

# **ATTACHMENT 1**

RESOLUTION NO. 13-R-\_\_\_\_\_

A RESOLUTION OF THE COUNCIL OF THE CITY OF  
BEVERLY HILLS APPROVING A MILLS ACT CONTRACT  
FOR BEVERLY HILLS POST OFFICE – WALLIS  
ANNENBERG CENTER FOR THE PERFORMING ARTS AT  
9390 NORTH SANTA MONICA BOULEVARD, BEVERLY  
HILLS

Section 1. On October 18, 2011, the City Council adopted Resolution No. 11-R-12838 establishing a Pilot Mills Act Program for a two year period, for a maximum of six qualified participating properties and with a capped maximum annual revenue loss to the City of \$50,000. The Pilot Mills Act Program was made available to “qualified historic property” within the City of Beverly Hills.

Section 2. A “qualified historic property” for the purposes of the Beverly Hills Mills Act Pilot Program is defined as:

- a. A single-family residential property or a commercial property constructed as a public theater as a primary use;
- b. Located entirely within the City of Beverly Hills;
- c. Privately owned;
- d. Not exempt from property taxation; and
- e. Individually listed in the City of Beverly Hills’ official landmark register based on the property satisfying at least two landmark criteria, including architectural significance.

Section 3. On August 30, 2013 a Mills Act Contract Application was submitted to the City by Ms. Tania Camargo, General Manager of the Wallis Annenberg Center for the Performing Arts, 9911 W. Pico Blvd., Los Angeles. In this case the City's Pilot Mills Act Program is available for this property which is listed as a local Landmark on the City's Register of Historic Properties because the Historic Post Office Building is used as a commercial public theater that is located in Beverly Hills. Further, the applicant, a private entity, holds a long term lease that is subject to possessory interest property taxes, as discussed below.

Section 4. On October 9, 2013 the Cultural Heritage Commission considered the Mills Act application for the Beverly Hills Post Office – Wallis Annenberg Center for the Performing Arts at 9390 North Santa Monica Boulevard Beverly Hills and moved to recommend to City Council approval of a Mills Act Contract. The Cultural Heritage Commission predicated the Commission's approval upon an acceptable offer of public benefit being extended from the Wallis Annenberg Center for the Performing Arts to the Beverly Hills Unified School District (BHUSC) to sufficiently compensate the BHUSC for ongoing lost revenue from reduced property tax funds to BHUSD resulting from any Mills Act Contract awarded to the Wallis Annenberg Center for the Performing Arts.

The Commission based its final action on careful consideration of the maintenance plan submitted as part of the Mills Act application for incorporation into the Mills Act contract. The Rehabilitation and Maintenance Plan provides a list of expenses to be incurred in the maintenance and upkeep of the Landmark Post Office portion of the Wallis Annenberg Center for the Performing Arts during the initial ten year contract term. In addition, the application provides an estimate of the applicant's possessory interest property tax savings as well as an

estimate of the City's annual costs due to the possessory interest property tax reduction. Since this estimate is based on financial data submitted by the applicant, the City will work with County Assessor to verify all calculations prior to final tax assessments. By executing the contract, the City does not corroborate the applicant's submitted financial statement, but authorizes tax abatement for the property. The current annual property taxes for this property are estimated to be approximately \$204,930.00. Under Mills Act the estimated annual possessory interest property taxes would be reduced during the contract period. The actual revenue loss per annum to the City is subject to annual review and determined by the City and County Tax Assessor once the contract has been executed and recorded with the County. The applicant's Rehabilitation and Maintenance Plan projects a total cost for all rehabilitation and maintenance works scheduled over the ten year contract period to be \$1,003,000.00.

Section 5. PUBLIC NOTICE. Ms. Tania Camargo, General Manager of the Wallis Annenberg Center for the Performing Arts, 9911 W. Pico Blvd., Los Angeles was notified in writing on October 24, 2013 that the Council of the City of Beverly Hills would consider approving a Mills Act Contract for Beverly Hills Post Office – Wallis Annenberg Center for the Performing Arts at 9390 North Santa Monica Boulevard, Beverly Hills on November 5, 2013.

Section 6. ENVIRONMENTAL ANALYSIS. Approval of a Mills Act Contract for the Beverly Hills Post Office – Wallis Annenberg Center for the Performing Arts at 9390 North Santa Monica Boulevard, Beverly Hills was assessed in accordance with the authority and criteria contained in the California Environmental Quality Act (CEQA), the State CEQA Guidelines, and the environmental regulations of the City. The City Council hereby determines that the inclusion of the

Beverly Hills Post Office – Wallis Annenberg Center for the Performing Arts into the City’s Pilot Mills Act Program would not have a significant environmental impact and thus is exempt from CEQA pursuant to Sections 15308 and 15331 of Title 14 of the California Code of Regulations because the inclusion of the Beverly Hills Post Office – Wallis Annenberg Center for the Performing Arts into the City’s Pilot Mills Act Program is an action of the City to protect and preserve an historic resource.

Section 7. GENERAL PLAN CONSISTENCY. Inclusion of the Beverly Hills Post Office – Wallis Annenberg Center for the Performing Arts into the City’s Pilot Mills Act Program is consistent with the objectives, principles, and standards of the General Plan. General Plan Policy “HP 1.3 – Promote National, State, and Local Designation of Historic Resources” encourages the establishment of programs encouraging the nomination of landmarks.

Section 8. The City Council hereby includes the Beverly Hills Post Office – Wallis Annenberg Center for the Performing Arts into the City’s Pilot Mills Act Program, approves the attached Mills Act Contract, and authorizes the Mayor to execute the Agreement.

Section 9. The record of proceedings for inclusion of the Beverly Hills Post Office – Wallis Annenberg Center for the Performing Arts into the City’s Pilot Mills Act Program is maintained by the City as part of the official records of the Community Development Department at 455 North Rexford Drive, Beverly Hills, California, 90210.

Section 10. The City Clerk shall certify to the adoption of the Resolution and shall cause the Resolution and this certification to be entered in the Book of Resolutions of the Council of the City. The City Clerk shall also cause the executed contract to be recorded in the office of the County Recorder of the County of Los Angeles.

Section 11. This Resolution shall go into effect on November 20, 2013 at

12:01 AM.

\_\_\_\_\_  
JOHN A. MIRISCH  
Mayor of the City of Beverly Hills,  
California

ATTEST:

\_\_\_\_\_  
BYRON POPE  
City Clerk (SEAL)

APPROVED AS TO FORM:

  
LAURENCE S. WIENER  
City Attorney

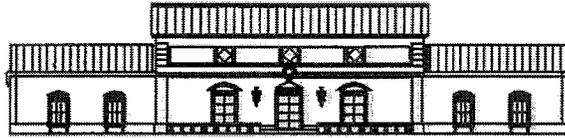
APPROVED AS TO CONTENT:

\_\_\_\_\_  
JEFFREY C. KOLIN  
City Manager

  
SUSAN HEALY KEENE  
Director of Community Development

- Exhibit A – Mills Act Application, Rehabilitation and Maintenance Plan for the Beverly Hills Post Office – Wallis Annenberg Center for the Performing Arts
- Exhibit B- Mills Act Contract

## **ATTACHMENT 2**



Wallis Annenberg Center for the Performing Arts

**Board of Directors**

*Chairman*  
Jerry Magnin  
*Vice Chair Planning*  
Richard Rosenzweig  
*Vice Chair Development*  
Vicki Reynolds  
*Vice Chair Operations*  
Arnold Rosenstein  
*Secretary*  
Ronald D. Rosen  
*Assistant Secretary*  
Susan Strauss  
*Treasurer*  
Jonathan Victor  
  
*Founding Chairman*  
Bram Goldsmith  
*Founding President*  
Paul Selwyn

Wallis Annenberg  
John Bendheim  
Les Bider  
Eunice David  
Sharon Davis  
Hamid Gabbay  
Donna Ellman Garber  
MeraLee Goldman  
Bruce Goldsmith  
Fred Hayman  
Ali Kasikci  
Laurie Konheim  
Lauren Leichtman  
Kris Levine  
Richard Lichtenstein  
Linda May  
Fred Nicholas  
Maxwell H. Salter †  
Ariela Shani  
Michael Smith  
Luanne Wells

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Lou Moore  
*Executive Director*

† *Deceased*

August 30, 2013

William R. Crouch  
City of Beverly Hills  
455 N. Rexford Drive  
Beverly Hills, CA 90212

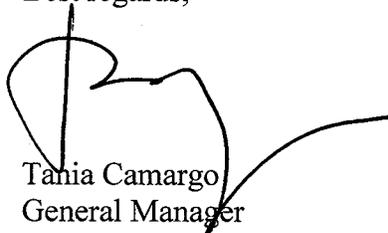
RE: Mills Act Application

Dear Bill,

Enclosed please find our completed Mills Act application packet for your review and consideration. We have included all the applicable materials requested in the application, but please note that the Historic Structure Report is from 2002, and as a result, we have omitted areas with the report that are no longer applicable.

Again, thank you for your time and consideration. Please contact me directly should you have any questions or require additional information.

Best regards,



Tania Camargo  
General Manager

Enclosures

TC:ab

**BH Performing Arts Landlord LLC  
BH Performing Arts Tenant LLC  
9911 W. Pico Blvd., Los Angeles, CA 90035  
(310) 246-3800 p**

August 30, 2013

City of Beverly Hills  
Community Development Department  
455 N. Rexford Drive  
Beverly Hills, CA 90210

**Re: Supplemental Information to Mills Act Application**

Dear Mr. Crouch:

This letter is intended to provide certain supplemental information in connection with the Mills Act Application (the "Mills Act Application") made by BH Performing Arts Landlord LLC, a California limited liability company (the "Landlord"), with the City of Beverly Hills, California (the "City").

**Property Description**

Landlord, as applicant for the Mills Act Application, desires to enter into a Mills Act contract with the City in respect of its leasehold property interest in certain real property commonly referred to as the Beverly Hills Post Office (the "Property"), a property that is locally registered as a historic landmark, as well as listed in the National Registrar and California Registrar for historic places.

Generally, the Property consists of the land bounded by Little Santa Monica Boulevard, Crescent Drive, Santa Monica Boulevard and North Canon Drive in Beverly Hills, California. The street address of the Property is 9390 N. Santa Monica Blvd. There are two improvements on the Property.

The first improvement is the former Beverly Hills U.S. Post Office (the "Post Office Building"). The Post Office Building was built in 1933 on the site of the former Pacific Electric Railway Station. It was designed by prominent local architect, Ralph C. Flewelling, in concert with Allison & Allison Architects, and is listed in the National Register of Historic Places. The U.S. Postal Service ceased using the Post Office Building as a post office in 1993.

Wallis Annenberg Center for the Performing Arts, a California nonprofit public benefit corporation ("WACPA") was formed shortly thereafter with a goal of converting the Post Office Building into a performing arts center. By way of background, WACPA, formerly the Beverly Hills Cultural Foundation, is a California nonprofit public benefit corporation formed on September 16, 1994. WACPA's mission is to promote

exceptional theater, dance, music, professional children's theater and other cultural programs for audiences of all ages and to serve as a major cultural, artistic and educational resource of the City and greater Los Angeles.

The second improvement is a newly constructed, 500-seat theater to be known as the "Goldsmith Theater" (the "Goldsmith Building").

The Post Office Building contains approximately 39,048 gross square feet. The Goldsmith Building contains approximately 30,950 gross square feet. Thus, the Post Office Building contains 55.78% of the total gross square feet of the two buildings and the Goldsmith Building contains 44.22% of the total gross square feet of the two buildings.

The City owns fee title to the Property. The Property has been further subleased as follows:

(i) The City, as owner of the Property, has leased the Property, including the Post Office Building, to WACPA, as tenant, pursuant to the City Lease.

(ii) WACPA, as tenant, in turn has assigned the City Lease to the Landlord. The term of the City Lease is fifty-five (55) years. Under the City Lease, the Landlord is required to pay base rent of \$100.00 annually. In addition, the Landlord will be responsible for all betterment assessments, water and sewer rent charges, liens, insurance, maintenance, repairs, utilities charges and all other operating expenses applicable to the Property.

(iii) The Landlord, in turn, as tenant-assignee/sublessor, has subleased the Property to the BH Performing Arts Tenant LLC, a California limited liability company (the "Tenant"), as sub-tenant for a term of 19.5 years pursuant to two subleases. Total rent payable by the Tenant under the two subleases annually is allocated 55.78% to the Post Office Building and 44.22% to the Goldsmith Building (*i.e.*, based on relative gross square footage).

(iv) The Tenant, as sub-sublessor, has sub-subleased the Property to WACPA, as sub-subtenant, pursuant to the Sublease for a term of 10 years, such Sublease having no option to renew or extend its term.

#### **Applicant/Property Owner Parties**

As described above, the Property is subject to a complex leasehold arrangement. As such, both the Landlord and the Tenant should be treated as the applicant and property owner for purposes of the Mills Act Application. A structure diagram is attached hereto to illustrate the ownership relationship of the parties relative to the Property.

### Other General Information

In addition to the above, and given our unique structure, please note the following when considering the attached application:

- Application – to remain consistent with the most recent tax bill, we have noted the property address as 470 N. Canon Drive, however, the City of Beverly Hills recently approved the new address of 9390 N. Santa Monica Blvd.
- Financial Analysis Worksheet – insurance, utilities and maintenance expenses are not applicable as these expenses are incurred by the facility manager/operator, which is Wallis Annenberg Center for the Performing Arts.
- Rehabilitation and Maintenance Plan – maintenance expenses such as ongoing and preventative maintenance have been included in this schedule as it notates the overall maintenance plan to upkeep the facility. We do not foresee any additional rehabilitation given that the entire site is being rehabilitated now.
- Grant Deed – because the tax parcel at issue is a leasehold, there is no grant deed. Therefore, in lieu of a grant deed, we have included the memorandum of lease (which contains the legal description of the parcel and notes the term).

Please do not hesitate to contact me with any questions and/or to provide additional documentation.

Sincerely,

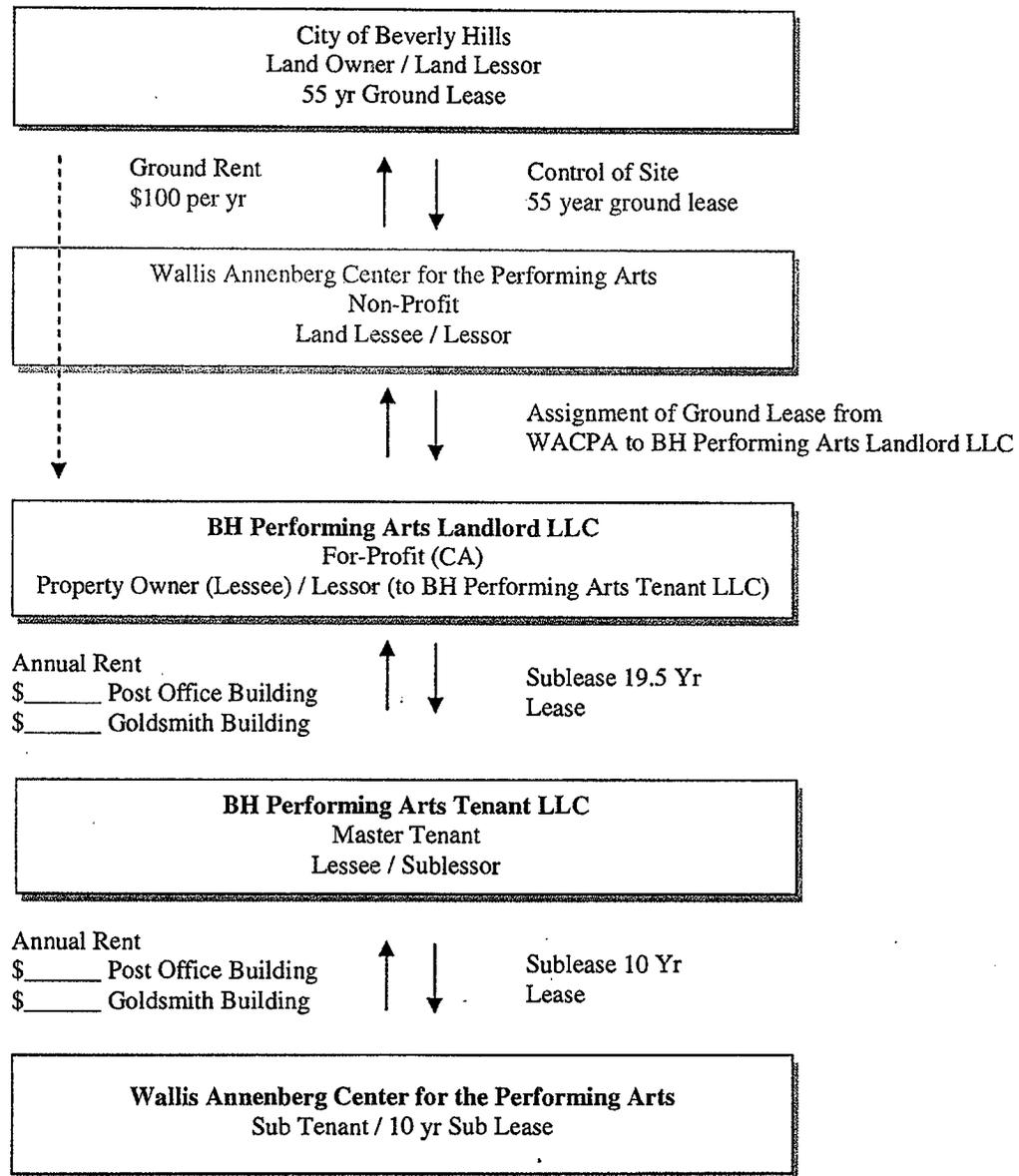
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Jerry Magnin  
Board Chairman

BH Performing Arts Landlord LLC and  
BH Performing Arts Tenant LLC

JAM:mk

**WALLIS ANNENBERG CENTER FOR THE PERFORMING ARTS STRUCTURE DIAGRAM**





**CITY OF BEVERLY HILLS**  
**COMMUNITY DEVELOPMENT DEPARTMENT**  
 455 N. Rexford Drive, Beverly Hills, CA 90210  
 Tel. (310) 285-1141 Fax. (310) 858-5966

**MILLS ACT APPLICATION**

**GENERAL INFORMATION: (print or type)**

Applicant: BH Performing Arts Landlord LLC / BH Performing Arts Tenant LLC  
 (see supporting letter for additional information)

Address: 9911 W. Pico Blvd.

City: Los Angeles State: CA Zip Code: 90035

Telephone No: 310-246-3800 E-Mail: Tania@bhculturalcenter.com

**PROPERTY INFORMATION:**

Property Address: 470 N. Canon Drive Assessor Parcel No(s): (see below)

Tract: N/A Block: N/A Lot(s): Lot A

Legal Description: Possessory interest in former Post Office building at 470 N. Canon Drive in Beverly Hills with assessment number 8940041066 leased from the City of Beverly Hills 4343-009-902, 909, 904 (see attached Memorandum of Amendment of Lease for full description)

Use Category: Single-Family Residence:  Commercial/Theatre:

**PROPERTY OWNER:** Same as Applicant  (please check this box if the property owner is the applicant)

Property Owner: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Telephone No: \_\_\_\_\_ E-Mail: \_\_\_\_\_

**APPLICATION TYPE:**

New Contract:  Nonrenewal:  Cancellation:

**HISTORIC DESIGNATION CATEGORY: (check only those that apply)**

City Landmark:  National Register:  California Register:

Designation No.: Local Register 2013 Date of Designation: 2013

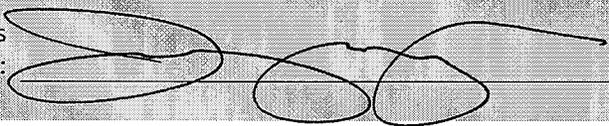
City Landmark Designation Requested  (please check this box if the property has not been designated)

**REQUIRED MATERIALS:** *(must be submitted with this application)*

- ✓ COMPLETED AND SIGNED APPLICATION FORM
- ✓ APPLICATION FEE
- ✓ COPY OF GRANT DEED, INCLUDING LEGAL DESCRIPTION
- ✓ FINANCIAL ANALYSIS FORM
- ✓ PHOTOGRAPHS – CURRENT PHOTOGRAPHS OF STREET VIEW OF THE PROPERTY, EACH EXTERIOR ELEVATION OF PROPERTY AND ALL OTHER IMPROVEMENTS/FEATURES ON PARCEL SAVED ONTO CD. LABEL CD WITH STREET ADDRESS, PARCEL NUMBER AND DATE (INTERIOR PHOTOGRAPHS MAY BE REQUIRED)
- ✓ REHABILITATION/RESTORATION MAINTENANCE PLAN AND TIME LINE (INCLUDE ALL WORK TO BE COMPLETED WITHIN NEXT 10 YEARS) AND COST ESTIMATE OF ITEMIZED WORK
- ✓ COPY OF MOST RECENT PROPERTY TAX BILL
- ✓ NOTARY OF ACKNOWLEDGEMENT AFFIDAVIT

**IMPORTANT:** All required materials must be submitted with the application.

I hereby certify that I am the present owner of the subject property described above and that I have reviewed the subject application and apply for consideration for a Mills Act Contract. I further understand that a Mills Act Application does not result in an automatic entitlement and each application is evaluated on its own merits on its historical significance and inclusion in the City's program.

Owner's Signature:  Date: 8/30/13

**DO NOT WRITE BELOW THIS LINE / TO BE FILLED OUT BY THE DEPARTMENT**

<b>Application Status:</b>	<b>Date:</b>	<b>Application Processing:</b>
<input type="checkbox"/> Staff Review	_____	File No. _____
<input type="checkbox"/> Director Review	_____	Date: _____
<input type="checkbox"/> Cultural Heritage Commission	_____	Staff Initial: _____
<input type="checkbox"/> City Council	_____	Fees: _____
<input type="checkbox"/> Landmark Designation Approved	_____	Receipt: _____
<input type="checkbox"/> Landmark Designation Denied	_____	Other: _____

Comments



## MILLS ACT – ESTIMATED TAX ADJUSTMENT WORKSHEET

*Use this worksheet to estimate the tax adjustment possible through the Mills Act Program. This is only an estimate, tax adjustments are conducted by the Los Angeles County Assessor's Office.*

**STEP 1: DETERMINE ANNUAL INCOME OF PROPERTY.**

1. Monthly Rental Income	\$ 15,913	Even if the property is owner-occupied, an estimated monthly rental income is needed as a basis for this formula. Remember to include all potential sources of income (i.e. filming, advertising, photo-shoots, etc.)
2. Annual Rental Income	\$ 342,342	Multiply line 1 by 12 (months)

**STEP 2: CALCULATE ANNUAL OPERATING EXPENSES.**

3. Insurance	\$ N/A	Fire, liability, and other insurance
4. Utilities	\$ N/A	Water, gas, electric
5. Maintenance	\$ N/A	Maintenance includes: painting, plumbing, electrical, gardening, cleaning, mechanical, heating repairs, structural repairs, and other repairs
6. Management	\$ 1,859	Standard fee (usually 5% of rent)
7. Other Operating Expenses	\$ 330,409	Security, etc. Provide breakdown on separate sheet
8. Total Expenses	\$ 332,268	Add lines 3 through 7

**STEP 3: DETERMINE ANNUAL NET INCOME.**

9. Net Total	\$ 10,074	Line 2 minus line 8
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**STEP 4: DETERMINE CAPITALIZATION RATE.**

10. Interest Component	4.75%	As determined by the State Board of Equalization for 2012.
11. Historic Property Risk Component	2%	Single-family home = 4% All other property = 2%
12. Property Tax Component	1%	.01 times the assessment ratio of 100%
13. Amortization Component <i>(reciprocal of life of property)</i>	2%	If the life of the improvement is 20 years, use 100% x 1/20 = 5%. Wood-frame typically 20 years, masonry typically 50 years
14. Total = Capitalization Rate	9.75%	Add lines 10 through 13

**STEP 5: CALCULATE NEW ASSESSED VALUE.**

15. Mills Act Assessed Value	\$ 103,322	Line 9 divided by line 14
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**STEP 6: DETERMINE ESTIMATED TAX REDUCTION.**

16. Current Tax	\$ 204,930	General tax levy only, do not include voted indebtedness or other direct assessments
17. Tax under Mills Act	\$ 1,033	Line 15 multiplied by .01
18. Estimated Tax Reduction	\$ 203,896	Line 16 minus 17

### EXAMPLE

The following is an example showing of how to estimate tax adjustments using the previous table.

**EXAMPLE:** Single-family Dwelling  
Current Assessed Value (GENERAL LEVY TAXES ONLY)<sup>1</sup> = \$100,000  
Estimated Monthly Rent = \$800

#### **DETERMINE ANNUAL INCOME AND ANNUAL OPERATING EXPENSES<sup>2</sup>**

\$800 per month income minus approximately \$100 per month expenses for maintenance, repairs, insurance, utilities, and gardener equals a net income of \$700 per month. Multiply by 12 months for an annual net income of \$8,400 (mortgage payments and property taxes are not considered expenses).

#### **DETERMINE CAPITALIZATION RATE**

Add the following to determine the Capitalization Rate:

- The Interest Component is determined by the Federal Housing Finance Board and is based on conventional mortgages. While this component will vary from year to year, the State Board of Equalization has set this at 5% for 2011.
- The Historical Property Risk Component of 4% (as prescribed in Sec. 439.2 of the State Revenue and Tax Code) applies to owner-occupied single-family dwellings. A 2% risk component applies to all other properties.
- The Property Tax Component (post-Prop 13) of .01 times the assessment ratio of 100% (1%).
- The Amortization Component is a percentage equal to the reciprocal of the remaining life of the structure and is set at the discretion of the County Assessor for each individual property. *IN THIS EXAMPLE THE REMAINING LIFE OF A WOOD FRAME BUILDING IS TYPICALLY 20 YEARS.* The amortization component is calculated thus:  $100\% \times 1/20 = 5\%$ . Use 5% for this calculation.

#### **NOW ADD THE FOLLOWING:**

$5\% + 4.0\% + 1.0\% + 5\% = 15\%$  Capitalization Rate (single-family dwelling).

#### **CALCULATE NEW ASSESSED VALUE AND ESTIMATED TAX REDUCTION**

The new assessed value is determined by dividing the annual net income (\$8,400) by the capitalization rate .15 (15%), to arrive at the new assessed value of \$56,000.

Lastly, determine the amount of taxes to be paid by taking .01 (1%) of the assessed value \$56,000. Compare with current property tax rate for land and improvements only (be sure to exclude voter indebtedness, direct assessments, tax rate areas, and special district items on your tax bill):

- Current general levy property tax; 1% of original assessed valuation of \$100,000 ( $\$100,000 \times .01 = \$1,000$ );
- Mills Act property tax: 1% of new assessed value of \$56,000 is \$560.

#### **CONCLUSION**

In this example, annual property taxes have been reduced by \$440 ( $\$1,000 - \$560$ ), a 44% property tax reduction.

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<sup>1</sup> The Mills Act applies ONLY to general levy property taxes. Be sure to DEDUCT the portions of your tax bill that include sewer assessment, bond issues, etc. when calculating what portion of your property tax will be reduced by the Mills Act.

<sup>2</sup> Single-family applicants may find that a property manager or realtor may be able to assist with setting a monthly rental figure.



## MILLS ACT – FINANCIAL ANALYSIS WORKSHEET

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CURRENT YEAR TO YEAR THREE

INCOME	CURRENT	ONE	TWO	THREE
1. Monthly Rental Income	\$15,913	\$94,598	\$91,444	\$93,665
2. Annual Rental Income	\$342,342	\$1,135,179	\$1,097,323	\$1,123,984

ANNUAL OPERATING EXPENSES				
3. Insurance	\$ N/A	\$ N/A	\$ N/A	\$ N/A
4. Utilities	\$ N/A	\$ N/A	\$ N/A	\$ N/A
5. Maintenance	\$ N/A	\$ N/A	\$ N/A	\$ N/A
6. Management	\$1,859	\$5,578	\$5,578	\$5,578
7. Other Operating Expenses	\$330,409	\$1,101,316	\$1,064,833	\$1,090,617
8. Total Expenses	\$332,268	\$1,106,894	\$1,070,411	\$1,096,195

ANNUAL NET INCOME				
9. Net Total	\$10,074	\$28,285	\$26,912	\$27,789

CAPITALIZATION RATE				
10. Interest Component	4.75%	4.75%	4.75%	4.75%
11. Historic Property Risk Component	2%	2%	2%	2%
12. Property Tax Component	1%	1%	1%	1%
13. Amortization Component	2%	2%	2%	2%
14. Total = Capitalization Rate	9.75%	9.75%	9.75%	9.75%

NEW ASSESSED VALUE				
15. Mills Act Assessed Value	\$103,322	\$290,098	\$276,021	\$285,013

ESTIMATED TAX REDUCTION				
16. Current Tax	\$204,930	\$204,930	\$204,930	\$204,930
17. Tax under Mills Act	\$1,033	\$2,901	\$2,760	\$2,850
18. Estimated Tax Reduction	\$203,896	\$202,029	\$202,169	\$202,079

YEAR FOUR TO YEAR SEVEN

INCOME	FOUR	FIVE	SIX	SEVEN
1. Monthly Rental Income	\$95,954	\$73,650	\$76,078	\$78,580
2. Annual Rental Income	\$1,151,447	\$883,797	\$912,939	\$942,958
<b>ANNUAL OPERATING EXPENSES</b>				
3. Insurance	\$ N/A	\$ N/A	\$ N/A	\$ N/A
4. Utilities	\$ N/A	\$ N/A	\$ N/A	\$ N/A
5. Maintenance	\$ N/A	\$ N/A	\$ N/A	\$ N/A
6. Management	\$5,578	\$5,578	\$5,578	\$5,578
7. Other Operating Expenses	\$1,117,178	\$675,952	\$17,018	\$17,300
8. Total Expenses	\$1,122,756	\$681,530	\$22,596	\$22,878
<b>ANNUAL NET INCOME</b>				
9. Net Total	\$28,691	\$202,267	\$890,343	\$920,080
<b>CAPITALIZATION RATE</b>				
10. Interest Component	4.75%	4.75%	4.75%	4.75%
11. Historic Property Risk Component	2%	2%	2%	2%
12. Property Tax Component	1%	1%	1%	1%
13. Amortization Component	2%	2%	2%	2%
14. Total = Capitalization Rate	9.75%	9.75%	9.75%	9.75%
<b>NEW ASSESSED VALUE</b>				
15. Mills Act Assessed Value	\$294,267	\$2,074,533	\$9,131,724	\$9,436,722
<b>ESTIMATED TAX REDUCTION</b>				
16. Current Tax	\$204,930	\$204,930	\$204,930	\$204,930
17. Tax under Mills Act	\$2,943	\$20,745	\$91,317	\$94,367
18. Estimated Tax Reduction	\$201,987	\$184,184	\$113,612	\$110,562

YEAR EIGHT TO YEAR TEN

INCOME	EIGHT	NINE	TEN
1. Monthly Rental Income	\$81,157	\$83,811	\$86,545
2. Annual Rental Income	\$973,880	\$1,005,734	\$1,038,545

ANNUAL OPERATING EXPENSES

3. Insurance	\$ N/A	\$ N/A	\$ N/A
4. Utilities	\$ N/A	\$ N/A	\$ N/A
5. Maintenance	\$ N/A	\$ N/A	\$ N/A
6. Management	\$5,578	\$5,578	\$5,578
7. Other Operating Expenses	\$17,589	\$17,888	\$18,195
8. Total Expenses	\$23,167	\$23,466	\$23,773

ANNUAL NET INCOME

9. Net Total	\$950,713	\$982,268	\$1,014,772
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CAPITALIZATION RATE

10. Interest Component	4.75%	4.75%	4.75%
11. Historic Property Risk Component	2%	2%	2%
12. Property Tax Component	1%	1%	1%
13. Amortization Component	2%	2%	2%
14. Total = Capitalization Rate	9.75%	9.75%	9.75%

NEW ASSESSED VALUE

15. Mills Act Assessed Value	\$9,750,901	\$10,074,548	\$10,407,919
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ESTIMATED TAX REDUCTION

16. Current Tax	\$204,930	\$204,930	\$204,930
17. Tax under Mills Act	\$97,509	\$100,745	\$104,079
18. Estimated Tax Reduction	\$107,421	\$104,184	\$100,850



## MILLS ACT – REHABILITATION AND MAINTENANCE PLAN

Page 8 of 10

Please use this form to outline your rehabilitation, restoration, and maintenance plan and timeline. Include all proposed exterior and interior work (including electrical, plumbing, etc.) to be completed within the next ten years. See the following page for list of potential projects. Use additional sheets if necessary to discuss proposed preservation plan.

	Contract Year	Building Feature	Proposed Work/Task	Est. Cost
1.	2013	HVAC	HVAC preventative maintenance (recurring)	\$ 56,000
2.	2013	Electrical	Electrical preventative maintenance (recurring)	\$ 30,000
3.	2013	Plumbing	Plumbing preventative maintenance (recurring)	\$ 45,000
4.	2013	Security	Security system maintenance (recurring)	\$ 112,000
5.	2013	Janitorial	Cleaning and janitorial including perimeter sweeping in lieu of water pressure sidewalk cleaning to prevent water damage (recurring)	\$ 550,000
6.	2013	Landscaping	Landscaping maintenance (recurring)	\$ 150,000
7.	2014	Structural	Water intrusion inspection (periodic)	\$ 60,000

**TOTAL COST:** \$ 1,003,000

### ALSO, PLEASE INCLUDE THE FOLLOWING:

1. For all work completed during the first ten years of contract, cost estimates must be provided. (Cost estimates are subject to verification by City staff).
2. Fully labeled photographs of the front of the main building and its relationship to the public right-of-way (street, parkway, sidewalk, etc.); each elevation of all buildings on the property; the interior of any room where any work is proposed; structural and architectural details of any building proposed to be restored, rehabilitated or preserved; and any portions of the property where landscaping or paving work is proposed.
3. Plans, drawings, material samples, brochures, etc. as needed to depict the location and characteristics of all proposed work.
4. Additional information may be required during the review process for clarification.

Proposed work may be interior and/or exterior, but must equal at least 80% of your tax savings. All projects that affect the exterior of the property are subject to Architectural Commission /Staff review and approval before work begins. Work must meet all City requirements and comply with the *Secretary of the Interior's Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring, and Reconstructing Historic Buildings* or the *Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings* (1995, by Weeks and Grimmer).

#### **STANDARDS for REHABILITATION**

1. A property will be used as it was historically use or be given a new use that requires minimal change to its distinctive materials, features, spaces, and spatial relationships provided the new use is consistent with the Beverly Hills Municipal Code.
2. The historic character of a property will be retained and preserved. The removal of distinctive material or alteration of features, spaces, and spatial relationships that characterize a property must be avoided.
3. Each property will be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or elements from other properties, should not be undertaken.
4. Changes to a property that have acquired historic significance (are Character-Defining Features) in their own right must be retained and preserved.
5. Distinctive materials, features, finishes and construction techniques or examples of craftsmanship that characterize a property should be preserved.
6. Deteriorated historic features will be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive historic feature, the new feature will match the old in design, color, texture, and where possible, materials. Replacement of missing features will be substantiated by documentary and physical evidence.
7. Chemical or physical treatments, if appropriate, will be undertaken using the gentlest means possible. Treatments that cause damage to historic materials will not be used.
8. Archeological resources should be protected and preserved in place. If such resources must be disturbed, mitigation measures will be undertaken.
9. New additions, exterior alterations, or related new construction should not destroy historic materials, features, and spatial relationships that characterize the property. The new work will be differentiated from the old and will be compatible with the historic materials, features, size, scale and proportion, and massing to protect the integrity of the property and its environment.
10. New additions and adjacent or related new construction should be in such a manner that, if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

#### **PERIODIC INSPECTIONS**

Periodic inspections are conducted by City staff to monitor properties for compliance to the terms of the contract. Inspections monitor the progress of the preservation plan specified in the contract. Inspections are ongoing for the life of the contract. Property owners are encouraged to self-inspect and update the City on their progress of the preservation plan.

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LIST OF POTENTIAL PROJECTS

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BUILDING FEATURE	PROPOSED WORK/TASK
HVAC	Ongoing preventive maintenance
Electrical	Ongoing preventative maintenance
Plumbing	Ongoing preventative maintenance
Security	Ongoing security maintenance
Janitorial	Ongoing maintenance
Landscaping	Ongoing maintenance
Structural	Water intrusion inspection

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CITY OF BEVERLY HILLS  
COMMUNITY DEVELOPMENT DEPARTMENT  
455 N. Rexford Drive, Beverly Hills, CA 90210  
Tel. (310) 285-1141 Fax. (310) 858-5966

**NOTARY OF ACKNOWLEDGEMENT AFFADAVIT**

*The notarized signature of the majority representative owner or owners, as established by deed or contract, of the subject property or properties for the filing of this application. (Additional sheets may be attached)*

State of California

County of Los Angeles

On August 30, 2013 before me, Michael Sharafi, NOTARY REPUBLIC  
(DATE) (HERE INSERT NAME OF THE OFFICER)

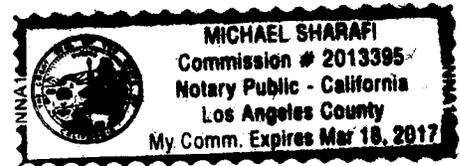
personally appeared Jerry Magnum,  
NAME(S) OF SIGNER(S)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[Signature]  
(SIGNATURE)



**DESCRIPTION OF ATTACHED DOCUMENT**

Title of type of Document: **MILLS ACT CONTRACT**

Document Date: August 30, 2013

Number of Pages 2

Signer(s) Other Than Named Above: N/A



COUNTY OF LOS ANGELES  
TREASURER AND TAX COLLECTOR



KENNETH HAHN HALL OF ADMINISTRATION  
225 NORTH HILL STREET, ROOM 122  
P.O. BOX 54027  
LOS ANGELES, CALIFORNIA 90054-0027  
TELEPHONE (213) 893-1487 FAX (213) 633-5013

MARK J. SALADINO  
TREASURER AND TAX COLLECTOR

August 15, 2013

Annenberg Performing Arts Center  
9911 W Pico Blvd Ste 680  
Los Angeles, CA 90035

Dear Sir/Madam

Re: **UNSECURED TAX BILL NUMBER(S) 12-49840232 & other**

The above-referenced account(s) are seriously delinquent and have been assigned to me for resolution.

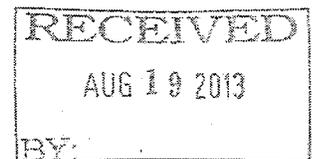
Please contact me as soon as possible to discuss this matter and to avoid legal action. I can be reached between the hours of 8:00 a.m. to 5:00 p.m. at (213) 893-1487.

Very truly yours,

MARK J. SALADINO  
Treasurer and Tax Collector

Sandra James  
Delinquent Account Investigator

X:SLDALintro  
0413



THE COUNTY OF LOS ANGELES IS REQUIRED BY LAW TO COLLECT THE TAXES FOR ALL SCHOOL DISTRICTS, CITIES AND OTHER TAXING AGENCIES

THIS IS A DELINQUENT BILL WITH ADDITIONAL PENALTIES COMPUTED THRU 8/31/2013

ASSESSMENT NUMBER	INDEX NUMBER
8940041066	

Please make check payable to: LOS ANGELES COUNTY TAX COLLECTOR

WRITE THESE NUMBERS ON YOUR CHECK AND CORRESPONDENCE			Pay Key
Year	Seq. No.	BILL NUMBER	
12		9840232	1

PRIOR YEAR COMPUTE DATE: 1308

MAIL EARLY - AVOID PENALTY  
SEND THIS UPPER PORTION WITH YOUR PAYMENT

ANNENBERG PERFORMING ARTS CENTER  
9911 W PICO BLVD STE 680  
LOS ANGELES CA 90035

TOTAL TAX	170867	01
10% Penalty After	06/30/13	170867
Collection Costs		30
Additional Penalties	1308	5126
Total After Penalties		193109

THIS BILL IS NOW DUE AND PAYABLE  
NO ADDITIONAL BILLING WILL BE MADE

AUTH 000556 0712 C 02910

79221298402320001308103000005126011931097285265

E1143847

DETACH HERE

UNSECURED PROPERTY TAX BILL

PRIOR YEAR \*\*\*\*\*  
2012

UNSECURED PROPERTY TAX FOR FISCAL YEAR JULY 1, 2012 TO JUNE 30, 2013

SALE OR DISPOSAL OF THIS PROPERTY AFTER JANUARY 1, 2012 DOES NOT RELIEVE THE ASSESSEE OF THIS TAX.

ANNENBERG PERFORMING ARTS CENTER  
9911 W PICO BLVD STE 680  
LOS ANGELES CA 90035

TRA 02910  
AUTH 000556 0712 C  
8940 041 066  
SITUS OR LOCATION:

PROPERTY DESCRIPTION			ASSESSED VALUES	
ASSESSMENT NUMBER	INDEX NUMBER	BILL NUMBER	(213) 974-3211	
8940041066		9840232	FULL VALUE	
10.00 COST INCLUDED IN PENALTY			UNS LAND	13260000
2 ADD POSS INT DESC AS FORMER POST OFFCE			UNS IMP	918000
BLDG AT 470 N CANON DR IN B HILLS LS FR			TOTAL VALUE	14178000
OM B HILLS CITY 4343-009-902,903,904			NET VALUE	14178000
GENERAL TAX LEVY AND VOTED INDEBTEDNESS				
TAXING AGENCY	RATE	AMOUNT		
<p>THE AMOUNT DUE INCLUDES ADDITIONAL PENALTIES CALCULATED AT 1 1/2 % PER MONTH.</p> <p>TERM: E1143847 130815</p>			<p>THIS IS A DELINQUENT BILL WITH ADDITIONAL PENALTIES COMPUTED THRU 8/31/2013</p>	
			TOTAL TAX	170867 01
			10% Penalty After	06/30/13 170867 70
			Collection Costs	30 00
			Additional Penalties	1308 5126 01
			Total After Penalties	193109 72

SEE REVERSE SIDE FOR IMPORTANT INFORMATION

THE COUNTY OF LOS ANGELES IS REQUIRED BY LAW TO COLLECT THE TAXES FOR ALL SCHOOL DISTRICTS, CITIES AND OTHER TAXING AGENCIES.

THIS IS A DELINQUENT BILL WITH ADDITIONAL PENALTIES COMPUTED THRU 8/31/2013

ASSESSMENT NUMBER	INDEX NUMBER
8940041066	

Please make check payable to: LOS ANGELES COUNTY TAX COLLECTOR

WRITE THESE NUMBERS ON YOUR CHECK AND CORRESPONDENCE			Pay Key
Year	Seq No.	BILL NUMBER	
12		9840098	1

PRIOR YEAR COMPUTE DATE: 1308

MAIL EARLY - AVOID PENALTY  
SEND THIS UPPER PORTION WITH YOUR PAYMENT

ANNENBERG PERFORMING ARTS CENTER  
9911 W PICO BLVD STE 680  
LOS ANGELES CA 90035

TOTAL TAX	154202	98
10% Penalty After 06/30/13	15420	29
Collection Costs	30	00
Additional Penalties 1308	4626	08
Total After Penalties	174279	35

THIS BILL IS NOW DUE AND PAYABLE  
NO ADDITIONAL BILLING WILL BE MADE

AUTH 000556 0712 C 02410



79221298400980001308103000004626081742793588216

E1143847

DETACH HERE

## UNSECURED PROPERTY TAX BILL

PRIOR YEAR \*\*\*\*\*  
2012

UNSECURED PROPERTY TAX FOR FISCAL YEAR JULY 1, 2012 JUNE 30, 2013

SALE OR DISPOSAL OF THIS PROPERTY AFTER JANUARY 1, 2012 DOES NOT RELIEVE THE ASSESSEE OF THIS TAX.

ANNENBERG PERFORMING ARTS CENTER  
9911 W PICO BLVD STE 680  
LOS ANGELES CA 90035

TRA 02410  
AUTH 000556 0712 C  
8940 041 066  
SITUS OR LOCATION

PROPERTY DESCRIPTION			ASSESSED VALUES																
ASSESSMENT NUMBER	INDEX NUMBER	BILL NUMBER	FULL VALUE																
8940041066		9840098	(213)974-3211																
10.00 COST INCLUDED IN PENALTY 1 ESC ASSMT ADD PER SEC 531 R&TC POSS IN T DESC AS FORMER POST OFFICE BLDG AT 470 N CANON DR IN B HILLS LSD FROM B HILLS C ITY 4343-009-902,903,904			UNS LAND	13000000															
			UNS IMP	900000															
			TOTAL VALUE	13900000															
			NET VALUE	13900000															
GENERAL TAX LEVY AND VOTED INDEBTEDNESS																			
TAXING AGENCY	RATE	AMOUNT																	
THE AMOUNT DUE INCLUDES ADDITIONAL PENALTIES CALCULATED AT 1 1/2 % PER MONTH. TERM: E1143847 130805			<table border="1"> <tr> <td>TOTAL TAX</td> <td>154202</td> <td>98</td> </tr> <tr> <td>10% Penalty After 06/30/13</td> <td>15420</td> <td>29</td> </tr> <tr> <td>Collection Costs</td> <td>30</td> <td>00</td> </tr> <tr> <td>Additional Penalties 1308</td> <td>4626</td> <td>08</td> </tr> <tr> <td>Total After Penalties</td> <td>174279</td> <td>35</td> </tr> </table>		TOTAL TAX	154202	98	10% Penalty After 06/30/13	15420	29	Collection Costs	30	00	Additional Penalties 1308	4626	08	Total After Penalties	174279	35
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Collection Costs	30	00																	
Additional Penalties 1308	4626	08																	
Total After Penalties	174279	35																	

THIS IS A DELINQUENT BILL WITH ADDITIONAL PENALTIES COMPUTED THRU 8/31/2013

This page is part of your document - DO NOT DISCARD



20131003454



Pages:  
0010

Recorded/Filed in Official Records  
Recorder's Office, Los Angeles County,  
California

07/09/13 AT 08:00AM

FEES:	0.00
TAXES:	0.00
OTHER:	0.00
<b>PAID:</b>	<b>0.00</b>



LEADSHEET



201307090970001

00007974877



004983045

SEQ:  
01

DAR - Title Company (Hard Copy)



THIS FORM IS NOT TO BE DUPLICATED

CHICAGO TITLE COMPANY



2

RECORDING REQUESTED BY  
WHEN RECORDED RETURN TO:

City of Beverly Hills  
455 North Rexford Drive  
Beverly Hills, California 90210  
Attention: City Clerk

[Space Above For Recorder's Use Only]

The undersigned declare that this Memorandum of Amendment of Lease (and Amendment of Memorandum of Lease) is exempt from Recording Fees pursuant to California Government Code Section 27383 and exempt from Documentary Transfer Tax pursuant to California Revenue and Taxation Code Section 11922.

AGREEMENT NO.  
**69A-13**

MEMORANDUM OF AMENDMENT OF LEASE  
(AND AMENDMENT OF MEMORANDUM OF LEASE)

AGREEMENT NO.  
**PA-13-32**

THIS MEMORANDUM OF AMENDMENT OF LEASE (AND AMENDMENT OF MEMORANDUM OF LEASE) (this "Memorandum") is dated as of June 25, 2013, and is entered into by and among the CITY OF BEVERLY HILLS, a municipal corporation ("City"), THE PARKING AUTHORITY OF THE CITY OF BEVERLY HILLS ("Authority"), and the WALLIS ANNENBERG CENTER FOR THE PERFORMING ARTS, a California nonprofit public benefit corporation ("Tenant").

RECITALS

A. Tenant, Authority and City entered into that certain Amended and Restated Lease dated January 22, 2009 (the "Original Lease"), pursuant to which City agreed to lease and demise to Tenant, and Tenant has agreed to lease and accept from City, a portion of the land described on Exhibit "A" and certain improvements thereon (the "Premises") in the City of Beverly Hills, County of Los Angeles, State of California. The Premises are more particularly described in the Original Lease.

B. A memorandum of the Original Lease, entitled "Memorandum of Amended and Restated Lease (and Termination of Previously Recorded Lease Amendment for the Lease being Amended and Restated)" dated January 22, 2009, was recorded on March 4, 2009 as Document No. 20090309057 in the Official Records of Los Angeles County, California (the "Existing Memorandum").

C. Tenant, Authority and City have entered into an amendment of the Original Lease entitled "Amendment No. 1 to the Amended and Restated Lease by and among the City of Beverly Hills, Wallis Annenberg Center for the Performing Arts and the Parking Authority of the City of Beverly Hills" dated June 25, 2013 (the "Amendment"). The Original Lease, as amended by such Amendment, is hereinafter referred to as the "Lease".

RECORDER MEMO: THIS COPY IS NOT AN OFFICIAL RECORD.

00005167-X49

1A

3

D. Tenant, Authority and City now desire to enter into this Memorandum to comply with applicable law requiring that municipal leases be recorded, and to amend the Existing Memorandum.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Tenant, Authority and City agree as follows:

1. Lease. City and Authority hereby lease and demise to Tenant, and Tenant hereby leases and accepts from City and Authority, the real property described in the Lease for fifty five (55) years commencing on the date of the Amendment (i.e., June 25, 2013) upon and subject to the terms and conditions in the Lease, which are incorporated herein by reference.

2. Purpose. This Memorandum is prepared for the purposes of recordation only and in no way modifies the terms and conditions of the Lease. In the event any provision of this Memorandum is inconsistent with any term or condition of the Lease, the term or condition of the Lease shall prevail.

3. Counterparts. This Memorandum may be executed in any number of counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, taken together, shall be deemed to be one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum as of the date first written above.

CITY:

CITY OF BEVERLY HILLS

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Mayor

ATTEST:

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

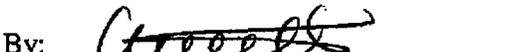
TENANT:

WALLIS ANNENBERG CENTER FOR THE PERFORMING ARTS, a California nonprofit public benefit corporation (formerly known as the Beverly Hills Cultural Center Foundation)

By: 

Print Name: Jerry Magnin

Title: Chairman

By: 

Print Name: Arnold Rosenstein

Title: Vice Chair of Operations

RECORDER MEMO: This COPY is NOT an OFFICIAL RECORD.

4

D. Tenant, Authority and City now desire to enter into this Memorandum to comply with applicable law requiring that municipal leases be recorded, and to amend the Existing Memorandum.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Tenant, Authority and City agree as follows:

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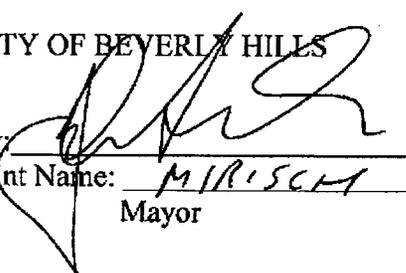
2. Purpose. This Memorandum is prepared for the purposes of recordation only and in no way modifies the terms and conditions of the Lease. In the event any provision of this Memorandum is inconsistent with any term or condition of the Lease, the term or condition of the Lease shall prevail.

3. Counterparts. This Memorandum may be executed in any number of counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, taken together, shall be deemed to be one and the same instrument.

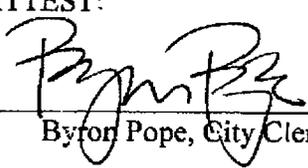
IN WITNESS WHEREOF, the parties hereto have executed this Memorandum as of the date first written above.

CITY:

CITY OF BEVERLY HILLS

By:   
Print Name: MIRISCH  
Mayor

ATTEST:

  
Byron Pope, City Clerk

TENANT:

WALLIS ANNENBERG CENTER FOR THE PERFORMING ARTS, a California nonprofit public benefit corporation (formerly known as the Beverly Hills Cultural Center Foundation)

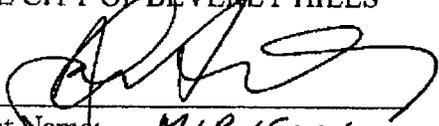
By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

RECORDER MEMO: This COPY is NOT an OFFICIAL RECORD.

AUTHORITY:

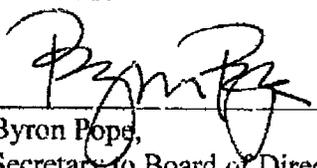
THE PARKING AUTHORITY OF  
THE CITY OF BEVERLY HILLS

By: 

Print Name: MIRISCH

Title: Chairman of the Board of Directors

ATTEST:

 (SEAL)

Byron Pope,  
Secretary to Board of Directors

6

ACKNOWLEDGMENT

State of California )  
County of Los Angeles )

On 06-26-2013 before me, Emil Sargisyan, Notary Public  
(insert name and title of the officer)

personally appeared Jerry Maguin

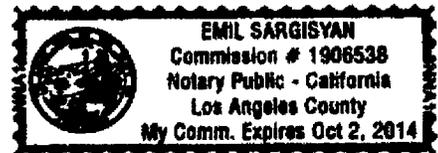
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Emil  
Signature of Notary Public

(Seal)



7

ACKNOWLEDGMENT

State of California )  
County of Los Angeles )

On 06-26-2013 before me, Emil Sargisyan, Notary Public  
(Insert name and title of the officer)

personally appeared — Arnold Rosenstein —

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature   
Signature of Notary Public

(Seal)



RECORDED BY COUNTY SNO ANO CIAL RECORD.

ACKNOWLEDGMENT

State of California )
County of Los Angeles )

On July 1, 2013 before me, Lourdes Sy-Rodriguez, Notary Public
(insert name and title of the officer)

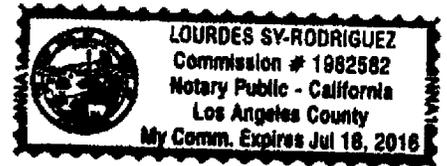
personally appeared John Mirisch -----

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Handwritten Signature] (Seal)
Signature of Notary Public



ACKNOWLEDGMENT

State of California )
County of \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_
(insert name and title of the officer)

personally appeared \_\_\_\_\_

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)
Signature of Notary Public

## EXHIBIT A

## LEGAL DESCRIPTION

THAT PORTION OF LOT A, OF RANCHO DE LAS AGUAS, IN THE CITY OF BEVERLY HILLS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 107, PAGE 210, OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHEASTERLY LINE OF THE PACIFIC ELECTRIC RAILWAY COMPANY RIGHT OF WAY (HOLLYWOOD DIVISION) AS GRANTED BY DEED RECORDED JANUARY 14, 1907, IN BOOK 2940, PAGE 77, OF DEEDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, WITH A LINE PARALLEL WITH AND DISTANT NORTHEASTERLY 6.00 FEET, MEASURED AT RIGHT ANGLES WITH THE NORTHEASTERLY RIGHT OF WAY LINE OF CANON DRIVE, AS SHOWN ON THE MAP OF BEVERLY, AS PER MAP RECORDED IN BOOK 11, PAGE 94, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE, ALONG SAID PARALLEL LINE, NORTH 39 DEGREES 31 MINUTES 51 SECONDS WEST 37.99 FEET, TO THE BEGINNING OF A TANGENT CURVE, CONCAVE TO THE EAST, HAVING A RADIUS OF 16.00 FEET; THENCE, NORTHWESTERLY, NORTHERLY AND NORTHEASTERLY ALONG LAST SAID CURVE, THROUGH A CENTRAL ANGLE OF 90 DEGREES 04 MINUTES 31 SECONDS, AN ARC LENGTH OF 25.15 FEET; THENCE, NORTH 50 DEGREES 32 MINUTES 40 SECONDS EAST 161.49 FEET; THENCE, SOUTH 39 DEGREES 27 MINUTES 19 SECONDS EAST 3.13 FEET; THENCE, NORTH 50 DEGREES 32 MINUTES 41 SECONDS EAST 67.32 FEET; THENCE, NORTH 54 DEGREES 09 MINUTES 04 SECONDS EAST 63.09 FEET, TO THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE TO THE SOUTH, HAVING A RADIUS OF 14.47 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 28 DEGREES 06 MINUTES 11 SECONDS WEST; THENCE, EASTERLY ALONG LAST SAID CURVE, THROUGH A CENTRAL ANGLE OF 39 DEGREES 49 MINUTES 47 SECONDS, AN ARC LENGTH OF 10.06 FEET, TO A POINT ON THE SOUTHWESTERLY LINE OF CRESCENT DRIVE, AS SHOWN ON THE MAP OF BEVERLY HILLS, AS PER MAP RECORDED IN BOOK 11, PAGES 186 AND 187, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, A RADIAL LINE TO SAID POINT BEARS NORTH 11 DEGREES 43 MINUTES 36 SECONDS EAST; THENCE, CONTINUING EASTERLY, ALONG THE PROLONGATION OF LAST SAID CURVE, THROUGH A CENTRAL ANGLE OF 29 DEGREES 38 MINUTES 53 SECONDS, AN ARC LENGTH OF 7.49 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 41 DEGREES 22 MINUTES 29 SECONDS EAST, TO A LINE PARALLEL WITH AND DISTANT NORTHEASTERLY 3.00 FEET, MEASURED AT RIGHT ANGLES TO SAID SOUTHWESTERLY RIGHT OF WAY LINE OF CRESCENT DRIVE; THENCE, ALONG SAID PARALLEL LINE, SOUTH 39 DEGREES 32 MINUTES 45 SECONDS EAST 365.24 FEET, TO THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 12.00 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 63 DEGREES 58 MINUTES 06 SECONDS EAST; THENCE, SOUTHERLY ALONG LAST SAID CURVE, THROUGH A CENTRAL ANGLE OF 51 DEGREES 45 MINUTES 36 SECONDS, AN ARC LENGTH OF 10.84 FEET; THENCE,

SOUTH 25 DEGREES 43 MINUTES 42 SECONDS WEST 4.81 FEET, TO THE BEGINNING OF A TANGENT CURVE, TO THE NORTHWEST, HAVING A RADIUS OF 12.00 FEET; THENCE, SOUTHWESTERLY AND WESTERLY, ALONG LAST SAID CURVE, THROUGH A CENTRAL ANGLE OF 63 DEGREES 30 MINUTES 25 SECONDS, AN ARC LENGTH OF 13.30 FEET, TO A TANGENT LINE; THENCE, SOUTH 89 DEGREES 14 MINUTES 07 SECONDS WEST 47.31 FEET; THENCE, NORTH 25 DEGREES 26 MINUTES 25 SECONDS WEST 2.73 FEET; THENCE, SOUTH 89 DEGREES 51 MINUTES 28 SECONDS WEST 49.11 FEET, TO THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 8.00 FEET, A RADIAL LINE TO SAID POINT BEARS SOUTH 41 DEGREES 22 MINUTES 04 SECONDS EAST; THENCE, SOUTHWESTERLY AND WESTERLY ALONG LAST SAID CURVE, THROUGH A CENTRAL ANGLE OF 41 DEGREES 57 MINUTES 03 SECONDS, AN ARC LENGTH OF 5.86 FEET; THENCE, NORTH 89 DEGREES 25 MINUTES 01 SECONDS WEST 36.98 FEET; THENCE, SOUTH 50 DEGREES 32 MINUTES 41 SECONDS WEST 2.19 FEET, TO THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE TO THE SOUTH, HAVING A RADIUS OF 1,000.08 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 2 DEGREES 00 MINUTES 39 SECONDS WEST; THENCE, WESTERLY ALONG LAST SAID CURVE, THROUGH A CENTRAL ANGLE OF 4 DEGREES 51 MINUTES 52 SECONDS, AN ARC LENGTH OF 84.91 FEET, TO THE BEGINNING OF A REVERSE TANGENT CURVE, CONCAVE TO THE NORTH, HAVING A RADIUS OF 17.00 FEET; THENCE, WESTERLY ALONG LAST SAID REVERSE CURVE, THROUGH A CENTRAL ANGLE OF 29 DEGREES 49 MINUTES 57 SECONDS, AN ARC LENGTH OF 8.85 FEET, TO THE BEGINNING OF A REVERSE TANGENT CURVE, CONCAVE TO THE SOUTH, HAVING A RADIUS OF 34.75 FEET; THENCE, WESTERLY ALONG LAST SAID REVERSE CURVE, THROUGH A CENTRAL ANGLE OF 31 DEGREES 06 MINUTES 10 SECONDS, AN ARC LENGTH OF 18.86 FEET, TO THE BEGINNING OF A COMPOUND CURVE, CONCAVE TO THE SOUTH, HAVING A RADIUS OF 1097.59 FEET; THENCE, WESTERLY ALONG LAST SAID REVERSE CURVE, THROUGH A CENTRAL ANGLE OF 5 DEGREES 10 MINUTES 21 SECONDS, AN ARC LENGTH OF 99.09 FEET; THENCE, NORTH 71 DEGREES 43 MINUTES 22 SECONDS WEST 20.30 FEET, TO A POINT IN SAID LINE, PARALLEL WITH AND DISTANT NORTHEASTERLY 6.00 FEET, MEASURED AT RIGHT ANGLES WITH THE NORTHEASTERLY RIGHT OF WAY LINE OF CANON DRIVE THENCE, ALONG LAST SAID PARALLEL LINE, NORTH 39 DEGREES 31 MINUTES 51 SECONDS WEST 116.29 FEET, TO THE POINT OF BEGINNING.