans in questions.

2.4 Tenant and the Parking Authority shall each provide, in its construction contract for the Renovation and Construction Work and for the Garage, respectively, that its contractor shall carefully review (and shall cause its subcontractors to carefully review) the other party's Schematic Plans and Construction Plans for the purpose of determining whether there are any errors, inconsistencies, discrepancies or omissions in the design documents for the Garage and the Construction and Renovation Work that could adversely affect the coordination, performance or completion of the Garage work and the Construction and Renovation Work, and shall promptly inform both the Parking Authority and the Tenant in writing thereof. Each party shall cause its architect and engineers to reasonably consult with the other party's architect and engineers to coordinate their respective plans with respect to improvements that need to be physically coordinated.

2.5 In the event that the party to whom proposed Schematic or Construction Plans have been submitted does not provide written disapproval of the same within thirty (30) days following such submittal, the proposed Schematic or Construction Plans shall be deemed disapproved.

2.6 The Parking Authority and City shall use good faith efforts to coordinate their review of each submittal by Tenant in order to expedite approval of Tenant's submittals.

3. Contractor; Construction and Architect's Contracts.

3.1 The Renovation and Construction Work and construction of the Garage and the Offsite Improvements shall be performed by a single contractor selected by Tenant and the Parking Authority (the "Contractor").

3.2 Tenant shall enter into a contract with Contractor for each Phase of the Renovation and Construction Work, and the Parking Authority shall enter into a contract with Contractor for the construction of the Garage and the Offsite Improvements (the "Contracts," and each, a "Contract"). All Contracts shall provide for construction schedules that conform to this Work Letter and shall be based on a stipulated sum or cost of the work with a guaranteed maximum price. Each Contract shall provide for insurance as required by this Lease, provide that all warranties, indemnities and insurance shall

inure to the benefit of both (a) the City and Parking Authority; and (b) Tenant, and shall provide for ten percent (10%) retention pending lien-free, stop notice free and claim free completion of construction. The Contract(s) for the Renovation and Construction Work shall give the City the right but not the obligation to assume Tenant's obligations and rights under that contract if Tenant should commit an Event of Default or should otherwise terminate this Lease, and shall provide for payment and performance bonds; provided that, in connection with the Tenant's Contract, Tenant may, in lieu of requiring and obtaining such bonds, elect to cause Contractor to purchase Subguard® subcontractor default insurance from Zurich or another similar coverage, provided that such subcontractor default insurance or similar coverage is acceptable in all respects to the Parking Authority representative described in Section 7.2 below as a replacement for payment and performance bonds.

3.3 Tenant hereby assigns and conveys to the City all right, title and interest of Tenant in, under and to any and all plans, specifications and working drawings prepared by Tenant's architect for or in connection with the Renovation and Construction Work; provided, however, that City hereby gives Tenant a license to use such plans, specifications and working drawings for the prosecution of the Renovation and Construction Work (and subsequent alterations and additions made in compliance with the terms of this Lease), which license shall be automatically revoked upon a termination of this Lease for any reason other than a default by the City. Concurrently with Tenant's execution of this Lease, Tenant shall execute and deliver to City an assignment of Tenant's architect's contract (in favor of City), and shall cause its architect to execute and deliver to City a reasonable consent to such assignment, in the forms attached to this Work Letter as Schedule 3.

4. Timing of Construction; Garage Financing Contingency.

4.1 As used herein, the term "Funding Date" shall mean the date on which Tenant has received, and provided to the City and Parking Authority evidence reasonably satisfactory to City of, sufficient Available Funds to pay for one hundred percent (100%) of the construction cost for the Renovation and Construction Work (which shall include the actual costs of the work plus a ten percent (10%) contingency); provided, however, that, if Tenant elects to perform the Renovation and Construction Work in Phases, then the Funding Date shall mean, for each Phase, (i) in the case of the first Phase commenced by Tenant, one hundred percent (100%) of the amount by which the Contract for the Renovation and Construction Work allocates the stipulated sum or guaranteed maximum price for that Phase (which must include a 10% contingency amount), and (ii) for each subsequent Phase commenced by Tenant, not less than one hundred percent (100%) of the amount by which the Contract for the Renovation and Construction Work allocates the stipulated sum or guaranteed maximum price for that Phase and all Phases previously commenced by Tenant (which must include a 10% contingency amount). Tenant's certification of Available Funds shall be to the City's reasonable satisfaction and shall set forth, if applicable, any restrictions with respect to turning over Available Funds to the City Non-Profit Organization pursuant to Section 3.3 or Section 17 of the Lease.

4.2 Tenant shall commence the Renovation and Construction Work with respect to the first Phase on or before the date that is twenty-two (22) calendar months after the Effective Date (the "Initial Deadline"); provided, however, that if the first Phase consists of the construction of the new Theatre (rather than the renovation of the Building), and the Parking Authority has not commenced construction of the Garage by the Initial Deadline, then the Initial Deadline shall be extended to the date on which the Parking Authority commences construction of the Garage. Upon Tenant's timely compliance with the Initial Deadline, Parking Authority's receipt of Tenant's Garage Contribution, and Tenant's approval of the portions of the Construction Plans for the Garage Work that Tenant has a right to approve, Parking Authority shall promptly commence the Garage work. Tenant must commence the Renovation and Construction Work for the second Phase by the date that is eighteen (18) months after the commencement of construction of the first Phase. Tenant must complete all Phases on or before the date that is fifty-eight (58) months after the Effective Date ("Completion Date"), as extended under Section 4.4 below. The deadlines in this Section 4.2 will be subject to extension for delays beyond the control of the party with the obligation for performance, including unreasonable delays in approving submissions by the other party, but excluding financial capacity but including delays caused by the other party's failure to comply with deadlines specified in this Work Letter ("Force Majeure Delays"). Once the Parking Authority has commenced the Garage work, the Parking Authority shall diligently prosecute the Garage Work and Offsite Improvements to completion subject to Force Majeure Delays. Once Tenant has commenced the Renovation and Construction Work for a Phase, Tenant shall diligently prosecute the same to completion subject to Force Majeure Delays. In no event shall Tenant commence Renovation and Construction Work prior to the applicable Funding Date for that work.

4.3 As used in this Work Letter, the term "Substantial Completion" shall mean that: (i) if necessary for occupancy and use of the applicable work and improvements, a certificate of occupancy shall have been issued for such work and improvements; (ii) the applicable work and improvements shall have been fully completed except for minor incomplete items and defects that do not materially and adversely affect the use of the applicable improvements for their intended use and, with the use of reasonable diligence, can be completed and corrected within ninety (90) days ("Punch List Items"). Upon Substantial Completion of any Phase or the Garage as applicable, the Parking Authority and Tenant shall complete and correct all applicable Punch List Items diligently, but not later than ninety (90) days after the applicable date of Substantial Completion.

4.4 If neither the Parking Authority nor the City has been able to issue bonds sufficient to finance the Parking Authority's anticipated costs of constructing the Garage and Offsite Improvements and which are exempt from state and federal taxation and have an interest rate less than 6.5%, then the Parking Authority may delay commencement of the construction of the Garage and Offsite Improvements until such bonds have been issued and the proceeds thereof are available to pay for the costs of constructing the Garage and the Offsite Improvements, and the Completion Date shall be extended by a period equal to the period of delay. However, if Tenant Substantially Completes any Phase of the Construction Work during the delay, then City shall use good

faith efforts to make available, in other City public parking garages in the vicinity of the Premises, public parking for Tenant's patrons on a first-come, first served basis at the public parking rate then applicable to such parking.

4.5 The City shall use good faith efforts to provide parking spaces reasonably necessary from time to time for the Renovation and Construction Work for construction workers of Tenant's contractor (at the applicable parking fees or charges payable for such parking spaces) within the City's Civic Center parking garage, any other parking facility within one thousand feet of the Property, and/or the Garage (once it is completed), provided that such parking spaces shall be limited to a maximum amount of one hundred and fifty (150) spaces until the Garage is completed and then there shall be no limit on the number of spaces for such purpose in the Garage (except the requirement that they be reasonably necessary for the Renovation and Construction Work). Until the earlier of the termination of this Lease for any reason or the completion of the Renovation and Construction Work, Tenant's contractor shall have the right to use the westerly parking lane on Crescent Drive between Santa Monica Boulevard and Santa Monica Boulevard South for reasonable construction staging for the Renovation and Construction Work; provided, however, that such construction staging rights shall be subject and subordinate to access requirements for public vehicular traffic.

5. Manner of Construction.

5.1 All work governed by this Work Letter shall be performed with due diligence and in a good and workmanlike manner. Tenant and the Parking Authority shall take all reasonable steps to minimize any damage, disruption or inconvenience caused by such work and make adequate provisions for the safety and convenience of all persons affected thereby. Tenant and the Parking Authority shall each be responsible for the payment of all costs and expenses associated with their respective work and shall indemnify, defend and hold the other harmless from and against all damages, costs, expenses, losses or claims arising out of or in connection with the performance of such work, except to the extent that such damages, costs, expenses, losses or claims are caused by the gross negligence or intentional misconduct of the other. Dust, noise and other effects of such work shall be controlled using accepted measures customarily imposed on projects in the City of Beverly Hills in order to control such deleterious effects associated with construction.

5.2 Any work to connect, repair, relocate, maintain or install any storm drain, sanitary sewer, water line, gas line, telephone conduit, or any other utility service shall be performed in a manner that minimizes interference with the provision of such services to other persons.

5.3 Tenant and the Parking Authority shall each erect and properly maintain at all times, as required by the conditions and time progress of work performed by or on its behalf all necessary safeguards for the protection of workers and the public.

5.4 All work shall be completed in substantial compliance with the approved Construction Plans and also in compliance with all applicable local, state and

federal laws and regulations. Tenant and the Parking Authority shall each have the sole responsibility for obtaining all necessary permits for their respective work and shall make application for such permits directly to the person or governmental agency having jurisdiction thereover.

5.5 Representatives of Tenant and the Parking Authority shall, upon reasonable notice and at reasonable times, have the right of reasonable access to the other's job site without charges or fees, but at no cost or expense to the other, for the purpose of inspection of the construction work being performed. Such access shall be reasonably calculated to minimize interference with the other party's construction and/or operations. The other party shall have the right to have a representative present to accompany the representatives of the inspecting party in connection with such access. In the event of any emergency which is life-threatening or which involves the threat of potential substantial damage, either party shall have the right to enter the other's job site immediately and without notice to or accompaniment by the other.

5.6 Upon completion of the Renovation and Construction Work, Tenant shall file or cause to be filed in the Official Records of the County of Los Angeles a Notice of Completion with respect to the Renovation and Construction Work and Tenant shall deliver to the City, at no cost to the City, final as-built plans and specifications of the Renovation and Construction Work in digital format.

6. Payment of Tenant Garage Funds. Tenant shall pay the Tenant Garage Contribution and the Tenant Garage Specification Funds (described in Section 7 below) to the Parking Authority in four installments as follows: (i) ten percent (10%) shall be paid upon the commencement of Garage construction (as defined in Section 4.2 above); (ii) an additional twenty percent (20%) shall be paid on the date that is eight (8) months after the commencement of Garage construction; (iii) an additional forty percent (40%) shall be paid on the date that is sixteen (16) months after commencement of Garage construction; and (iv) the final thirty percent (30%) shall be paid upon Substantial Completion of the Garage and the Offsite Improvements. The Parking Authority shall use portions of the Garage Specification Funds from time to time, for the costs of designing and constructing the Tenant Garage Specification Work (described in Section 7 below).

7. Tenant Garage Specification Funds. In addition to Tenant's Garage Contribution, Tenant shall deposit with the Parking Authority in accordance with Section 6 above a sum equal to the costs (set forth separately in the Parking Authority's architect's agreement as estimated by architect, and set forth separately in the Parking Authority's construction contract for the Garage as a guaranteed maximum price line item that is consistent with the cost estimates approved by Tenant) of designing, construction and installing escalators (collectively, the "Tenant Garage Specification Work") together with a ten percent (10%) contingency amount (collectively, the "Garage Specification Funds"). The Parking Authority shall obtain and deliver to Tenant written estimates of such costs and Tenant shall have the right to review and reasonably disapprove the estimate in writing (providing all reasons for any disapproval) within fifteen (15) days after Parking Authority delivers the estimate to Tenant, and if Tenant

reasonably disapproves the estimated costs (and give the reasons for disapproval or proposes a change in the work in order to reduce costs), then the Parking Authority shall use good faith efforts to cause its contractor to reasonably reduce such costs based on Tenant's reasons for disapproval or changes in the Tenant Garage Specification Work, and the Parking Authority shall subsequently cooperate with Tenant in good faith to cause the Parking Authority's contractor to reasonably address Tenant's cost concerns until the date that is the earlier of: (i) sixty (60) days after the Parking Authority first submits the estimate to Tenant; or (ii) the date that is five (5) business days after the date on which Parking Authority informs Tenant in writing that the Parking Authority's construction contract is otherwise ready to be executed; however, in the event Tenant delivers to the Parking Authority, in writing, reasonable and specific changes to the Tenant Garage Specification Work within such five (5) business day period (in order to reduce costs), then Parking Authority shall use reasonable efforts to cause such changes to be made in the Parking Authority's Construction Contract.

8. Miscellaneous.

8.1 Tenant has designated Rodney Freeman of Freeman Group, Inc. as its representative with respect to the matters set forth in this Work Letter, who, until further notice to the City, shall have full authority and responsibility to act on behalf of the Tenant as required in this Work Letter.

8.2 The Parking Authority and the City have designated the Director of Project Administration as their representative with respect to the matters set forth in this Work Letter, who, until further notice to Tenant, shall have full authority and responsibility to implement the terms of this Work Letter on behalf of the Parking Authority and the City.

8.3 The City, the Parking Authority and Tenant hereby agree that the Renovation and Construction Work and all Alterations constitutes "public works" under Section 1720 of the California Labor Code, et. seq., and any governmental regulations pertaining thereto (the "Prevailing Work Laws") and Tenant hereby agrees to pay prevailing wages in connection with the Renovation and Construction Work and any Alterations pursuant to the Prevailing Wage Laws and otherwise comply with the Prevailing Wage Laws in connection with the Renovation and Construction Work and any Alterations.

8.4 Unless otherwise indicated, all references herein to a "number of days" shall mean and refer to calendar days.

Schedule 1 to Exhibit "B" (Work Letter)

Conceptual Plans for Construction and Renovation Work

Schedule 2 to Exhibit "B" (Work Letter)

Conceptual Plans for Garage

Schedule 3 to Exhibit "B" (Work Letter)

Form of Assignment of Architect's Agreement and Consent

(Attached.)

ASSIGNMENT OF ARCHITECT AGREEMENT

THIS ASSIGNMENT OF ARCHITECT AGREEMENT (this "Assignment") is made and entered into as of January __, 2009 by and between the WALLIS ANNENBERG CENTER FOR THE PERFORMING ARTS, a California nonprofit public corporation ("Assignor"), and the CITY OF BEVERLY HILLS, a municipal corporation ("Assignee").

FOR VALUE RECEIVED, as required under that certain Amended and Restated Lease (the "Lease") dated as of January __, 2009 by and among Assignor, Assignee and Parking Authority of the City of Beverly Hills, Assignor does hereby assign and transfer to Assignee all of Assignor's right, title and interest in and to that certain Architectural Services Agreement dated as of May 3, 2006 by and between SPF:architects (the "Architect") and Assignor (the "Agreement"). The foregoing assignment is made for the purpose of enabling Assignee to complete the design of the Construction and Renovation Work described in the Lease under the Agreement in the event Assignee desires Architect to complete work under the Agreement after: (i) Assignee terminates the Lease following a default thereunder by Assignor; or (iii) Assignor rejects the Lease in any bankruptcy proceeding by or against Assignor.

1. Assignor shall perform and discharge Assignor's obligations, covenants and agreements under the Agreement, and shall enforce the performance of each obligation, covenant, condition and agreement contained in the Agreement and to be performed by Architect.

2. If Assignor fails to do any act as herein provided promptly upon written demand by Assignee, and does not promptly cure such failure, then Assignee shall have the right, but not the obligation, without releasing Assignor from any obligation hereunder or under the Lease and without additional notice to or demand upon Assignor, to make such payment or to do such act in such manner and to such extent as may be necessary to prevent the termination of the Agreement by Architect. **IN THE EVENT ASSIGNEE MAKES ANY SUCH PAYMENT OR TAKES ANY SUCH ACTION, ASSIGNOR SHALL, UPON WRITTEN DEMAND OF ASSIGNEE, REIMBURSE ASSIGNEE FOR THE AMOUNT OF ANY SUCH PAYMENT AND/OR THE COSTS AND EXPENSES INCURRED BY ASSIGNEE IN TAKING SUCH ACTION, INCLUDING WITHOUT LIMITATION REASONABLE ATTORNEYS' FEES, WITHIN TEN (10) DAYS AFTER WRITTEN DEMAND BY ASSIGNEE AS ADDITIONAL RENT UNDER THE LEASE.**

3. Assignor shall have, and Assignee hereby grants to Assignor, the license and right to exercise all of Assignor's rights under the Agreement unless and until: (i) Assignee terminates the Lease following a default thereunder by Assignor; or (ii) the Lease is rejected in any bankruptcy proceeding by or against Assignor. Upon the occurrence of such a termination or rejection, Assignee may, at its option, by written notice to Architect, exercise Assignee's rights under this Assignment, and upon giving such notice to Architect, Assignee shall have all of the rights of Assignor under the Agreement, including without limitation the right to give and receive copies of all notices and other

instruments or communications, and the right to cure or take action with respect to any default under the Agreement, and Assignee shall be deemed to have assumed the obligations of Assignor under the Agreement arising after the date of Assignee's written notice to Architect.

4. Any notices, requests and demands to be made hereunder shall be in writing and shall be delivered in the manner by which notices, requests and demands are to be delivered or given under the Lease.

5. This Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

6. Assignor hereby represents to Architect that Assignor has assigned and conveyed to the City all right, title and interest of Assignor in the Plans and Specifications.

7. This Assignment shall be governed by and construed and interpreted in accordance with the laws of the State of California without giving effect to conflict of laws principles or rules.

IN WITNESS WHEREOF, Assignor and Assignee have caused this Assignment to be executed as of the day and year first above written.

CITY OF BEVERLY HILLS

By: _____
Barry Brucker, Mayor

ATTEST:

City Clerk

WALLIS ANNENBERG CENTER FOR THE
PERFORMING ARTS, a California nonprofit
public benefit corporation

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

CONSENT TO ASSIGNMENT AND AGREEMENT
TO GIVE NOTICES

Architect hereby consents to the foregoing Assignment, and agrees for the benefit of Assignee as follows:

1. ARCHITECT WILL, AT THE SAME TIME IT GIVES ANY WRITTEN NOTICE TO ASSIGNOR OF (I) ANY SUSPENSION OF WORK UNDER THE AGREEMENT; (II) ANY DEFAULT BY ASSIGNOR UNDER THE AGREEMENT, OR (III) ANY TERMINATION OF THE AGREEMENT, SEND A COPY OF SUCH WRITTEN NOTICE TO ASSIGNEE, BY THE MANNER AND MEANS PROVIDED FOR THE GIVING OF NOTICES UNDER THE AGREEMENT, ADDRESSED TO:

To Parking Authority: City of Beverly Hills
 Beverly Hills City Hall
 455 North Rexford Drive
 Beverly Hills, California 90210
 Attn: _____

with copy to: City of Beverly Hills
 Beverly Hills City Hall
 455 North Rexford Drive
 Beverly Hills, California 90210
 Attn: City Attorney

2. ASSIGNEE SHALL HAVE THIRTY (30) DAYS FROM ASSIGNEE'S RECEIPT OF AND SUCH NOTICE TO CURE ANY DEFAULT BY ASSIGNOR; PROVIDED, HOWEVER, THAT IN THE EVENT ANY SUCH CURE CANNOT REASONABLY BE COMPLETED BY ASSIGNEE WITHIN SUCH THIRTY (30) DAY PERIOD, THEN, SO LONG AS ASSIGNEE COMMENCES THE CURE WITHIN SUCH 30-DAY PERIOD AND THEREAFTER DILIGENTLY PURSUES THE CURE TO COMPLETION, ASSIGNEE SHALL HAVE SUCH ADDITIONAL PERIOD OF TIME TO COMPLETE SUCH ACTION AS IS REASONABLY REQUIRED BY ASSIGNEE. NOTHING HEREIN SHALL REQUIRE ASSIGNEE TO TAKE ANY SUCH ACTION.

3. Architect hereby acknowledges that Assignor owns the Plans and Specifications, and (based on Assignor's representation to that effect in the forgoing Assignment) that Assignor has assigned and conveyed the Plans and Specifications to Assignee.

This Consent to Assignment is made as of _____, 2009.

ARCHITECT:

SPF:architects

By: _____
Zoltan E. Pali, Principal

ATTACHMENT 4

**LETTERS AND MATERIALS RECEIVED FROM PUBLIC
SINCE JANUARY 6, 2009**

The following letters and e-mails were received by the City on January 13, 2009 from the Wallis Annenberg Center for the Performing Arts. All communications express support for the project with no EIR comments. The communications are attached. A number of the letter writers also spoke in support of the project at various public meetings.

Sabrina and Kamran Younesi – June 24, 2008

Christina N. Zilber – September 26, 2008

Jonathan A. Victor – October 14, 2008

John Carroll – October 14, 2008

Ali Kasikci – October 16, 2008

Buddy and Arline Pepp – November 10, 2008

Stacey Raskin – November 11, 2008

Susie and Paul Roberts – November 12, 2008

Laura Alpert – December 22, 2008

Monique Maas Gibbons. December 23, 2008

Yvonne Wolf – December 23, 2008

Suzi Finer – December 23, 2008

Lolli Wells-First – December 24, 2008

Aviva Laufer – December 25, 2008

Joanne Kozberg – December 30, 2008

Devra H. Zucker and Marjorie Fasman – January 2, 2009

Laura Karlin – January 4, 2009

Lisa Crane Greer – January 5, 2009

Andrea Grossman – January 5, 2009

Jennifer Terell-Schwartz – January 5, 2009

Glenn N. Leisure – January 5, 2009

Wallis Annenberg – January 5, 2009

Marci Kislin Hessel – January 6, 2009

Ted Rawlins – January 6, 2009

Vicky Mense, Chair of Board of Directors, Beverly Hills Chamber of Commerce – January 6, 2009

Sam Gores – January 6, 2009

One letter, dated January 6, 2009 and signed by the following 11 past mayors of Beverly Hills:

Allan Alexander

Dr. Charles Aronberg

Les Bronte

Mark Egerman

Donna Garber

Meralee Goldman

Tom Levyn

Vicki Reynolds

Max Salter

Joe Tilem

Steve Webb

Marc Saleh – January 7, 2009

The following letter is dated past the EIR public comment period:

Jay & Lanna Solnit – January 9, 2009

Prepared by Michele McGrath

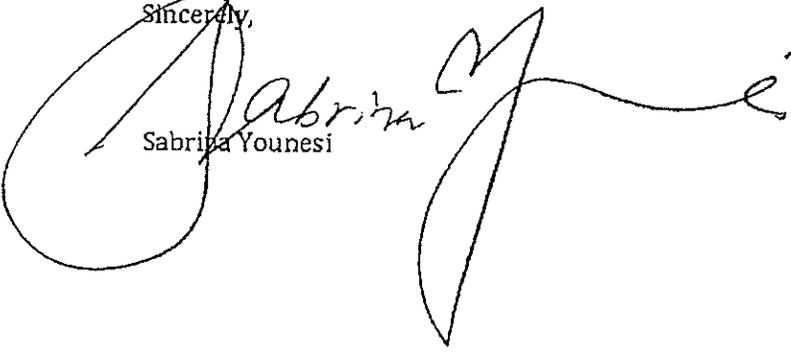
Sabrina and Kamran Younesi
802 N Bedford Drive
Beverly Hills, CA 90210
310-276-4506

June 24, 2008

Dear Beverly Hills City Council and Planning Commission,

Beverly Hills is a special city rich with its multicultural diversity. My husband and I were lucky to host a gathering of about 75 friends to listen to a presentation by Lou Moore regarding the Wallis Annenberg Center for Performing Arts. My guests and I were impressed that the city has this wonderful opportunity in our own backyard. The ability to have a performing arts center that will enhance the exposure of the arts to our residents fits perfectly with our city's identity. Beverly Hills needs a place for us to come together as a community. The Wallis Annenberg Center for the Performing Arts would be that place. It will serve all ages and interests. I hope you will support and approve this project.

Sincerely,


Sabrina Younesi

*Christina N. Zilber
708 N Palm Drive
Beverly Hills, California 90210*

September 26, 2008

Mayor and City Council
City of Beverly Hills
455 No. Rexford
Beverly Hills, California 90210

Dear Mayor Brucker and City Council:

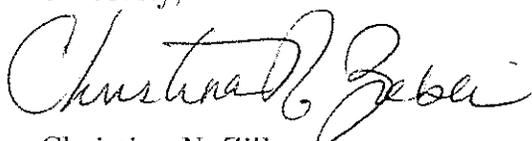
I am thrilled to support the Wallis Annenberg Center for the Performing Arts and urge you to approve this vitally important project.

As a resident of Beverly Hills, a businesswoman, and as a parent of two young children, I bemoan the absences of the performing arts. The Annenberg Center, so centrally located in the heart of the city, presents a momentous opportunity for all of us to benefit from a first-rate cultural destination. With boundless imagination and wise leadership, the Annenberg Center is thankfully honoring the past by preserving an exquisite landmark, and building for the future.

Our lives are inundated by the enormous influence of the ever-present film and television industry. Children grow up besieged by media, film, videogames, and intense marketing of the celebrity-driven pop culture. Sitting with an audience in the darkened theatre, feeling the electric energy of performers right before you, is an irreplaceable magical experience. We must teach our children that the arts are a natural part of our lives; not the exception, but the norm. It is a community building experience. We learn together, we reflect together as a tighter community when we share, in a single moment, the sweeping emotions of story, dance, light and sound.

Please, commit your full support to the Annenberg Center. This is a project that ensures the City of Beverly Hills will be as well known for its luxurious hotels, dining and shopping, as it will for the finest in the performing arts. Truly a deserved gift to all our families, young and old.

Sincerely,



Christina N. Zilber

Jonathan A. Victor
1605 Gilcrest Drive
Beverly Hills, CA 90210
Phone: (310) 273-9231 | Fax: (310) 276-5586
Email: jvictor@balmoralfunds.com

October 14, 2008

City Council Members
City of Beverly Hills
455 N. Rexford Dr.
Beverly Hills, CA 90210

Re: Wallis Annenberg Center for the Performing Arts

Dear Mayor and City Council:

My wife Tobey and I are excited to be a part of the Wallis Annenberg Center for the Performing Arts. Tobey is a 5th generation Southern Californian – she grew up here and graduated from Beverly Hills High School. We both love this community and the possibilities the Annenberg represents.

We are a family with young children – twin boys who are 12 and a daughter who is 11. It has become more and more evident to us that infusing their lives with live performance, music and dance is essential to their development. Having the Annenberg in Beverly Hills will make a difference, not just for a family like ours, but also for the entire community, young and old alike. I've seen for myself how exciting theater and acting is for children, as our daughter has discovered a passion for performance.

With the continuing cuts in education, having a world-class theater like the Annenberg in our community, one that will also offer acting classes for children, provides a unique combination of vital services that will serve all aspects of the city.

I have been a member of the Board of Directors of this incredible organization for many years. This board is only interested in doing the right thing for Beverly Hills. We have worked tirelessly to get here tonight and I urge this City Council to approve the Wallis Annenberg Center for the Performing Arts.

Sincerely,



Jonathan Victor



Carroll & Co.

Beverly Hills · Pasadena

October 14, 2008

Good evening Mayor Brucker, Vice-Mayor Fenton, and fellow Councilmembers;

I am here tonight wearing a few hats, which, I guess is appropriate given my background. I grew up in Beverly Hills, went to school here and my family and I have owned our men's store, Carroll & Co. for 59 years. We are property owners, business owners and have a vital interest in our fine city.

Tonight, I want to speak as someone with much history who is looking ahead to the future.

The Wallis Annenberg Center for the Performing Arts represents what is best about Beverly Hills. It is a project that will benefit not only our city, but so much of the surrounding area. I know many of the residents and members of this board. They have put forth much time and effort to raise the money and guide the development of this Center. Their efforts will benefit the entire community of Beverly Hills.

There is another aspect of this project that is equally important to the City. With or without the Wallis Annenberg Center, our city lacks enough parking to accommodate its growing future. The amount of parking in the North Triangle is not sufficient. Residents complain, businesses complain and I believe we continue to lose customers to other areas of Los Angeles who provide more parking options.

The "D" Lot is not large enough. With the opening of the Montage Hotel on Canon, and the expected traffic that the Annenberg center is sure to bring, there will be a need for more parking. A new city owned parking garage at this location is a win-win for the Annenberg Center, the businesses and the residents of Beverly Hills.

The parking garage and the Annenberg are mutually compatible projects whose goals coincide with the City's needs. The Annenberg will bring customers to the Triangle for a show in the evening. Its patrons will shop and eat in town. The merchants will have the benefit of more daytime parking and new evening customers.

These are compelling reasons to approve the Annenberg and the parking garage. The added value of the Annenberg is its place as a resource for the community, creating a home for the arts, welcoming families and providing an educational arm that introduces our children to a world of imagination. I urge you to, please, approve this project.

Thank you.

Sincerely,



John Carroll

www.CarrollandCo.com

146 South Lake Avenue Pasadena, California 91101 (626) 396-7060 Fax: (626) 396-9738

425 North Cañon Drive Beverly Hills, California 90210 (310) 273-9060 (800) 258-9400 Fax: (310) 273-7974



Beverly Hills

ALI V. KASIKCI
Managing Director

October 16, 2008

Dear Mayor and City Council:

I would like to thank the City Council for the opportunity to speak on behalf of the Wallis Annenberg Center for the Performing Arts.

Beverly Hills has always been a very attractive destination. It represents aspiration. People aspire to visit here, shop here, eat here and perhaps one day live here. It makes perfect sense for the City to offer people the chance to be entertained here too.

As a hotelier in this magnificent city for sixteen years, I have watched with pride as Beverly Hills has broadened its horizons. The Wallis Annenberg Center for the Performing Arts is a logical extension of our own aspiration to be something more. It only makes sense for a city of quality, a city that embraces family and education, to have a performing arts center that will offer the finest in theater, music and dance. It is the right choice for our city to offer students the opportunity to work with professionals, and be exposed to the arts in a unique environment.

As a businessman in Beverly Hills, I know how important it is to capture our customers and keep them here. The Annenberg Center will give residents and visitors the best reason to stay in town: quality live theater. The Annenberg will become the basis of a nightlife that is appropriate for this wonderful city. In addition, it is the right reason and place to build much needed public parking to help our merchants.

By locating this center at the historic Post Office property, the Annenberg will be creating a vibrant front door to Beverly Hills, announcing our intention to aspire to offer more than just a material experience. We will be building be a cornerstone for our future.

Thank you.

Sincerely,


Ali Kasikci

225 NORTH CANON DRIVE, BEVERLY HILLS, CALIFORNIA 90210
DIRECT (310) 860-7802 FAX (310) 860-7803

MONTAGEBEVERLYHILLS.COM

**Buddy and Arline Pepp
612 North Alta Drive
Beverly Hills, CA 90210
310-274-3335**

November 10, 2008

Mayor and City Council
City of Beverly Hills
455 North Rexford Drive
Beverly Hills, CA 90210

Dear Mayor Brucker and City Council;

As a long time residence of Beverly Hills, we were thrilled to hear about the Annenberg Center for the Performing Arts. The more we learned about the Annenberg Center, the more excited we were that high quality cultural events will be within walking distance.

The City has provided us with a wonderful and safe environment for decades. The cultural center will be a fantastic addition to the many reasons why people from all over the world keep Beverly Hills in such high esteem.

The Annenberg Center will bring enjoyment and smiles to millions and we look forward to becoming actively involved in it's future

We can't wait for the first performance.

Regards,


Buddy and Arline Pepp

November 11, 2008

Mayor Barry Brucker
Beverly Hills City Council
455 N. Rexford Drive
Beverly Hills, CA 90210

Dear Mayor Brucker and City Council members:

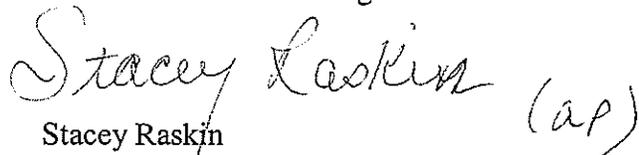
As a long-time resident and former PTA Council President, I am in total support of the Wallis Annenberg Center for the Performing Arts.

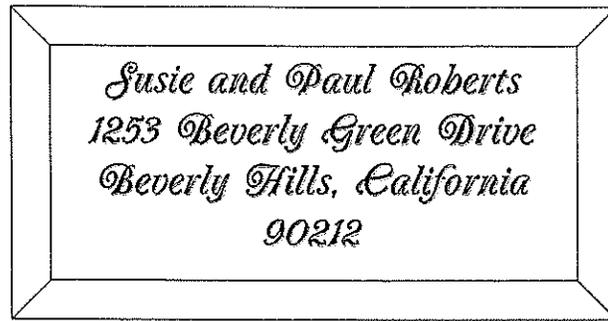
Beverly Hills has excellent police and fire departments. We have beautiful parks and great schools. We have great programs that support so many different interests. What's missing? The arts. What else is missing? A nightlife...a reason to bring us out at night to dine and shop and stroll our wonderful "downtown" streets.

This is a project that is not developer-driven. A group of dedicated local citizens has worked effortlessly for years to raise private money to make the dream a reality. And this non-profit organization also took a leadership role in preserving one of our community's historic treasures: the Post Office. These people have invested in our families. And in future generations.

Additionally, we need the proposed 3-level parking structure that is being discussed as part of the project. This lot will serve both patrons of the Annenberg as well as shoppers in the business triangle. We need more parking now and will certainly need it in the near future.

Thank you for time, consideration and support of the Wallis Annenberg Performing Arts Center for the Performing Arts.


Stacey Raskin (aP)
Beverly Hills High School Parent



November 12th, 2008

*Mayor Barry Brucker
Beverly Hills City Council
455 N. Rexford Drive
Beverly Hills, CA 90210*

Dear Mayor Brucker and City Council members:

As a long-time resident and involved parent in our school district, I want to let you know that I am in total support of the Wallis Annenberg Center for the Performing Arts. This project is vital to the enhancement of this community.

The Annenberg Center will not only be a destination for arts performances, but it will also offer a variety of educational programs for the children of this city. A growing body of educational research continually suggests that educational curricula (effectively integrating arts and cultural experiences) have a beneficial impact because they augment learning and result in higher student scores on academic achievement tests. With continuing cuts in education, especially in the area of the arts, the Annenberg could become an additional resource for our schools' programs.

Our children need an alternative to iPods, Game Boys, and the internet. With the Annenberg Center in our backyards, our children will grow up in a city where attending their local theater to see music, dance or drama will become as common place as going to the movies.

The Annenberg Center could become a social gathering place....not only for the adults....but for the children of this city as well. It could easily happen.

To not provide this resource to our children would be doing them a great injustice.

Thank you for time, consideration and support of the Wallis Annenberg Performing Arts Center for the Performing Arts.

*Susie Roberts
Beverly Vista parent*

From: ljalpert@aol.com [mailto:ljalpert@aol.com]

Sent: Monday, December 22, 2008 9:25 PM

To: Ricka Fisher

Subject: Re: City Council Hearing

TO: Mayor Barry Brucker and City Council

I'm thrilled to hear things are finally moving along regarding the Wallis Annenberg Center for the Performing Arts. Please understand we will be traveling at the time of the January 6 Council hearing and regretfully will be unable to join everyone at the meeting. Therefore, please receive this letter as a heartfelt gesture of support! I am THRILLED that Beverly Hills *finally* may have its very own Performing Arts Center!!

All the best,
Laura Alpert

Monique Maas Gibbons

December 23, 2008

Mayor Barry Brucker
Beverly Hills City Council
455 N. Rexford Drive
Beverly Hills, CA 90210

Dear Mayor Brucker and City Council members:

I am a long-time resident of Beverly Hills, and was fortunate to attend both Horace Mann School and Beverly Hills High School during years when arts and arts education was strongly emphasized in all grades throughout in our school district. As the parent of two elementary school children (third generation at Horace Mann) and as the PTA President of Horace Mann School, I am in support of the Wallis Annenberg Center for the Performing Arts.

Growing up in Beverly Hills and continuing even today, residents have to travel to Downtown Los Angeles or Westwood to attend quality live theatre or music performances. With the creation of the Wallis Annenberg Center at the Old Post Office, I anticipate bringing my children to these quality performances in a theater right here in their own hometown. Additionally, the arts curriculum in school will be enhanced by a relationship between BHUSD and the Wallis Annenberg Center.

Thank you for time, consideration and support of the Wallis Annenberg Performing Arts Center for the Performing Arts.

Sincerely,



Monique Maas Gibbons
Horace Mann PTA President

From: Yvonne Wolf [mailto:yvonnewolf@roadrunner.com]

Sent: Tuesday, December 23, 2008 3:55 PM

To: Amy Phillips

Subject: RE: support for the Wallis Annenberg Center for the Performing Arts

To the Beverly Hills City Council

I am in support of the Annenberg Center and the proposed 3-story garage.

Happy Holidays!

Yvonne

yvonne wolf
event planner
events that make a difference
t. 323.356.2698
f. 310.360.7902
e. yvonnewolf@roadrunner.com
*website currently under construction

From: suzi finer [mailto:suzifiner@gmail.com]

Sent: Tuesday, December 23, 2008 7:34 PM

To: Amy Phillips

Subject: Re: support for the Wallis Annenberg Center for the Performing Arts

To the Beverly Hills City Council:

You have my full support of this wonderful project!

Suzi Finer

From: Lolli First [mailto:loliwells@sbcglobal.net]
Sent: Wednesday, December 24, 2008 12:25 PM
To: Amy Phillips
Subject: Re: support for the Wallis Annenberg Center for the Performing Arts

To the Beverly City Council:

I am a resident of this beautiful city of Beverly Hills, and have been for 48 years. I am all in favor of the Wallis Annenberg Center for the Performing Arts. The old B.H. Post Office has been untouched for too many years and it is a pleasure to hear that it will be used for something as special as this. I believe that all residents would love to have a place that is close to drive to, and better yet, walk with their families and friends to enjoy entertainment which we desperately need in our community. The three level garage will benefit greatly. I give my full support and I am looking forward to see the grand opening soon!
Sincerely,

Lolli Wells-First

Lolli Wells-First
First Wash Apartment Laundry Systems
310.855.7275
310.854.7625-fax

From: Aviva Laufer [mailto:saylaviva@yahoo.com]

Sent: Thursday, December 25, 2008 7:11 PM

To: Amy Phillips

Subject: Re: support for the Wallis Annenberg Center for the Performing Arts

To the members of the Beverly Hills City Council:

It seems like forever that we've been waiting for this incredible center to be built.

~~A parking garage (done right) is a necessity. Let's do it; and let the music begin.~~

Best,

Aviva Laufer

Joanne Corday Kozberg
721 North Linden Drive
Beverly Hills, Ca 90210

December 30, 2008

Honorable Mayor and City Council
455 North Rexford Drive
Beverly Hills, Ca 90210

Dear Mayor Brucker, Vice-Mayor Fenton, Councilmember Briskman, Delshad and Krasne:

My husband Roger and I are writing to urge your approval of the Wallis Annenberg Center for the Performing Arts and the construction of a new City garage.

This project is an extraordinary vision and has already been too long in its development. I know from my tenure as President of The Music Center of Los Angeles County and as Chair of the California Arts Council the kind of positive impact and creative energy a performing arts center has on its immediate community. It infuses the area with a sense of innovation and vitality that can raise a city's positive profile and uniqueness.

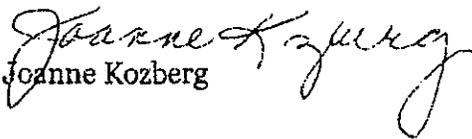
I also know what a remarkable opportunity the Annenberg Center represents for Beverly Hills. Most performing arts centers are subsidized by local governments, but that is not the case here. This project has been brought to you by citizens who are not asking for your underwriting.

I grew up in Beverly Hills, and Roger and I raised our children here. Beverly Hills has many wonderful attributes. What it does not yet have is a cultural and civic heart and soul. The Annenberg will become that for our city. It will give us a place to come together and will expose children to live performance, entertain our seniors and offer a home for arts and civic events.

As a lifetime resident, I also know that this project will enhance our city by providing much needed new off-street parking. The garage will only add value via its ability to generate both daytime and night-time revenue to the City. The retail businesses of the triangle are our partners in keeping Beverly Hills unique. We need to support them and provide them with the tools to keep their customers coming back. The new garage will relieve a critical parking shortage and the evening performances at the Annenberg will enhance nightlife, giving people a reason to stay in town to shop and dine.

Thank you for your hard work in bringing this project to fruition.

Sincerely,


Joanne Kozberg

From: <DHZU1@cs.com>
Date: Fri, 2 Jan 2009 18:04:24 EST>
Subject: Re: Annenberg Center

Dear City Council:

Devra Hill Zucker and my neighbor Marjorie Fasman would like to see the Wallis Annenberg Center for Performing Arts open soon as we both think it would bring more cultural events and arts to our city for residents and students and we would also get more needed parking in the Triangle. I live at 714 N. Crescent Dr. and Ms Fasman lives at 701 N. Rexford Dr.

Thank you for trying to bring more culture to Beverly Hills without bringing more Condos and Tall Buildings.

Sincerely, Devra H Zucker and Marjorie Fasman

Invertigo Dance Theatre

4 January 2009

To the City Council of Beverly Hills,

My name is Laura Karlin and I am the Artistic Director of Invertigo Dance Theatre. I am writing to say how excited I am at the prospect of the Annenberg Cultural Center coming to life in Beverly Hills. As a working artist and the director of a dance company, I can attest to how important the arts are in enriching a community. A cultural hub in Beverly Hills could provide so many opportunities for artists to connect with the community.

I was a member of the Beverly Hills High School Dance Company for 4 years, and after I graduated from university, I spent 2 years as Assistant Artistic Director for Dance Company. In 2007, I founded a professional dance company, Invertigo Dance Theatre, with the goal of presenting and promoting modern dance in Los Angeles. (If you'd like to learn more about me and the work I do with Invertigo, please visit www.invertigodance.org)

One of the things that inspired me to choreograph in the first place was the rich cultural experience that my parents made sure to provide for me. They took me to see live performances as often as they could and it was an invaluable part of my growth. Live theatre and dance performances inspire all generations to think, to grow and to look beyond their own lives. What better legacy could you hope to pass to the community now and to generations to come?

I look forward to participating in this project's success. I hope my company has the opportunity to join many others in performing there.

Sincerely,

Laura Karlin

Laura Karlin (Artistic Director)
laura@invertigodance.org
www.invertigodance.org
310 . 245 . 6898

Invertigo Dance Theatre
c/o Karlin & Peebles LLP
8383 Wilshire Blvd, Suite 649
Beverly Hills, CA 90211

--- On Mon, 1/5/09, Lisa Crane Greer <lisa@lisagreer.com> wrote:

From: Lisa Crane Greer <lisa@lisagreer.com>
Subject: FW: support for the Wallis Annenberg Center for the Performing Arts -- revised letter
To: amyphillips94@sbcglobal.net
Date: Monday, January 5, 2009, 1:05 PM

Dear Members of the Beverly Hills City Council:

As a resident and active member of the Beverly Hills community (Team Beverly Hills -- yeh!), I strongly support the approval of the Annenberg Center for the Performing Arts. I understand that the Center has been working to raise funds for over 7 years, and that they now have the resources to make this project a reality. In the current economic climate, where many essential services are now being threatened, we all know that the Arts (in general) are likely to be the first budget items to be cut -- whether it be in the schools or in the larger community. I believe that it is unlikely that the Arts will be a financial priority for most anyone for the next few years. To have the opportunity to welcome a new major performing arts center in our community at any time is wonderful, but in the present climate, it's almost unbelievable that we would be able to have this "gift".

In addition to what this would bring to our Beverly Hills residents, it will bring a great deal of traffic (visitors) to our shops and restaurants, which will be a boon to our local businesses. (I understand that the city investment in a new parking lot will in turn support that.) It will also supplement any cuts in the Arts that might happen in our schools or the schools that surround our community -- thereby helping many children and teenagers have access to a broad, diverse and first-rate performing arts program that they may no longer have.

I am not aware of the financial implications of the new parking structure, but it sounds like that is not a deterrent (especially since they become a revenue source long-term.)

I know that "growth" is sometimes a bad word for some of our residents, but this particular project makes use of a wonderful and historic building that has been vacant for years. Under the circumstances, I can't imagine why anyone in the City would oppose such an exciting project.

Regards,

Lisa Crane Greer
261 S. Palm Dr.
Beverly Hills, CA 90212

From: Andrea Grossman [mailto:andregrossman@gmail.com]
Sent: Monday, January 05, 2009 3:33 PM
To: Ricka Fisher
Subject: Beverly Hills Performing Arts Center

Dear Mayor Brucker and City Council:

Beverly Hills is on the verge of finally having a gorgeous theater here dedicated to the performing arts. As someone who grew up here, who raised our kids here and who still resides here, a center for performing arts is a most welcome concept. Arts and culture lure tourists, people from the broader community, and people from our own community. Before or after a program, people visit restaurants and shop. So arts and culture promote commerce as well as life enrichment.

Beverly Hills desperately needs a dedicated space for performing arts. I look forward to attending events there in the near future, and look forward to the great benefit that the new center will bring to the community in so many different ways.

Thank you.
Best,

Andrea Grossman

--

Andrea Grossman
Writers Bloc
353 South Swall Drive
Beverly Hills, CA 90211
310.855.0005 office
310.717.4452 cell
www.writersblocpresents.com

January 5, 2009

Mayor Barry Brucker and City Council
Beverly Hills City Council
455 North Rexford Drive
Beverly Hills, CA. 90210

Dear Mayor Brucker and City Council Members:

As a long time resident and involved parent in our school district, I want to encourage you to support the Wallis Annenberg Center for Performing Arts. This project will enhance our community and provide a venue for arts performances as well as educational programs for the children of this city. It will be a vital resource for our community.

Thank you in advance for your consideration of the Wallis Annenberg Performing Arts Center for the Performing Arts.

Sincerely,

Jennifer Terrell-Schwartz

**LEISURE FAMILY FOUNDATION
190 N. Canon Drive, Suite #405
Beverly Hills, CA 90210
(310) 275-4384**

January 5, 2009

Mayor Barry Brucker and City Council
City Of Beverly Hills
455 N. Rexford Drive
Beverly Hills, CA 90210

Dear Mayor Brucker and City Council Members:

Our family has owned business property on Cañon and Crescent Drive in Beverly Hills since the 1930's and we have seen many marvelous changes over the years.

The Wallis Annenberg Center for the Performing Arts is an exciting cultural center bringing high quality performing arts to families and children. The proximity of the Center to the Business Triangle is a wonderful marriage. Local businesses such as restaurants and retail shopping already exist to support the venue and allow the historic Post Office to preserve its limited space for theatrical programming and educational resources.

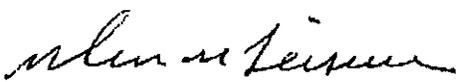
Parking is the most important asset that neither the Annenberg Center nor the business district can easily contribute. The Post Office space should be used for its new cultural purpose without compromising the historical structure or appearance. Business properties are currently servicing successful tenant businesses and conversion to public parking is cost prohibitive. The City of Beverly Hills can, however, expand parking in the Business Triangle by building a new underground garage in the Annenberg area. We believe the City of Beverly Hills has a primary mission to supply adequate public parking for the Business Triangle. The city residents should be positively challenged to support this cultural center and parking facility. The payback comes both in a successful business district and the enjoyment of first class theatre and education.

Once built, the parking garage for this site and other Business Triangle public parking lots should maintain low rates, a fair trade for the 80% tax contribution annually by the Beverly Hills Business District. Beverly Hills should send a clear and unique message that residents, local shops and cultural patrons can park easily at a rate supported by the local business community and residents.

Mayor Barry Brucker and City Council
January 5, 2009
Page 2

In closing, please support the Wallis Annenberg Center for the Performing Arts. Beverly Hills support for parking allows the Annenberg Foundation, one of the most significant Foundations in Los Angeles, to utilize its grant dollars for cultural use in Beverly Hills.

Yours truly,



Glenn N. Leisure
for: Hoyt B. Leisure, Trustee

Wallis Annenberg

"The Art of Giving"

January 5, 2009

Dear Mayor Brucker, Vice-Mayor Fenton, Council Members Briskman, Krasne and Delshad:

Beverly Hills is where I raised my children and my ties to this city run deep. My children attended Beverly Hills schools and together we made cherished friendships and came to understand the value and uniqueness of this community. Although memory and tradition are powerful agents, they are not the reasons the Annenberg Foundation chose to award the Beverly Hills Cultural Center Foundation a \$15 million grant.

The Annenberg Foundation evaluates projects and their proponents based on criteria that transcends goals. In order for a performing arts center to be successful, we fully understand that it takes passion, commitment and enthusiasm along with expertise and vision.

That is what sets this project apart from the many that we review every year.

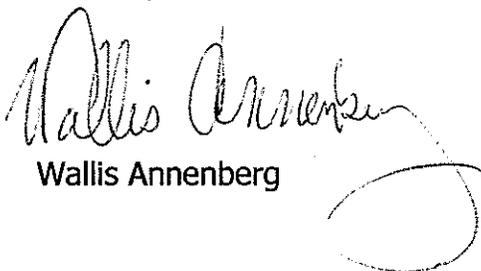
The leadership of the Wallis Annenberg Center for the Performing Arts has not wavered in all these years or lost sight of their objective - to create for the City of Beverly Hills a home for the arts, a center for the community that enriches the fabric and daily life of this wonderful city. Their energy and commitment to restoring the Post Office, refurbishing its murals and returning the building to public use with classrooms and public spaces is innovative and inspirational.

The mission to bring diverse arts programming, appealing to audiences young and old, ensures its viability. This performing arts venue will truly become a center for Beverly Hills. It will broaden the horizons of its residents and give its children a precious gift, an education in the performing arts that becomes rarer and rarer in this day and age.

Your work as a City Council is not unlike ours as a foundation. You must evaluate projects and make hard decisions. I am compelled to urge you to vote your support for this vital project. It will transform and stimulate Beverly Hills. It will enhance both its image and economy. It is supported by the community and funded by its residents. It is a perfect expression of all that Beverly Hills can and should be.

Thank you.

Sincerely,



Wallis Annenberg

10273 Century Woods Drive

Los Angeles, CA 90067

From: Marci Heskel [mailto:marciheskel@sbcglobal.net]
Sent: Tuesday, January 06, 2009 2:23 PM
To: Amy Phillips
Subject: Yes, for Annenberg Center!

Dear Beverly Hills City Council

As transplanted New Yorkers, my family would love to see additional cultural venues in Beverly Hills. We also see the necessity for accessible parking. I'm thrilled that the proposed project has small-scale performance space because this is important for preserving the intimacy and immediacy of live performance.

Thank you for your work to make this happen. I will attend the Beverly Hills City Council meeting tonight.
Best regards,

Marci Kislin Heskel

Marci Kislin Heskel Consultants
216 South Almont Drive
Beverly Hills, CA 90211
(310) 801 – 2621
marciheskel@sbcglobal.net

January 6, 2009

Dear Members of the Beverly Hills City Council,

As a resident of Beverly Hills, I know that this is one of the most refined and distinguished cities in the world. The city has much to offer, but now has the unique opportunity to provide even more to its residents and visitors. I believe that the proposed Wallis Annenberg Center for the Performing Arts would prove to be an invaluable asset, bringing to our doorstep a wide array of diverse cultural experiences.

I believe that the Annenberg will be a tremendous asset to the restaurants and businesses nearby. Residents and visiting patrons will dine and shop in the city before and after performances, injecting the area with even greater vitality and spirit, along with a more vibrant nightlife. This project also works well in conjunction with the city's proposed subterranean parking garage. Businesses would have the use of these much needed additional spaces during the day, and the Annenberg's patrons and neighboring local restaurants and shops would utilize the spaces in the evening.

Importantly, over the past few years, we have watched as the budgets for the arts and arts education have been cut significantly. The Annenberg has a core commitment to educational programs for all ages that can help counteract the effects of those cuts. Exposure to the arts will make our residents better citizens and our children better students.

Please fully understand the opportunity you have here. The Canon Theatre and the Tiffany Theatre are no longer. The Coronet Theatre is now a music club. Preserving the historic landmark Beverly Hills Post Office and adapting it to create a new state-of-the-art 500 seat theater would certainly bring regional, and ultimately national attention to the city as the home of exceptional presentations and productions of theater, music, dance and many other special art programs.

I urge you to approve the Wallis Annenberg Center for the Performing Arts.

Sincerely,

Ted Rawlins



January 6, 2009

Good Evening.

I want to thank the Council for the opportunity to speak tonight

As Chair of the Board of Directors of the Beverly Hills Chamber of Commerce and a longtime business owner in the City, I am here tonight on behalf of myself and the Chamber of Commerce, to support of the Wallis Annenberg Center for the Performing Arts and urge its approval.

Numerous studies commissioned by the Chamber of Commerce have concluded that it is essential for Beverly Hills to develop nightlife. These studies have shown the benefits of extending the business hours of our shops and restaurants.

In addition, we all know that the City needs more parking in the triangle to serve our customers. The Wallis Annenberg Center represents the right solution to both of these issues.

This project is supported by both the business community and the residents of Beverly Hills who have worked together to raise the money needed to make it happen. This vision of the future will return the beautiful Post Office to public use and create a 500-seat theater. The energy the Wallis Annenberg Center will create, and the customers it will attract, will support the businesses in our commercial triangle. The addition of more parking is another critical benefit for our local businesses. The Wallis Annenberg Center will enhance the Beverly Hills brand.

The Beverly Hills Chamber of Commerce has endorsed the Wallis Annenberg Center for the Performing Arts and urges the city to build more parking for the triangle. Separate and in addition to our support for the Center, the Chamber Board has taken a position to support a third level of parking in the Crescent Drive parking structure.

We are all partners in keeping Beverly Hills a special, vibrant city. The Wallis Annenberg Center for the Performing Arts represents an important step to maintaining our position and our brand and we strongly urge the City Council to approve the motion before you tonight.

Thank you for your consideration.

Vicky Mense

Chair of the Board of Directors

Beverly Hills Chamber of Commerce



360 N2 CRESCENT DRIVE, N2 BLDG, BEVERLY HILLS, CA 90210 TEL: 310-288-8000 FAX: 310-288-2000
500 FIFTH AVENUE, 37TH FLOOR, NEW YORK, NEW YORK 10110 TEL: 212-703-7540 FAX: 212-764-8941

SAM GORES
CHAIRMAN

January 6, 2009

Mayor Barry Brucker and City Council
City of Beverly Hills
455 N. Rexford Drive
Beverly Hills, CA 90210

Dear Mayor Brucker and City Council Members:

I am thrilled to support the Wallis Annenberg Center for Performing Arts. Unlike so many commercial real estate driven projects that come before you, the Annenberg is an extraordinary and worthy exception. This exciting project will preserve the beautiful historic post office, re-open its doors to our community, and provide a professional, first rate theatre. What a spectacular arts and educational resource for our city.

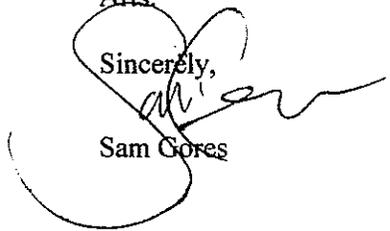
A great city offers great opportunities for all of its citizens. Beverly Hills has long branded itself as a luxurious oasis of world renowned dining, shopping and hotels. Whats missing? The arts. Whats missing? Dynamic nightlife to invigorate the city.

In a city at large that is home to a vast pool or talented writers, directors, actors and designers, the Annenberg will provide extraordinary opportunities for these artists to explore their craft right here at home. Our offices are directly across from the historic post office and we would be enormously pleased to welcome such a stunning cultural destination.

Please, bear in mind that this project is the result of passionate, driven, private fundraising. So many incredibly devoted residents, donors and neighbors have worked hard to invest time and money to bring this project to this important milestone.

I urge your support and approval of the Wallis Annenberg Center for the Performing Arts.

Sincerely,


Sam Gores

WWW.PARADIGMLA.COM
WWW.PARADIGMNY.COM

January 6, 2009

Re: The Wallis Annenberg Center for the Performing Arts

Dear Mayor Brucker, Vice-Mayor Fenton, City Council Members Briskman, Delshad and Krasne,

We are here tonight on behalf of eleven past mayors in support of the vision for the historic landmark Beverly Hills Post Office and the Annenberg Center for the Performing Arts.

Tonight represents an extraordinary moment in the history of Beverly Hills. It reaches back to our very beginnings and out, well into our future.

Will Rogers was the first and only "Honorary Mayor of Beverly Hills." His picture hangs here in this Chamber with all of the other Mayors of our city.

He wanted Beverly Hills to thrive and believed in its potential as a great city. Will had the vision to ask President Franklin Roosevelt to build a post office here, saying that no city can be considered world class without its own post office. The magnificent Post Office opened in 1934 and quickly became a fixture and focal point for community life.

And now, bringing full circle one man's vision and a city's identity, the building that Will Rogers, one of America's great performers and most popular writers, dreamed of for his beloved city will be restored to public use, and most appropriately, as a stage for live performance.

And in another echo of history, just as the creation of the Beverly Hills Post Office was driven by the vision of a resident, so too is the The Wallis Annenberg Center for the Performing Arts. The inspiration of another member of our community has inspired others to step forward.

The Annenberg is a dream, lead by residents, who saw the opportunity to create a center for the community that gives us a place for both live performance and education. This not-for-profit foundation will invest tens of millions of privately raised dollars to restore and readapt the Post Office for public use and will build the Goldsmith Theater and gardens; a jewel for the entire community to enjoy both inside and out.

The creation of the Annenberg also represents the opportunity to help our local businesses here in the Triangle. As a City Council, you are doing the right thing; anticipating the future needs of Beverly Hills. By your action, you link City Hall, the symbol of our civic life to the Annenberg and the Annenberg to our commercial district, creating a vibrant city center: a centerpiece for Beverly Hills.

By building a new city parking garage, you will be ensuring that the lifeblood of our community, a vibrant commercial center, will continue to thrive. The need for more parking is urgent. Adding three levels of new parking at this location is the right choice and the responsible one. The need for Beverly Hills to attract new customers and distinguish itself from competing nearby city's just as vital. The Annenberg customer is also your customer. The hours of operation and the opportunity to bring patrons to our shops and restaurants make this a win-win situation for our city.

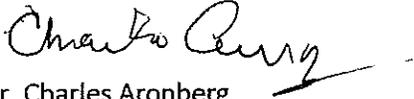
We have sat where you are today. We understand and appreciate the responsibility. This is a unique situation, truly grass roots in its development and leadership. There has never been a project brought before you like it. It satisfies the needs of so many aspects of our quality of life: culture, community and commerce. We support you and urge you to approve the Annenberg Center for the Performing Arts and the City's three level parking garage.

Thank you.

Sincerely,

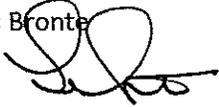


Allan Alexander



Dr. Charles Aronberg

Les Bronte



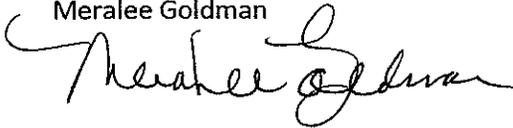
Mark Eggerman



Donna Garber



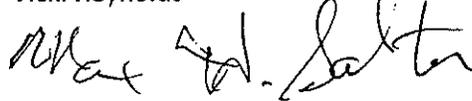
Meralee Goldman



Tom Levyn



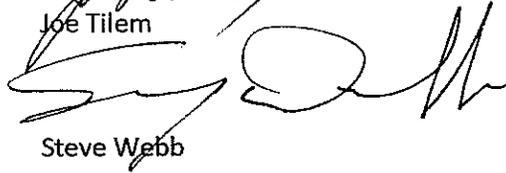
Vicki Reynolds



Max Salter



Joe Tilen



Steve Webb

-----Original Message-----

From: marc saleh gmail [mailto:marcsaleh@gmail.com]

Sent: Wednesday, January 07, 2009 6:18 PM

To: Amy Phillips

Subject: Re: Wallis Annenberg Center for the Performing Arts/City Council Meeting Tomorrow Night

Dear Beverly Hills City Council,

I am writing in support of the Wallis Annenberg Center. I believe this beautifully designed center will be a unique and outstanding fixture in our city for decades to come. I encourage the council to approve the project. Truly, Marc Saleh

From: ljsolnit [mailto:ljsolnit@gmail.com]

Sent: Friday, January 09, 2009 2:27 PM

To: Amy Phillips

Subject: RE: support for the Wallis Annenberg Center for the Performing Arts

To Mayor Barry Brucker and City Council Members:

As residents of Beverly Hills with two children in the public school, we are very excited about the Center for Performing Arts. We fully support it, and feel the parking garage will greatly benefit the community. We love to shop and dine in Beverly Hills and welcome more parking spaces.

Sincerely,

Jay & Lanna Solnit

ATTACHMENT 5
COPY OF NOTICE OF AVAILABILITY OF
RECIRCULATED EIR

COMMUNITY DEVELOPMENT
(310) 285-1123
FAX: (310) 858-5966



455 N. Rexford Drive
Beverly Hills, CA 90210-4817

**NOTICE OF AVAILABILITY OF
A RECIRCULATED DRAFT ENVIRONMENTAL IMPACT REPORT (DEIR)
AND
NOTICE OF PUBLIC MEETINGS**

A Draft Environmental Impact Report (DEIR) has been prepared for a proposed performing arts center and public parking garage Project ("Project") to be located at **470 North Canon Drive (Former Main Post Office) and 455 North Crescent Drive, respectively, in the City of Beverly Hills, County of Los Angeles.** The project is described in more detail below. The Draft EIR will be released on **Wednesday, December 10, 2008** for public review and comment. The City of Beverly Hills, the lead agency, encourages public comment on the Draft EIR. The City Council will discuss the Draft EIR in a public meeting on Tuesday, January 6, 2009 and is expected to make a finding as to whether the final EIR has been completed in compliance with State environmental requirements on Thursday, January 22, 2009.

City Council Meetings:

DATES: Tuesday, January 6, 2009
Thursday, January 22, 2009

LOCATION: City Council Chambers
Beverly Hills City Hall
455 North Rexford Drive
Beverly Hills, California

TIME: 7:00 p.m.

PROJECT: **The Wallace Annenberg Center for the Performing Arts**
470 North Canon Drive

Public Parking Garage
455 North Crescent Drive

The draft EIR is being recirculated because, during public hearings before the Planning Commission and City Council, the proposed subterranean public parking garage component of the project was revised largely to improve ingress and egress and to increase the number of

parking spaces in the garage. The revised garage, along with the performing arts center, has become the Project reviewed in the DEIR. In order to provide the public with a meaningful opportunity to comment upon potential impacts related to the revised Project, the entire DEIR is being recirculated and the appendices containing technical information and other materials used in the preparation of this Recirculated EIR are also included. The public is invited to attend City Council meetings to comment on the findings regarding the environmental impacts addressed in the Recirculated Draft EIR on the dates and times noted above.

The City will circulate the DEIR and related Appendices to affected agencies, the public and other interested persons for a review period. The City has requested shortened review of the recirculated DEIR, thus the 30-day review period will commence on December 10, 2008 and end January 9, 2009. Comments on the EIR will be accepted at the January 6, 2009 public meeting and in writing prior to the **end of the public comment period at 5:00 p.m. on Friday, January 9, 2009**. If you challenge the City's action on the Project, you may be limited to raising only those issues you or someone else raised as part of the public hearing process for the Project.

Project Description:

- The rehabilitation and reuse of the City's former main Post Office into the Wallis Annenberg Center for the Performing Arts at 470 North Canon Drive. The Center would include:
 - A 500-seat auditorium
 - A studio/rehearsal hall for up to 150 occupants
 - Three classrooms (up to 60 occupants altogether)
 - A functional 3,400 square-foot entry hall
 - Administrative offices
 - Incidental food concession (750 square-foot plus outdoor seating)
 - Sculpture gardens, landscaped walkways, and open space

The performing arts center would involve the rehabilitation and reuse of the City's former main Post Office to house the classrooms, studio, ancillary activity space, administrative offices, and theater support areas. The Project also involves the construction of a new 43 foot, nine inch (43'-9") high theater and sculpture gardens on the southern portion of the Post Office site. The performing arts center is subject to the approval of a lease amendment for the Post Office site by the City Council.

- A City subterranean parking structure proposed at 455 North Crescent Drive, under Crescent Drive between the former Post Office and City Hall. The parking facility is proposed as a three-level garage with up to 500 parking spaces and the following points of access: two self-park driveways, one at Santa Monica Boulevard South and one on the east side of Crescent Drive adjacent to City Hall; and, a motor court at the north end of the site along Santa Monica Boulevard North that would be used for pick-up and drop-off activities and to access a valet driveway to the garage.

Copies of the Draft EIR will be available for public review beginning **Wednesday, December 10, 2008**, in the Community Development Department at 455 North Rexford Drive, Beverly Hills, California 90210. A copy of the Draft EIR will also be available for review at the Beverly Hills Public Library at 444 North Rexford Drive. One copy (per person or organization) or a cd of the Draft EIR may be obtained from the Community Development Department without charge. (Reproduction costs may be charged for additional copies.) The Draft EIR will also be posted on the City's Website at www.BeverlyHills.org on Thursday, December 11, 2008.

After evaluating the Project's potential effects on the environment, the recirculated Draft EIR has identified the following significant impacts: temporary traffic impacts during Project construction; traffic impacts at the intersection of Santa Monica Boulevard North and Wilshire Boulevard and at the intersection of Crescent Drive and Santa Monica Boulevard South; and, the Project was found to potentially contribute to cumulative environmental impacts with regard to greenhouse gas (GHG) emissions.

Copies of all relevant materials, including the Project plans and the environmental initial study are available for review in the offices of the Community Development Department of the City of Beverly Hills. If you have any questions regarding this Project, please contact Michele McGrath, Senior Planner, at 310.285.1135.



MICHELE MCGRATH
Senior Planner

DATED: December 10, 2008

ATTACHMENT 6
FINAL EIR
TO BE PROVIDED UNDER SEPARATE COVER

FINAL EIR WILL NOT BE AVAILABLE
UNTIL TUESDAY

ATTACHMENT 7
PUBLIC PARKING GARAGE PLANS
BOUND SEPARATELY