

Beverly Hills Weekly

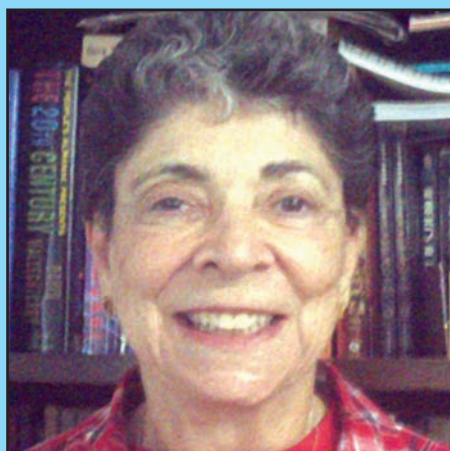
ALSO ON THE WEB
www.bhweekly.com

SERVING BEVERLY HILLS • BEVERLYWOOD • LOS ANGELES

Issue 454 • June 12 - June 18, 2008

Thanks for the Memories, Part II

BHUSD retiring faculty and staff bid farewell to Beverly Hills



cover story • pages 7-9



WHAT'S ON YOUR MIND?

You can write us at:
140 South Beverly Drive #201
Beverly Hills, CA 90212

You can fax us at:
310.887.0789

email us at:
editor@bhweekly.com



SNAPSHOT

letters & email

“New and Old Battles” [Issue 453]

[Rudy Cole]’s column correctly quotes the language of the petition to put the Beverly Hilton development on the ballot. However, [his] personal definition of the action “deceptive and unfair” is not quoting the facts. The petition is to give the people a chance to vote. What that does mean is if the majority of voters signify (by voting) that they agree with the three members of the Beverly Hills City Council who voted for this enlarged development, against the recommendation of the Beverly Hills Planning Commission, then the project will go forward. If the vote is to reject the current Hilton plan, then it can still go back for review, change, etc.

I appeared before the City Council and challenged each one of the five members to place the new General Plan and all development projects not in accord with the current General Plan before the voters. Only Councilmember Nancy Krasne agreed. Therefore, I was pleased to help gather signatures to put at least the Hilton project before the voters. If it’s turned down, that will also tell the City Council that elected representatives are still accountable to the voters.

The many, many volunteers who collected these signatures wanted to get this issue before the residents so that they can have a say

in what happens to our quality of life in Beverly Hills. The people who enthusiastically signed the petition wanted to have a vote.

[Cole’s] personal comments about the viability of a Waldorf Astoria here, etc. are [his] personal views. [Cole has] the capability of spreading those views through [his] column in the Weekly. What’s wrong with allowing the citizens to vote on how they feel about this continuous spot-zoning by three members of City Council?

Milt Shefter
Beverly Hills

Cole responds:

Nothing wrong with “allowing citizens to vote,” but it does impact the rule of law and government through elected representation. Our elected officials are held responsible: it’s called elections, and we want them to vote on issues, not just to respond to the emotions of the moment, but on what is fair, just and in the public interest.

The right to circulate petitions is absolute, but so is the right of opponents to urge people not to sign. Democracy protects both majority and minority views.

It’s too bad that those who pay attention can’t get much but consensus from our two papers on development issues. Whether from the Courier’s publisher or the Weekly’s columnist Rudy Cole, we can always count on hearing the voice of developers.

Often both columns regurgitate the contractor’s propaganda, while deriding opponents as emotional and misleading but within their rights. How fair! Never mind that almost none

of the Hilton mailers even mention the two high-story condominiums, and that others made it seem as if this was a public works project, all about creating more open space. But no critical commentaries look for blemishes on both sides.

Then for toppers Cole digs up the past anti-fur initiative. If Beverly Hills furriers losing business has your columnist despondent, maybe he’ll support selling elephant ivory.

Richard Baker
Beverly Hills

Cole responds:

Reader Baker also didn’t approve of my criticism of Jimmy Carter and felt I was too pro-Israel. I just can’t please him. But when he links me to Courier Publisher Smith, although I can live with that, does he really want to upset Smith?

“Hilton Revitalization”

I agree with the comments of Herb Wallerstein set forth in The Weekly [Issue 453] accurately questioning how other cities in the United States are able to fund police and fire departments with fewer than 15 hotels within their geographic boundaries. I notice in Beverly Hills that whenever any new construction project is opposed in the city, supporters of the project always argue that schools, police, and fire services will benefit from additional tax revenue generated by the project.

I ask the following: Where have all of the tax revenues generated from new assessments on hyperinflated residential property sold in

letters cont. on page 10



TENDING TO THE BAR NORTH REXFORD DRIVE

Mayor Barry Brucker (left) celebrates administering the attorney’s oath to his nephew Aaron Hurvitz (center), son of Marla Brucker ’70.

Beverly Hills Weekly

Issue 454 • June 12 - June 18, 2008
Beverly Hills Weekly Inc.

Founded: October 7, 1999
Published Thursdays

Delivered in Beverly Hills, Beverlywood, Los Angeles

ISSN#1528-851X

www.bhweekly.com

Publisher & CEO
Josh E. Gross

Reporter
Lauren Gabbai

Sports Editor
Steven Herbert

Contributing Editor
Rudy Cole

General Manager
Rebecca Rihani

Advertising Representatives
Natasha Hakimian
Nicole Adasha
Patricia Massachi

Legal Advertising
Michael Saghian

140 South Beverly Drive #201
Beverly Hills, CA 90212
310.887.0788 phone
310.887.0789 fax
CNPA Member

editor@bhweekly.com

All staff can be reached at:
first name @bhweekly.com

Unsolicited materials will not be returned.
©2008 Beverly Hills Weekly Inc.

**1 year
subscriptions
are available.**

Sent via US Mail
\$75 payable in
advance

Adjudicated as a
newspaper of general
circulation for the County
of Los Angeles. Case #
BS065841 of the Los
Angeles Superior Court,
on November 30, 2000.



briefs

LAPD says Khalili death likely a suicide

Officials at the Los Angeles Police Department said the May 26 death of Beverly High senior Bianca Khalili was a suicide.

"Based on the evidence that we have gathered, we have concluded that the death was caused by suicide," said Lt. Ray Lombardo, Commanding Officer of the West L.A. Detective Division.

Lombardo said the evidence gathered includes witness statements, physical evidence from the scene and background information.

The Afrahim family declined comment.

Yosef elected 2008-2009 student board member

Newly instated Student Board of Education Member Daniel Yosef has aspired to be on the Board since he was a young child.

"When I was little I went to a couple of Board meetings with my mom, and I saw the student board member on the Board, and I thought, 'Wow, that's really cool,'" Yosef said.

Yosef has served on ASB since he was a sophomore, with two semesters as sophomore representative, one as junior representative and one as junior vice president. His goal as student board member is to ensure students are heard by the Board of Education.

"I want to be the student voice on the Board," Yosef said. "I want to make sure that the student voice is heard, that there are opinions being given and it's not just the adults making the decisions."

Yosef was introduced to the Board at its June 10 meeting by outgoing Student Board Member Zachary Kahn.

"Daniel is driven, passionate about everything he does, and all around a great guy," Kahn said. "I have no doubt in my mind I'll be able to pass on the torch and be sure he'll do a fantastic job."

BHUSD kindergarten registration higher than last year

Superintendent Kari McVeigh told the Board of Education at its June 10 meeting that despite predictions of declining enrollment, the District has seen a large increase in the number of students registering for kindergarten this year, over last year.

McVeigh said 179 residential students had registered for kindergarten in the District as of press time, and she compared that number to last year's kindergarten enrollment of 120 students. The District has already added one new section and with a few more students might even be adding a second new section in order to maintain a level of about 20 students per section.

"To go up that many more kids in one year was unanticipated, but always good news," McVeigh said at the meeting.

McVeigh also stated, however, it may be too soon at this point to determine the exact number of students who will be enrolling in the fall, in that parents often register their children at multiple schools and don't always end up in the BHUSD.

McVeigh was also unsure about what schools will get the new section or sections, and why so many more students are registering this year, though she offered the possibilities that the kindergarten workshops and parent information sessions were particularly effective or just that there was a birth bubble coinciding with the age of the kindergarteners.

She said that teachers who were given pink slips earlier this year would be given a high priority in the hiring process.

"We take care of our own before we go outside," McVeigh said. "We would always try to hire back the people that received lay-off notices."

Music gets a name at Beverly High



Mayor Barry Brucker (left) gives Susan and Frederick Wehba a Certificate of Appreciation on behalf of the City of Beverly Hills in recognition of their naming the C. Frederick and Susan Wehba Instrumental Music Studio at Beverly Hills High School. The naming gift provides a five-year grant for a Jazz Band and an Artists in Residence program at the high school.



NOTICE OF PUBLIC HEARING

The City Council of Beverly Hills, at its regular meeting to be held on **June 17, 2008, at 7:00 p.m.**, in the Council Chambers of the City Hall, 455 N. Rexford Drive, Beverly Hills, CA 90210; will hold a public hearing to consider:

An appeal by the project applicant (Casden Properties) of the Planning Commission's decision denying a request for a Zoning Code Amendment to Create an Overlay Zone, A Vesting Tentative Tract Map, and a Planned Development Permit to allow the construction of a multi-family residential project with 40 condominium units for property located at 120 Peck Drive, 125 South Camden Drive and 133 South Camden Drive for the residential portion of the **Residences at Saks Fifth Avenue Project.**

On March 13, 2008, the Planning Commission held a duly noticed public hearing to consider the Project and the EIR. Upon review of written and oral evidence presented at said hearing, the Planning Commission denied the Applicant's request for a Zoning Code Amendment and related entitlements required to establish the Project as proposed. The Planning Commission also considered and denied a related project which included a mixed-use (residential condominiums above ground floor retail) building located at 9588 Wilshire Boulevard. However, the Applicant did not appeal this decision. Therefore, the Planning Commission's denial of the mixed-use project located at 9588 Wilshire Boulevard is final.

The Appellant asserts that the Project results in public benefits and that the Planning Commission erred in its determination. In addition, pursuant to the California Environmental Quality Act Guidelines (California Code of Regulations, Title 14, Sections 15000, et. seq.) Section 15061 (b)(4), a project that is denied by the City is exempt from the requirements of CEQA and the Planning Commission did not adopt or certify the EIR prepared for this project. The Appellant also seeks certification of the EIR.

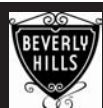
The project proposes a 99,540 square foot, five-story, 55-foot in height residential building with 40 condominiums located above a grade level and four subterranean levels of parking containing a total of 327 parking spaces.

All interested persons are invited to attend and speak on this matter. Written comments may also be submitted and should be addressed to the City Council, c/o City Clerk, 455 N. Rexford Drive, Beverly Hills, CA 90210 and should be received prior to the public meeting.

Please remember, if you challenge the Council's action in court, you may be limited to raising only those issues you or someone else raised at the hearing before the City Council or in written correspondence delivered to the City, either at or prior to the hearing.

If there are any questions regarding this notice, please contact the Planning and Community Development Department at 310.285.1123. Copies of the EIR and supplemental documents are available for review or purchase in the temporary offices of the Community Development Department, located at 9357 Third Street, Beverly Hills, California.

BYRON POPE, CMC
City Clerk
Dated: June 6, 2008



NOTICE OF COMMISSION VACANCY

CITY CLERK (310) 285-2400
BYRON POPE, CMC FAX: (310) 385-0862a
455 N. Rexford Drive
Beverly Hills, CA 90210-4817

HUMAN RELATIONS COMMISSION

The Beverly Hills City Council is seeking qualified residents to fill one upcoming vacancy on the Human Relations Commission. The initial term of office for the position is two years. At the discretion of the City Council, the Commissioner may be reappointed to a second term of four years. The appointee will be required to file an initial and an annual "Statement of Economic Interests" financial disclosure.

In order that we may preserve the integrity of the application and interview process, please direct all inquiries to the City Clerk, City Manager or the Human Services Administrator. Please DO NOT contact the City Councilmembers or the members of the Human Relations Commission regarding the vacancies.

Application forms for the Human Relations Commission, along with a description of the duties of a Commissioner, and filing details are available for pickup in the City Clerk's Office, Room 190, 455 N. Rexford Drive, or call 310.285.2400 to receive an application and information by mail or by e-mail.

The deadline for filing applications for this Commission is Friday, June 20, 2008 at 5:00p.m.

BYRON POPE
City Clerk

from the hills of beverly



Water Pipe Hazard Delays

9900

Courier attacks chamber publishing deal

By Rudy Cole

The demolition of Robinsons-May in preparation for the Candy and Candy condominium project at 9900 Wilshire Boulevard nearly sprang a mammoth leak.

Here's what we know: A gigantic water pipe runs under the eastern portion of the property. This Metropolitan Water District pipeline provides most of the water for the City of Santa Monica. The pipe apparently was installed in the early 1950s, prior to the construction of the Robinson's Department Store, the predecessor to Robinsons-May.

Rumors have been circulating that the existence of the pipe was not known until demolition was about to begin. However, the pipe and many other underground easements did appear in the title report, but were not considered a major problem.

What was not known until MWD engineers met with the new owners was the very fragile condition of the aging pipe and the likelihood that demolition or construction could rupture the system creating a monu-

mental environmental disaster. Reportedly, the MWD pipeline also affected work on Santa Monica Boulevard.

City officials had rushed the final stages of the Candy and Candy project so that demolition of the department store could, hopefully, be completed during the summer when El Rodeo was closed.

Now, the owners will have to delay demolition and pay for the costs of a new pipeline through the property. Costs could be as much as \$2 to \$3 million and demolition put off at least until January of next year, maybe even longer.

What is puzzling is how the condition of the water pipes did not surface in the Environmental Impact Report study. However, Candy and Candy has taken a very responsible view of the hazards and has accepted the need for replacing the pipe system, avoiding both a loss of water service to Santa Monica and the possibility of a flood in the immediate area.

Is the Beverly Hills Chamber of Commerce in competition with the Beverly Hills Courier?

According to Courier Publisher **Cliff Smith**, that's precisely what is happening. The Chamber has entered into a licensing deal with Los Angeles Magazine to produce a magazine named "Beverly Hills" that had been published by the Chamber. Smith feels this is unfair competition for a magazine supplement the Courier publishes.

Smith took his case to an afternoon study session of the city council last week, arguing that a city-supported organization, the Chamber, should not be competing with a local business. He also raised a number of other issues including possible violation of federal tax rules governing non-profit organizations, suggesting the magazine deal could cause the Chamber to lose its non-profit status.

The publication of a Chamber magazine named "Beverly Hills" is not new. Intermittently, the Chamber produced, sold and distributed the magazine for at least 20 years, possibly longer. Most often, the sales and production was by contract. What is new is the licensing to Los Angeles Magazine.

One of the reasons the Chamber contracted with Los Angeles Magazine is the ability to broaden sales of advertising. Not only does Los Angeles have a professional marketing staff, it would not be inhibited, as the Chamber was, by limiting ad sales only to Beverly Hills businesses.

A side issue was the use of "official publication of Beverly Hills" by Los Angeles Magazine in the prototype of the new venture. City officials agreed that may not be appropriate.

Smith found considerable support on the council. Some members asked why the Chamber felt it should compete with, not only the Courier, but other publications including The Weekly.

"Would the Chamber consider selling jewelry?" one member asked. "Would it go into competition with its members?"

In a point-by-point rebuttal of Smith's arguments, Chamber CEO **Dan Walsh** carefully and effectively traced the history of Chamber publications, also citing tax authorities that put to rest the possible loss of the Chamber's non-profit status. He also told the city council that he had indeed approached Smith and the Courier to offer them the arrangement later made with Los Angeles Magazine but received no response.

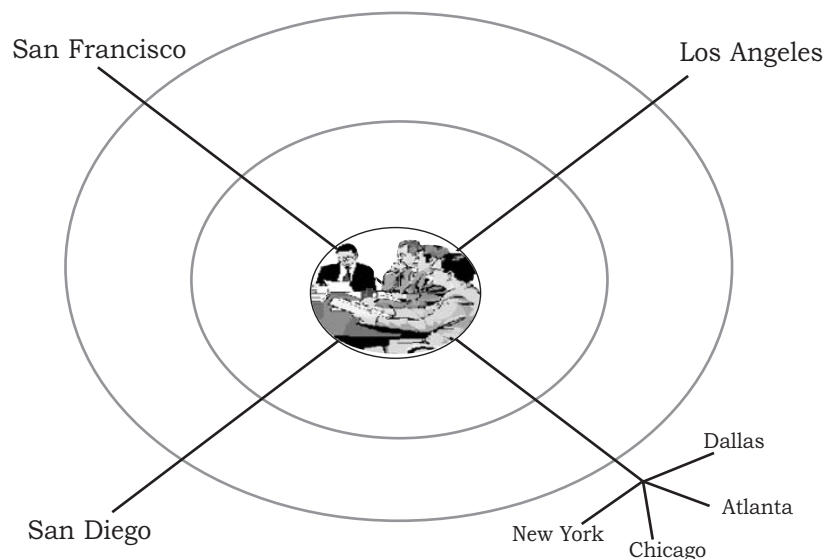
Although Smith was very persuasive, raising historic concerns newspapers and magazines have about competition, Walsh was equally rational and effective in his carefully crafted response. Of course, underlying all of this is the Courier's more recent attacks on the Chamber and publish-

Conference Calling

- Local Numbers Throughout California
- Reservation-based or Reservationless
- Recording Capability

5 ¢/minute Local Access

10 ¢/minute Toll Free Access



The Telephone Connection
310-789-7900

Vonage **UNLIMITED Local & Long Distance Calling**

\$24.99

Per Month†

Get **UNLIMITED Local & Long Distance Calling** for only \$24.99/mo†!

SAY NO TO HIGHER PHONE BILLS!

- Our price **STARTS LOW AND STAYS LOW**™. Satisfaction Guaranteed!
- No bundles, no hassles, no introductory pricing — just reliable phone service at a reliable price!

EASY TO SWITCH, EASY TO SAVE

- Keep your existing phone number*
- Vonage® works with your existing home phone and high-speed Internet connection.
- 25 Premium Features at no extra cost.
- Free calls to 5 select European countries and call other International locations for as low as 1 cent per minute!

SPECIAL OFFER

TRY ONE MONTH FREE!

See Details Below

Call: **1.800.806.4351**

FREE MONTH OFFER ON \$24.99 UNLIMITED RESIDENTIAL PLAN ONLY. PLAN FEE WAIVED BUT ALL OTHER CHARGES APPLY. NEW SUBSCRIBERS ONLY. *Free Calls to Europe Offer (Available Only with Unlimited Residential Plan) Does Not Apply To Certain Call Types, Such As Calls to Cell Phones, and is Limited to Italy, France, Spain, UK and Ireland. Other International Rates May Vary. See <http://vonage.com/intrates> for Details. Vonage 911 service operates differently than traditional 911. See www.vonage.com/911 for details. High-Speed Internet or Broadband Required. Alarms and other systems may not be compatible. † Rates exclude: broadband service, regulatory and activation fees and certain other charges, equipment, taxes, & shipping. International calls billed per minute. Offer valid in the US only. See Terms of Service for details. < 30-day money back guarantee is refunded for any paid activation fee, 1st month service charge, initial shipping charges and termination fee. Applicable only to first ordered line per account. Available only in the event of timely cancellation for subscribers who have not exceeded 500 minutes of usage and who obtain a valid return authorization number from 1-VONAGE-HELP, and return of equipment in original condition and packaging within 14 days of cancellation. Refund will not include charges for taxes, international usage, payphone calls to Vonage toll free numbers and directory assistance. Offer revocable. ^ Where available. The number transfer process takes approximately 10 business days from the time you confirm your transfer request. ©2008 Vonage.

er Smith's vexation at not being named to the Chamber's board of directors.

Personal agendas aside, there are broader issues involved and they should concern the people of our community who rely on an independent press for information.

Newspapers face enormous challenges and even the most historically successful are struggling. Consider how many features have disappeared from the Los Angeles Times since they changed owners. Gone are TV Times and other supplements as well as many top writers. High costs of newsprint, disappearance of many major advertisers lost when large department stores were absorbed by competitors and, of course, the yet to be completely fathomed impact of the internet on the industry mean changes are inevitable.

Actually, the problems of major market newspapers are very different from those of community newspapers and, in some ways, even help smaller papers. As an example, a local merchant may no longer be willing to pay for a metropolitan paper's larger circulation and instead buy space in a community newspaper targeting a more likely customer.

Who also competes for advertising dollars? Well, not just publications such as the Chamber's, but many fundraising and charitable groups who publish event programs complete with advertising. Some hotels publish their own in-house magazines with all kinds of advertising. For years, airlines have distributed their own house publications. Even small markets have installed television sets that repeat ads for clients. I once asked a market owner what he would think if our newspaper sold milk? And much, much more.

Community newspapers provide a most valuable service. Since The Times no longer prints a Westside supplement, residents depend almost totally on community papers for information on their own city.

What sometimes amuses me is the choices community businesses make in placing ads. No, I would never support a boycott of a paper because of its editorial position, but those views should be considered when spending ad dollars as should serving the information needs of the community.

Where do some of our most community-involved businesses advertise? Do they feel any responsibility to help support newspapers that actually serve the information needs of their city? Not all. I often see their ads in a publication whose main interest in

Beverly Hills is who dines at Mr. Chow or what movie star is hopping into bed with which new companion. Maybe that is more interesting than a report on the status of out of district school enrollment. I hope not.

This "dispute" between the Chamber and Courier is likely to continue, and does place the council in an uncomfortable position. One councilmember was surprised that the council had not been advised of the Chamber-Los Angeles Magazine arrangement prior to the dispute erupting at the study session meeting.

A city-ordered "audit" of the Chamber by an outside consulting firm, also pushed by Smith, should soon be completed. This report should help the council and the community better understand the work and the challenges the Chamber faces. But clearly, the Chamber was well served by the reasoned response of CEO Walsh to the important issues brought to the council by Courier Publisher Smith.

Next week, barring some more newsworthy distraction, we will take another look at our ever-expanding and changing restaurant industry including a report on a media-only dinner at the Peninsula. (Hint: The Belvedere's new chef has created excitement and innovative food choices.)

About hotels, if there has ever been a more attractive promotion mailer than the one recently distributed by the soon-to-open Beverly Hills Montage, I missed it. Almost impossible to describe, the "An Epic Story" tells the Montage message with such sophistication and design beauty it defies description. It will be a collector's item.

Thanks to all those who sent me valuable information on women who have made a difference in the history of Beverly Hills. My book on the subject has been delayed, but will be completed before the end of the year. Your notes are still very welcome.

Rudy Cole served for eight years as a member and chair of the city's Recreation & Parks Commission. He was also President of the Greystone Foundation and served on three other city committees. Rudy can be reached at: Rudy@bhweekly.com.

RINGLING BROS. AND BARNUM & BAILEY
THE GREATEST SHOW ON EARTH
OVER THE TOP

© 2008 Feld Entertainment

JULY 16 - 20



Wed. JULY 16 ★ 7:30 PM	Thu. JULY 17	Fri. JULY 18	Sat. JULY 19	Sun. JULY 20
FAMILY PREMIERE NIGHT TICKETS \$12!*	7:30 PM	7:30 PM	11:30 AM 3:30 PM 7:30 PM	11:30 AM 3:30 PM 7:30 PM

*Excludes VIP, Front Row and Circus Celebrity™ seats. No double discounts.

JULY 23 - AUG. 3



Wed. JULY 23 ★ 7:30 PM	Thu. JULY 24	Fri. JULY 25	Sat. JULY 26	Sun. JULY 27		
FAMILY PREMIERE NIGHT TICKETS \$12!*	1:00 PM 7:30 PM	10:30 AM 7:30 PM	11:30 AM 3:30 PM 7:30 PM	1:30 PM 5:30 PM		
	Mon. JULY 28	Tue. JULY 29	Wed. JULY 30	Thu. JULY 31	Fri. AUG. 1	Sat. AUG. 2
NO SHOWS	7:30 PM	1:00 PM 7:30 PM	10:30 AM 7:30 PM	1:00 PM 7:30 PM	11:30 AM 3:30 PM 7:30 PM	1:30 PM 5:30 PM

*Excludes VIP, Front Row and Circus Celebrity™ seats. No double discounts.

For the fastest and easiest ways to order tickets, go to www.Ringling.com, ticketmaster Retail Locations, www.ticketmaster.com, Box Offices or call (213) 480-3232 or (714) 740-2000

TICKET PRICES: \$15 - \$19 - \$25 - \$37 VIP - \$65 Front Row - \$90 Circus Celebrity (Service charges, facility and handling fees may apply.)

Come one hour early to meet our animals and performers at the **All Access Pre-show** - FREE with your ticket!

Got Political Humor?

It's an election year - arm yourself with the world's funniest political satire publication!

HUMOR TIMES

GEORGIE LOVES IT WHEN I SHOW HIM THE PICTURES!

HUMOR TIMES - GOOD FOR AMERICA!

Don't miss out on all the fun:
SUBSCRIBE TODAY!

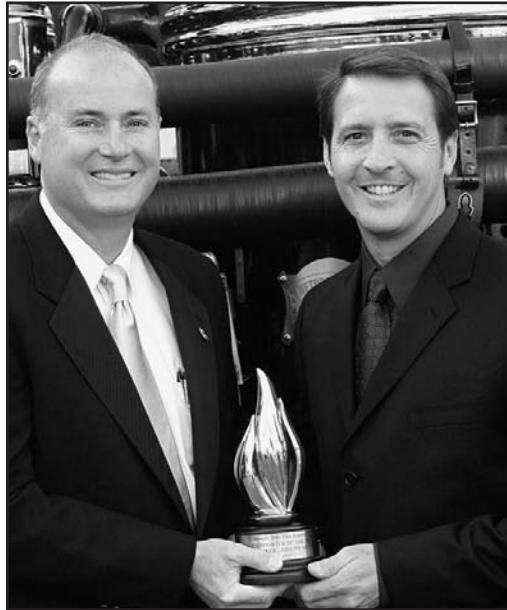
www.HumorTimes.com

Backdraft Ball
The Beverly Hilton • June 4

Photos: RBRPhotography.com



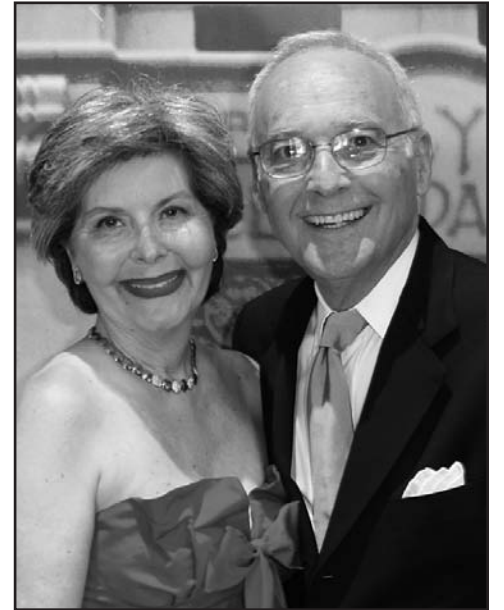
Councilmember Linda & Gary Briskman



Fire Chief Tim Scranton and Firefighter of the Year Joseph Matsch



Janet & former Mayor Max Salter



Nancy & Bernie Nebenzahl



Board of Education Members Steven Fenton, Myra Lurie and Brian Goldberg



Councilmember Frank, Jennifer and Judie Fenton



Stuart & Lillian Raffel

SYP Gala

Paley Center • May 31

Photos: Greg Ripko



Giannina Gamio, Dina Rezvanipour, Trevor Levine, Lindsay Badcock



Sharon Neman and Brittany Gastino



Raymond Hekmat, Joey Miller, Gabe Halimi, Marc Segal and David Bolour

coverstory

THANKS FOR THE MEMORIES, PART II

BHUSD retiring faculty and staff bid farewell to Beverly Hills

By Lauren Gabbaian and Steven Herbert



Cindy Blum
El Rodeo: Kindergarten and Fifth Grade
1983-2008

Cindy Blum did not just sit by and passively watch her four daughters — Julia, Danielle, Iaina and Katherine — attend Beverly Hills Schools. She and her husband, Fred, got involved with the community and ultimately she even became president of the Horace Mann PTA in the 1970s.

And her involvement didn't stop there. She had earned her teaching credential before getting married, and when her youngest was old enough, she began substitute teaching. In 1983, she was hired by El Rodeo Principal Dolores Fitchman to teach fifth grade. However, Blum didn't realize her true

calling until she switched to kindergarten a few years later.

"I love teaching kindergarten," Blum said. "Love it."

In particular, she said she loves to be able to teach children how to read, but also how to learn.

"This is really the beginning of laying down the foundation for all their learning," Blum said.

Open house is always a particularly exciting time for Blum, because many of her former students come back to visit. This year, she was surprised by two former students who just finished their sophomore year of college.

"And they say 'Oh I remember the room! I remember doing that project! I remember the rug!'" Blum said. "Kindergarten is a magic year."

In retirement, Blum looks forward to spending time with her seven grandchildren, "who are waiting for me to be more a part of their lives during the daytime."



Craig Davis
Beverly Vista: Playground Aide, Hawthorne: Computers and Math
1982-2008

Craig Davis' first job with the BHUSD was as a playground aide at Beverly Vista while he was attending Cal State Northridge in the 1960s. In the early 1970s, he was a student-teacher in fifth and seventh grades at Beverly Vista as he was working on his teaching credential at USC.

More than a decade would pass before he became a fulltime teacher in the district.

After teaching at Valley Vista Junior High School in Simi Valley from 1972-77, Davis left the profession to build houses in the San Fernando Valley.

During the period of high interest rates and high inflation in the early 1980s, Davis said he was unemployed and "going broke." He received a call from a friend, Tina Dagodag [profiled in Part I of this story], who was teaching at Horace Mann about an opening to teach math at Hawthorne beginning in January 1982.

Davis applied for the job and was hired.

"I was expected to teach maybe a year, then go back to real estate," Davis said in an interview this week.

Davis promised to stay for three years if he was granted tenure. He more than fulfilled that promise, remaining at the school ever since then, later adding overseeing the school's technology to his responsibilities.

The 63-year-old Davis said he expects to devote the majority of his time in retirement to real estate development and real estate-related endeavors. He has also offered to work or volunteer at Hawthorne as a technology consultant.

"Due to the nature of the timing of the offer from the district to get senior people to retire, I didn't feel quite ready to let go, so I'd like to create my segue out of the school by staying available to work with staff," Davis, a 1963 Beverly High graduate, said. "I still believe there is work to be done and I'd like to be a part of the work that needs to be done."

Davis said he would like his legacy to be that he "built and maintained a technology program that's pretty high end."

When asked what he would do to improve the BHUSD, Davis replied, "teaching kids how to research more effectively."

"The world is getting to the point where there's so much available, we need to know how to research and assimilate the research that we do, rather than simply cutting and pasting and plagiarizing," Davis said.



Michael Grant
El Rodeo, Hawthorne and Beverly High: Spanish
1993-2008

After 15 years of teaching pre-teens and teenagers, Dr. Michael Grant can make a very unique boast.

"I've never had one discipline problem since I've been here," Grant said. "I just have great respect for the students, they've had great respect for me."

He moved to Beverly Hills after having worked as a graduate level professor, as well as in administration and management, to be able to care for his sick grandparents. After his initial interview, which was held in both English and Spanish, former El Rodeo Principal Steve Fisher had him teach a class comprised of students from an entire grade level.

"I had all these students and I basically had them eating out of the palm of my hand, and I got hired on the spot."

Some of those early students, including Gabe Halimi '00, remember Grant so fondly, they hired a Hummer limousine and took him out for dinner one night in early March [See "'Gracias' for the Memories," Issue 441].

"Dr. Grant's class has been the source of so many of our very fondest memories from middle school," Halimi said. "Even after more than a decade, we frequently recount moments in Dr. Grant's Spanish class."

Grant also remembers his more difficult students with affection.

"At the high school level, I will miss those students that were labeled difficult and/or challenged," Grant said. "But I was able to get them turned on to learning and to have a great impact on their lives."

Though he is leaving the District, Grant has no plans to actually retire.

"Quite a few teachers are calling it retirement," Grant said. "I look at it as self-reassignment, because I'm young enough to still go to another district if I wanted to and teach, or go to the university level, or even work on my personal projects."



Karen Knowles
Beverly Vista: Fifth Grade, Horace Mann: Kindergarten and Second grade
1978-2008

After 31 years of teaching elementary school students in the BHUSD, Karen Knowles thinks she

cover story cont. on page 8

cover story cont. from page 7

knows a thing or two about kids.

"Kids are kids. No matter where you go," Knowles said.

Knowles started as a fifth grade teacher at Beverly Vista in 1978, having been hired by then-Assistant Principal Dave Reinstein. With the reduction of class sizes by the District in 1986, Knowles switched to Horace Mann, where she taught kindergarten for 12 years, and has since taught second grade.

After all this, Knowles feels she can understand a child's needs and "how they think" after only 20 minutes.

Over the years she has created strong bonds with many of the people she worked with.

"I've fostered many wonderful relationships with other teachers and have a lot of positive relationships with parents and of course the kids," Knowles said.

In fact, she's even been able to teach the children of former students some 25 years later, like El Rodeo nurse's aide Edwina Casiano and her son Reggie.

"It's amazingly weird. It's fun to see them all grown up and to see what they've turned into and where they are in life," she said.



Lee Morris
Beverly High: Math
1973-2008

Lee Morris has had only one permanent full-time job in his life – teaching mathematics at Beverly High.

Morris said there are "100 little reasons" he is retiring.

"I'm still very happy," Morris said. "I have a great schedule. Kids are great, the teachers I work with are really good. I like retiring. I've been practicing 35 years. The last six or seven years, I've come back [at the start of the school year] and said, 'I don't need to practice any more. I'm really good at knowing how to spend my days and

not have to go do work."

Morris said he is not burned out or angry, and said he "never regretted coming to work a single day," although he was critical of several changes instituted by various administrators in recent years.

"The last couple of years they keep coming up with more and more things they expect us to do," Morris said.

Morris said he can make nearly as much in retirement as in teaching and that his wife, a teacher in her 13th year in the LAUSD, makes more than he does in his 35th year in the Beverly Hills district.

"That's a sign," Morris said.

Some highlights of Morris' career included serving as a member of the Beverly Hills Education Association's Negotiating Committee from 1978-89, and as sponsor of the school's backpacking and math clubs.

Like many, Morris wistfully recalls the era from 1959 to 1981 when Ken Peters was superintendent.

"When I first got hired there were so many incredible teachers from so many different places that Peters had gone around the country and recruited," Morris said. "If he saw there was a good teacher in Ohio, he'd fly to Ohio and get them to come to Beverly."

Now, "we still have good people, but we don't keep them," Morris said.

"I've noticed [there] were years and years and years where there were pretty much the same teachers," Morris said. "You stayed. Thirty-five years wasn't that big a deal. Now people come and go so fast, I can't keep track of them."



Margit Raney
Beverly High: Special-Education
1971-2008

Margit Raney may not have become a full-time teacher at Beverly High until 1971, but having been through the school system herself – she graduated from Beverly Vista in 1961 and Beverly High in 1965 – she has a number of unique memories.

"I was a headline writer for Highlights. I think back to Highlights when there was a linotype machine, with the hot lead type," Raney said. "Times have definitely changed."

Raney began her career at Beverly after having worked as a part-time aide in the special-education department to earn extra money while attending USC. When, after Raney had

worked there for two years, the then-special-education teacher retired, Raney was offered the job.

"It was a time in the District when things worked a little differently – you could never find a position here," Raney said.

During the 1980s, she and former resource specialist Susie Curtis developed the special-education program, as it exists today. She even taught current special-ed department Chairman Gregg Riesenberg '82.

However, one student in particular stood out in Raney's memory as someone who has defined her experience as a teacher. This student was a "troublemaker" and was on track not to graduate. However, Raney was convinced he wasn't a lost cause.

"I just knew he was a good guy, that he had something better to offer," Raney said.

Despite constant battles over this student with former Assistant Principal Rick Munitz, the student graduated and some 10 or 15 years later has become a successful businessman.

"I ran into him and he looked at me and said, 'You are the only reason I graduated from Beverly,'" Raney said, "and he thanked me for that."

After retirement, Raney intends to spend more time on a business she's been developing that helps people get out of debt. Though on the surface this seems to be a big jump from what she's done in the past, Raney sees it as part of a continuing tradition.

"My goal is to help as many people as I can," she said.



Bonnie Reed
District Office: Special Services Department
Senior Secretary
1997-2008

When Bonnie Reed retires on June 30, she says she will most miss the people she worked with.

"I have not worked 33 years, I've worked only 11 1/2," Reed said. "But it's a few years to see a lot of people, some who have left, and some who are still here. A lot of very very nice people."

She said she enjoyed working with former Superintendent Jeff Hubbard as well as Beverly High special-education teachers Margit Raney and Lorella Cargile and Assistant Superintendent of Human Resources Sal Gumina, among others.

Reed got her start working as executive secretary at a number of large companies, including the FDIC. However, when she wanted to leave the private sector, she came to Beverly Hills.

"I thought it might be nice to come to work for a school district," Reed said.

She first started in the District working for Director of Special Pupil Services Dr. Nancy Wolf, processing expulsions and suspensions and performing other administrative tasks.

Now Reed looks forward to being able to start sketching and painting again, as well as traveling to the Northwest to visit family she hasn't seen in a number of years.

"It was very very nice working for the District, but I guess time has to go on," she said.

While working in the public sector has been a very different experience for Reed, she said she has enjoyed it.

"It's nice to know that you're here to serve students, [if only indirectly]," Reed said. "We're there for the children."



Helen Walder Rogaway
Beverly Vista, Hawthorne, Horace Mann:
Librarian
1983-1989, 1998-2008

Helen Walder Rogaway didn't think she would ever become a school librarian. She spent about 10 years as a classroom teacher before a visit to an educational therapist put her on a life-changing path to happiness.

"I think it was probably the brightest and best decision I ever made in my life," Rogaway said. "[But] it's not something I've ever known anybody say, 'When I grow up I'm going to be a librarian.' People don't plan to do that."

However, the job has not been an easy one, what with the fluctuating District budget that resulted in the loss of her job in the BHUSD in 1989 and sending her to work in a private school for 10 years, and computers having dramatically changed the state of information gathering.

“Automation changed [the librarian profession] dramatically,” Rogaway said. “When I was in library school in the ‘60s they said, ‘Computers are coming and we don’t know how they will affect the profession of librarians yet.’ Well it’s totally turned the profession inside-out and upside-down.”

Books, however, still exist, and Rogaway sees it as part of her job to get kids excited about reading. For Read Across America every year, she dresses up as the Cat in the Hat. While working at a private school she started Newbery and Caldecott book clubs, which encouraged children to read books that have received either of the prestigious children’s-book honors. She also attributes some of her success to just her personal enthusiasm for reading.

“[My greatest accomplishment is] helping children see that reading and literature are a lot of fun,” Rogaway said.

Having been a part of the Beverly Hills community for about the past 40 years, and having sent her children Jodi ’77 and Phillip ’80 through Horace Mann and Beverly High, has made Rogaway that much closer with the community. She is always happy, if surprised, to be approached by former students at restaurants and in grocery stores.

“You kind of strain your brain to put the face of a small child into this very adult person. But it’s always fun,” Rogaway said.

The surprise, however, may be unwarranted, in that her license plate reads ROGAWAY.



Bliss Trafton
Horace Mann: Third, Fourth and Fifth Grades
1969-2008

One of Bliss Trafton’s main goals in teaching has always seemed to be getting her students involved with each other as much as possible.

Every holiday was another opportunity, whether it meant dressing costume-less children up in pumpkin trash bags for Halloween while the class sang “The Pumpkin Family” song, or rewarding students for the most beautiful, ugliest and most colorful, among other attributes, turkeys on Thanksgiving, or having them create unique Valentines on Valentine’s Day. St. Patrick’s Day was always fun because Trafton’s

birthday is on the same day, and her students would always throw a party.

“Every year it was supposed to be a secret, and it was really funny because I’d pretend I didn’t know,” Trafton said.

Students would often request to stay after school to help Trafton as she prepared for the next day, and Trafton would have to come up with activities for them, such as sorting crayons.

The biggest celebration of the year, however, was Trafton’s class’ performance at the annual holiday concert. Trafton always got very involved, writing her own lyrics to popular songs like “Y.M.C.A.” and “Kokomo,” and giving parts to any student who wanted one – they could be a “Little St. Nick” or a Jewish reindeer or anything else Trafton could come up with. And at the end, then-principal Dr. Art Fields would always come out dressed as Santa Claus.

“Parents would say ‘My kid’s in kindergarten but I waited until the end of the show to see your show,’” Trafton said. “It was a lot of work, but it was a lot of fun.”

But when Trafton broke her back after a ladder collapsed under her about 10 years ago, many things changed. She had to have four surgeries and to undergo countless hours of physical therapy. The death of longtime companion and legendary Horace Mann social studies teacher Ron Brown was also a blow.

“I’m a survivor,” Trafton said. “But it’s also kind of hard without Ron. It was tough for him to die.”

However, one thing that didn’t change was Trafton’s students’ dedication to her.

One of her very first students, Karen Constein, to this day sends Trafton a birthday card every year. A number of students – including Neda Rozezadeh, who was among the first Persian students Trafton taught – even visited her at the hospital.

“That’s the one thing about this school – It was like a big family. It always was that way,” Trafton said.



Maureen Winick
Horace Mann: Fourth Grade, Hawthorne:
Third Grade, Beverly Vista: First and Fourth
Grades, Beverly Vista and Horace Mann:
School Improvement Coordinator
1964-2008

Maureen Winick applied for a position within the BHUSD on something of a whim. The late Beverly High English teacher Susan Srere was her best friend at the time and convinced her to interview along with her. Because the pair were so inexperienced – no one who came before had fewer than three years of teaching experience – they had to go through a grand total of seven interviews before they were hired, Srere to teach at Hawthorne and Winick at Horace Mann.

Now, 44 years later, Winick still loves her job and hopes she has been able to make a difference in the lives of the children she’s taught.

“I really feel they’ve got to leave [the first grade] loving learning, not be turned off, and still acquire the skills,” Winick said. “If they’ve done that, and they go to second grade and they come back and say ‘This is cinchy!’ then I’ve done my job.”

Part of what Winick will miss the most is the people with whom she’s cultivated close relationships over the years. For example, she taught the husband of Beverly High administrative assistant Pam Kraushaar when he was in fourth grade, and later on Pam was her aide at Beverly Vista. She also rekindled an old connection when she taught the son of former student Camille Weintraub Bergher ’89, who was actually a classmate of her daughter Leslie at Hawthorne.

“She was just tickled and it was just fun to reconnect,” Winick said.

One memory that particularly stood out is that of student Darren Wright. Though he had a hearing difficulty, Winick could see he was rhythmic and suggested he take a tap dancing class.

She, along with the school principal and a number of staff members, also took the class and all of them performed “42nd Street” for the school musical. Wright later went on to participate in Beverly’s dance troupe, but he also took off a year to travel with the Bella Lewitsky Dance Troupe for a year.

When Winick was honored at the Apple Ball one year, Wright was her escort to the stage.

“As he was escorting me, I said, ‘Darren?’ and he just smiled and said, ‘How did you know it was me?’ – He had a mask on and everything. And I said, ‘Darren, I would recognize that smile anywhere.’ And to me that was the most meaningful part of that whole evening – walking to the stage with this young man, who was able to overcome obstacles,” Winick said. “I hope he’s still dancing and inspiring other people.”



Bill Stansbury
Beverly High: Football, Soccer, Track Coach;
P.E. Teacher
1972-1990

Though 18-year Beverly High Coach Bill Stansbury hasn’t worked at Beverly for nearly 20 years, it is not an experience he could ever forget – he named his son after two of his football players, Charlie Beauvoir ’75 and Charlie Isaacs ’76.

“They were hardworking, dedicated guys,” Stansbury said. “They were what you wanted high school kids to be – good students, good athletes, good people. And I thought, boy, if you could have a kid like that, that’d be great, so let’s name him Charlie and see how he turns out. And it worked.”

Stansbury cited multiple instances of active recruiting that went into the school’s athletic program. When Chuck Kloes – then the head of Beverly’s successful track team – became an administrator, the school seduced Coach Howard Edelman away from Burbank High. To upgrade the football program before Stansbury’s time at Beverly, Athletic Director Ben Bushman and Coach Dick Keelor went to Culver City to hire Jack Reilly, who later went on to coach in the NFL. Coach Ron Crawford was a three-time Olympic water polo player – now in the Water Polo Hall of Fame – before coming to Beverly.

“You just had quality everywhere,” Stansbury said.

Stansbury also remembers coaching Beverly High Athletic Director Carter Paysinger ’74.

“[Paysinger] was probably the smallest, fastest guy on the team,” Stansbury said. “I remember him catching a key first-down pass, enabling us to beat Inglewood in a big game.”

However, for the past 18 years, Stansbury has been living near Paso Robles with his wife Cindy and children, Brandi, Charlie, and Felicia, where he coaches track for Paso Robles High. He has also coached football at Allan Hancock High for the last four years.

“I think my greatest accomplishment is I’ve enabled a large number of young people to be as good as they could be,” Stansbury said. “There’s a saying in athletics – ‘All we want is all you got.’ And I think any kid that’s been in my P.E. class or any athlete that I’ve coached, I would like to think they would say ‘Coach Stansbury gave us the best possible opportunity to succeed we could have.’”

Own a new computer and get a FREE LCD TV

GUARANTEED APPROVAL. NO CREDIT CHECK. FLEXIBLE PAYMENTS

HP or Dell Systems Available



Order today and you will qualify to receive a **FREE 20" LCD TV** with your paid purchase.

- FREE** Color Printer
- FREE** MP3 Player (inc software & ear buds)
- FREE** Software Pack
- FREE** Digital Camera

ALL THIS FOR ONE LOW WEEKLY PAYMENT*

Can You Answer "YES" to These 3 Questions?

Approval is guaranteed. There is no credit check. Just answer YES to the three questions below and you're already approved.

1. Do you have an active checking or savings account? **Don't wait. Call now and lock in your free gifts before this offer expires.**
2. Are you 18 years or older?
3. Can you afford a weekly payment of just \$29.99 for only 12 months.

*Certain Restrictions Apply. Account must not go into default to qualify for free gifts. Images of merchandise may vary due to availability.

Tronixcountry™ CALL (866) 561-0635

FORECLOSED HOME AUCTION

Over 1,000 Homes Must Be Sold!
LOS ANGELES, ORANGE, RIVERSIDE & MORE
Auction Dates: June 14th-25th, 2008

Free Brochure: 800-269-0772



USHomeAuction.com

real estate auctions



554 Dutch Elm, Hercules, CA

70+ California Homes

June 16th - 21st

Opening Bids from \$10,000

williamsauction.com
800.801.8003

NAA IRE CA RE LIC 261559 KEN SWITZER BROKER



High Speed Internet for ALL of rural America!

- Available Nationwide
- Surf at least 10x faster than dial-up
- Equipment only \$49.00!!! after mail-in

Hurry Promotion ends soon!

1-866-697-5929



\$19.95*
month
Promo code: SCASRN

*For first three months. \$10 additional /mo for remainder of 12 month agreement

Man Finds 30-Carat Diamond After Using Thera-Gesic®

BEXAR COUNTY- Tom W. applied Thera-Gesic® on his aching shoulder and miraculously discovered a 30-carat diamond while digging holes in his backyard. When asked why he was digging holes in his backyard he painlessly replied: "None of your dang business!"



Go painlessly with Thera-Gesic®



THG-08908

letters cont. from page 2
Beverly Hills since 2003 gone? Our schools are in worse shape now than in 2003 subsequent to transactions such as Merv Griffin selling the Beverly Hilton for \$130 million; Candy & Candy paying \$500 million for the Robinsons-May property; and numerous mega-million dollar residential transactions involving celebrities such as Tom Cruise, Madonna and David Beckham to name only a few such private transfers.

In theory, each of these commercial and residential transfers should generate additional property and school tax revenues since the selling price inevitably has been MUCH HIGHER than the seller initially paid for the property. Where have all those \$\$\$ gone?

We have a school district with over 1,000 students on permits to generate "needed" revenue for BHUSD, teachers are being pink-slipped based upon proposed budget cuts from Sacramento, and Our Board of Education is approving contract extensions with raises for administrators with time remaining on existing contracts.

I would love to know the number of dollars received by BHUSD from property taxes paid by residential and commercial property in Beverly Hills in each of the last five years. I would suggest that tax revenues to BHUSD have in all likelihood increased substantially over those years. Why should we believe new projects approved in Beverly Hills will benefit our schools when the BHUSD currently is experiencing a fiscal belt-tightening after the real estate tax dollar windfall received in Beverly Hills in recent years? How do these other communities fund their schools, police

and fire departments when they do not have the numerous mega-million dollar real estate transfers to generate tax revenues like those occurring in Beverly Hills?

*Tom Hayostek
Beverly Hills*

All of us living in Beverly Hills wistfully long for those days of yore when Mr. Wallerstein's forebears no doubt rode their horse-drawn carriages along Wilshire Blvd. dodging the occasional Model-T looking to the north across acres and acres of Mr. Doheny's property seeing the Beverly Hills Hotel with their views unencumbered by pesky office and medical buildings and houses.

Wake up - those days are long gone. Although Beverly Hills may be a "small city," Mr. Wallerstein may not have noticed that it is surrounded by a much bigger city whose leaders have no compunctions about constructing multi-story buildings at our doorstep. And since our leaders and Chambers pump hundreds of thousands of dollars into promoting Beverly Hills as a tourist attraction where guests pay exorbitant prices for unnecessary things, the reality is that those people have to sleep somewhere.

So unless Mr. Wallerstein is desirous of seeing these people bed down in refrigerator boxes on Wilshire, we need our 15 existing hotels as well as newer and bigger hotels in our fair city.

*Franklin S. Adler
Beverly Hills*

Service Directory

Place your ad in the Beverly Hills Weekly's Service Directory for the low cost of \$250 for 10 weeks!

310 887-0788

ASPHALT/CONCRETE REPAIR

ASPHALT/CONCRETE

New or Replace Stamp Concrete

- Resurface
- Grind down if needed
- Path and Seal
- Swell
- Walkways
- Curbs and Gutters

STRIPPING

Block Walls Demo

- Retaining Walls
- Remove from Site

Licensed 20 years over 30 years of experience

Office: (562) 402-2270

Cell: (562) 843-3242

ACCOUNTING

ELITE CERTIFIED PUBLIC ACCOUNTANCY CORP.

Do You Need A CPA Firm To Handle Your Bookkeeping, Payroll and Sail Stacks, Accounting, and/or Taxation & Consultation Needs? Full Service Firm, Specializing In Both Individual, Small/Midsize Business, Partnerships, Corporations, and AUDIT Representation.

CALL: 213-380-3311

ARCHITECT

peter kim . architect



323.660.3961 peterkimarchitect.com
Residential Specialist Free Consultation

ASTROLOGY



Clavoyant Astrology
Readings by Kate

\$10.00 SPECIAL

- Over 20 Years Experience
- Help Connecting Soulmates
- Specializing in Psychic Readings

For Appointment Call

(310) 855-9113

TILE

Advanced Tile & Grout

Specializing in Cleaning & Sealing:

- ◆ Ceramic Tile ◆ Natural Stone ◆
- ◆ Saltillo Tile ◆ Pavers ◆

Diamond Polishing:

- ◆ Marble ◆ Granite ◆ Travertine ◆

Bonded - licensed - Insured

Call for a free estimate

1-866-410-9734

BODY SHOP

STEPAN'S AUTOMOTIVE BODY SHOP

-LEADER IN PROFESSIONAL REPAIR-
In the heart of Hollywood
Most respectable name with all insurance companies.
Lifetime guarantee on your frame.
Computerized color matching.
Latest technology in bodywork
Most reasonable prices

(323) 467-6646

1425 N. Cahuenga Blvd.
Hollywood, CA 90025

BOUTIQUE

Monique's Boutique



Charles David, Ed Hardy, Spy handbags.
Fine Jewelry & accessories.

20% off
At Beverly Connection

100 N. La Cienega #106

310 657-6600

CARPET CLEANING

Clean Carpet Care

- Steam Cleaning • Free Deodorizer
- Free Spot Removal Residential/Commercial

All Janitorial Services can be done!

20+ Years Experience

323-898-8912

QUALITY CLEANING!

CABINETS

SELVIN CABINETS

EXPERTS IN:

- Kitchen Cabinets
- Bathroom Cabinets
- Fine furniture
- Finish Carpentry
- Built-in Entertainment Centers
- Molding Installation
- Affordable Rates!!

CALL
310-245-7205

selvincabinets@sbcglobal.net

CARPET CLEANING

ALPINE

CARPET ONE
Westside's Largest Floor Covering Specialist.

Come see Rose Cliff, Floor Designer.

3961 Sepulveda Blvd. Culver City
310/390-7639 Ext. 123

COMPUTER REPAIR

+PC Helper Team
Customized Support

WE BEAT ANY ADVERTISED PRICE*

On-Site Computer Repair and Network Services

We are Local and have Friendly Staff and Experienced Techs
We offer Full Money-Back Guarantee and Free Anti-Virus Software*
We will give you Free Quick On-Phone Diagnostics (limitations May Apply)*
24/7 House Call Response for your convenience (Please call for more info)*
We will not charge Travel Fee in West Los Angeles with in 20 Miles*
Call Us 24/7 and Schedule appointment with one of our Techs
For more free info call us at **Tel: (310) 360-5060***

CASH FOR CARS

CASH FOR CARS

ANY MODEL/ANY YEAR
RUNNING OR NOT
CALL JIMMY

(310) 488-5423

CONTRACTORS

THE TOWN & COUNTRY BUILDERS

General Contractors State Lic# 441191
*Remodeling *Additions *Masonry
*Concrete *Flagstone *Patio *Stone Wall
*Tile *Fireplace *B.B.Q. *Deck *Brick
*Steps *Retaining Walls *Driveway

Please Call:

(310) 578-7108

FREE Estimates

COMPUTER SERVICES



Beverly Hills
Computer Services &
IT Consulting Group

Let us handle all your
Computer and IT needs

consulting • setups • upgrades • networking • security • software
hardware • system-setups • internet-setups • servers • workstations •
applications • windows • mac • linux • microsoft-office • antivirus •
back-ups • printers • toner
and many other solutions for your business or individual needs!

FARBOD

310-228-7676

CONSTRUCTION

VICHEZ CONSTRUCTION Inc.

www.hugoplumbing.com

- KITCHEN
- REMODELING
- BATHROOMS
- ADDITIONS
- ROOFING
- DRY WALL
- SHEET ROCK

LIC#744988

323-732-5141

hugovilche@aol.com

CONSTRUCTION

BB Construction Co.

Residential-Commercial-Industrial

- New Construction
- Room Addition
- Electrical
- Acoustic Ceiling
- Air Conditioning
- Roofing
- Painting
- Drywall

Cell: 213 840-0503 Bus: 213 388-3835

Fax: 213 388-3835

Email: badawy9000@hotmail.com

State Lic. #439695 Bonded & Insured

CONSTRUCTION



GEE-AR-GEE

CONSTRUCTION CO INC.

Reconstruction kitchen and
bath remodeling, additions,
drywall, tile, granite, block
walls, fire damage
restoration, and more.

www.geeargee.com

323-264-6368

877-433-1920

DAY CARE

Gan Yaffa in Beverly Hills

Now enrolling for year 2008-2009



Age 2-6
Jewish loving environment
Professional teacher
Enrichment classes
Kosher meals
Fun learning environment where
students can prosper in educational
goals

Call 310-652-2095

Or 310-556-2159

DAYCARE

My Child's Playground

Early learning in a loving
environment Indoor/Outdoor play area
Home-cooked meals
Near the Santa Monica Airport

Call 310-966-1602

for appointment

License #197408209

Service Directory

Place your ad in the Beverly Hills Weekly's Service Directory for the low cost of \$250 for 10 weeks!

310 887-0788

DECK RESTORATION

Deck Restoration and Maintenance

Restore old damaged decks. Repair, resurface and protect your decks and exterior wood.

References • License #821635

Elizabeth St. Painters

(818) 506- 9731

COMPUTER REPAIR

+PC Helper Team
Customized Support

*We Beat Any Advertised Price**

On-Site Computer Repair and Network Services

We are Local and have Friendly Staff and Experienced Techs
We offer Full Money-Back Guarantee and Free Anti-Virus Software*
We will give you Free Quick On-Phone Diagnostics (limitations May Apply)*
24/7 House Call Response for your convenience (Please call for more info)*
We will not charge Travel Fee in West Los Angeles with in 20 Miles*
Call Us 24/7 and Schedule appointment with one of our Techs
For more free info call us at **Tel: (310) 360-5060***

ELECTRICIAN

Licensed Electrician

State Lic #439635 • Bonded & Insured

- New Meters -Upgrading
- Smoke Detectors -Rewiring
- Trouble Shooting
- Sub Panel Installation
- Free Estimates
- All Work Guaranteed

Cell: (213) 840-0503

Email: badawy9000@hotmail.com

Bus: (213) 388-3835

DOG TRAINING



EXPERT DOG TRAINING

Do you need help training your dog not to: chew, bark, jump on people, pull on the leash or be aggressive?
Call us for professional and effective dog training!

Canine Interactions, Inc.

www.oneLAdog.com

888-935-DOGS (3647)

ELECTRICAL

DAYLIGHT ELECTRIC

Handle all your electrical needs. Residential and Commercial.

High and Low Voltage
Security Cameras
Troubleshooting.

Quality work. Reasonable prices.
Licensed 901025, bonded, insured.

Free Estimates

Call: (310) 385-8585

ELECTRICAL

POWERHAUS ELECTRIC CO.

Residential • Commercial

- Troubleshooting
- Electrical Panels
- Recessed Lighting
- Rewiring, additions, etc

Free Estimates • Lic # 871996

(310) 701-5104 Tel

(310) 306-8505 Fax

GARDENING



Westside Landscape Maintenance

For Exclusive Homes and Estates

- Experienced and Reliable
- Residential and Commercial
- Weekly or Bi-Weekly Maintenance
- Tree Work and Clean Up Jobs
- Attention to Detail

FREE ESTIMATES
(310)578-9907

GENERAL CONTRACTOR



Fred The Contractor

Home Improvements
& Repair

We fix code violations
(323)- 216-9786

HANDYMAN

Handyman Saves U \$

Carpentry, Painting,
Plumbing, Electrical,
All home improvements
Sec 8 Repairs

310.844.8194
Larry

HOME SERVICES

MAKIN' WAVES

Pond & Aquarium Servicing



Home &
Commercial

FREE
CONSULTATION
WITH AD

(818) 787-8216

sales@mknwaves.com • www.mknwaves.com
15 years of servicing the industry

HOME IMPROVEMENT

Home Improvement

Kitchen and Bath Remodel
Granite-Tile and Cabinets
Room Additions-Repairs
Architectual Drafting

Lic.# B722355

(626) 864-0458 Clem
(323) 333-5274 Peter

HOUSEKEEPING



Honest, Reliable and
Dependable!

No Job too Small

Call Shante:

(877) 253-5643

INTERIOR DESIGN

Alexandra Weiner
Interior Design

Specializing in traditional and
contemporary designs for the
home. Call or email to schedule a
free consultation.

310.666.5919

AlexandraWeinerID@yahoo.com

IRON WORKS

IRON WORKS

Window Guards, Security
Doors, Electrical Gates,
Fences and more!

6625 S. Eighth Ave, Unit B 90034

(323) 567-2886

INVESTMENT



**GLOBAL RESORTS
NETWORK**

Travel for a dime on dollars and a great
income opportunity to make \$2,000 to
\$5,000 a week part time!

One time investment.

Call (213) 999-1898

<http://www.thousanddollarprofits.com//88009>

LOANS

**NEED A LOAN?
IS YOUR CREDIT LOW?**

WE'LL JUST PICK UP THE PHONE!

1-877-741-5353

MORTGAGE, REFINANCE, DEBT
CONSOLIDATION, CAR, STUDENT
& SO MUCH MORE

AN ADVISOR IS WAITING TO HELP YOU

MASSAGE

Experience The Best Asian Massage!

Rendezvous Detox Spa

- Massage
- Aroma body Scrub
- Reflexology (Detox foot bath)
- Sauna

(310) 967-0137

Open 7 Days 10:00a.m. - 10:00p.m.

980 N. La Cienega Blvd.,
West Hollywood, CA 90069
(@ Santa Monica)



Service Directory

Place your ad in the Beverly Hills Weekly's Service Directory for the low cost of \$250 for 10 weeks!

310 887-0788

MASSAGE

**\$10⁰⁰
OFF**
*i-Hour
Massage*

BEST MASSAGE THERAPY

Expert In Deep Tissue, Swedish Shiatsu, & Thai Massage.

Upscale, Relaxing, & Private Atmosphere.

Caring, Friendly Staff

(818) 487-9030

Open Mon-Sat 10am-9pm

Studio City

MASSAGE THERAPIST

How would you like to be your own boss?

Become a certified massage therapist in 8 weeks!

MedB+C, CNA, HHA, Pharmacy technician, and phlebotomy classes available. Enroll now.

Call (213) 480-4882

www.LAvocational.com

MASSAGE

**Grand Opening
1 Hr \$49 FREE Foot Massage**

9080 Santa Monica Blvd., Ste. 100
(Cross Street Doheny Dr.)
West Hollywood, CA 90069
310-275-0080

Open 7 Days 10am-9pm

Balance Body Works

BaLance

THERAPEUTIC

Massage

THAI-YOGA BODYWORK

MASSAGE

THAI MASSAGE

Is the art of healing! Our Thai massage starts from head to toe and with Thai Chi stretching.

This is the best Thai massage in town.

Located at 24020 Vista Montana #A, Torrance, CA 90505

Right behind the Mongolian BBQ in the Velen center.

Contact us:

310/373-4214

MOVERS

Dependable Movers

Full Service & Courteous

Insured & Bonded (Lic. CAL. T-154009)

All Cities Including:

San Diego & Palm Springs

Discounts for Seniors, Handicap & Veterans

FREE Prep., Shrink Wrap and

Wardrobe Boxes

Ask for Mike

Call (310) 460-6991

ORGANIZING & CLEANING

AAA ORGANIZING & CLEANING

*Clutter Management

*Upgrading Home Accessories

*Survival Emergency Preparation

*Setting Up Home Offices

*Special Needs- Check With Us

1.800.527.5275

PAINTING

Elizabeth St. Painters

Custom interior and exterior painting.

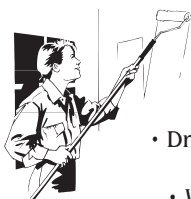
Wood repairs, stucco, molding.
Neat, clean and reliable.

Locally Owned

License #821635

(818) 506-9731

PAINTING



Pacific Painting

Custom Interior & Exterior
Painting since 1979

- Drywall-Plaster-Stucco Repair
- Wood Refinishing*
- Pressure Washing

Free Estimates

310-954-7170

Alex
Lic# 908913 • Bonded & Insured

PARTY BUS



5600 Lenore Ave., Arcadia, CA
91006

Online Reservations @
www.LAPartyBus.com

Phone: 626-575-3591

Fax: 626-226-4106

PERSONAL TRAINER

Personal Trainer

Do you want to look jaw dropping in your bathing suit this summer? Train with a professional personal trainer. 12 years experience, large clientele. Private gym available, or I can come to you.

Please call for further information. Ryan

(323) 481-2899

PET SITTING

A Pet's Best Friend Since 1989



- FULL SERVICE
- Pet Sitting service
- Dogs, Cats & exotic
- Veterinary Experience

310-489-1667

Reptilegirl30@hotmail.com
Licensed, Bonded & insured
Excellent rates and references

PET SITTING

Full-Service Pet Sitting Service Dogs, Cats & Exotics Veterinary Experience

(310) 489-1667

reptilgirl@hotmail.com

Licensed, Bonded & Insured

Excellent rates and references

PIANO LESSONS

Play Piano Immediately

Revolutionary piano method from Australia has students playing great sounding music from their very first lessons!

Pop, Blues, Classical, Jazz
Ages 6 and up

Guaranteed Immediate Results

FREE INTRODUCTORY SESSION
Licensed Simply Music Teachers

West LA • Studio Play Santa Monica • Rhythm 'n You Piano Studio
310-237-5908 310-505-9304

PLASTERING

Plastering

Exterior Stucco, Lime Plaster, Patchworks. New construction Remodels.

Large or Small, Custom Quality Work.

All Finishes, Belle Plastering

(909) 815-8149

PLUMBING

ORY'S PLUMBING SERVICE BY HOME MADE



Do all kinds of plumbing work.
Copper Re Pipe, New Construction and Remodeling.

Main Water Lines and Sewer Lines.

Cell: **(818) 201-4642**

Toll Free: **1(888) 299-6797**

PLUMBING

ARIE NAHUM 24HR. PLUMBING SERVICE

Save Time and Money
WE DO IT ALL!

- Sprinklers
- Re-pipe
- Heating
- New Plumbing
- Sewage
- Remodeling

All work 100% Guaranteed
Insured, Licensed & Bonded

Cell: **Office:**

(310) 925-1524 (310) 273-3133

License #637-369

PLUMBING

WHITTLE'S PLUMBING

- Drain and sewer problems
- Garbage Disposal & H2O Heaters
- Copper repiping & gas lines
- Fixtures Remodels
- General Construction

#1 Plumbing

Mobile (310) 429-7187

Lic#668743

PRINTING



Expresso
Printing

11344 S. Crenshaw Blvd.

Inglewood, CA 90303

(323) 755-0222

PROPERTY RESTORATION

If your soil is sick, everything else is sick too.
Let us bring your soil back to a healthy state.
As seen on PBS, ABC.

**Whole property restoration.
100% organic.
Don't Panic Its Organic®**

(310) 457-4438

INVISIBLE GARDENER, INC.

www.organicdatabank.info
since 1972

the Parking Authority and the Chief Financial Officer is the Finance Director Treasurer of the Parking Authority.

Beverly Hills Public Financing Authority

The City of Beverly Hills Public Financing Authority (Public Financing Authority) is a joint powers authority, organized pursuant to a Joint Exercise of Powers Agreement, dated November 10, 1992 between the City and the Parking Authority. The Joint Powers Agreement was entered into pursuant to the provisions of Article 1 of Chapter 5 of the California Government Code (the Act). The Public Financing Authority was created for the purpose of providing financing for public capital improvements for the City through the acquisition by the Public Financing Authority of such public capital improvements and/or the purchase by the Public Financing Authority of local obligations within the meaning of the Act. Under the Act, the Public Financing Authority has the power to issue bonds to pay the costs of public capital improvements.

Required lease payments between the City and the Public Financing Authority exactly match debt service requirements of the underlying debt. Accordingly, the leases between the City and the Public Financing Authority are eliminated and the underlying debt is reported as debt of the City. Separate financial statements are not prepared for the Public Financing Authority.

The City Manager is the Executive Officer of the Public Financing Authority and the Chief Financial Officer is the Finance Director Treasurer of the Public Financing Authority.

Financial Reporting Policies

The City's accounting and financial reporting systems will be maintained in conformance with all state and federal laws, generally accepted accounting principles (GAAP) and the Government Finance Officers Association (GFOA). Further, the City will make every attempt to implement all changes to governmental accounting practices at the earliest practicable time.

An annual audit will be performed by an independent public accounting firm with an audit opinion to be included with the City's published Comprehensive Annual Financial Report (CAFR).

The City's CAFR will be submitted to the GFOA Certification of Achievement for Excellence in Financial Reporting Program. The financial report should be in conformity with GAAP, demonstrate compliance with finance related legal and contractual provisions, disclose thoroughness and detail sufficiency, and minimize ambiguities and potentials for misleading inference.

The City's CAFR will also be submitted to national repositories identified by the City's bond trust agent as a continuing commitment to disclose thoroughness to enable investors to make informed decisions.

The City's Budget should satisfy criteria as a financial and programmatic policy document, as a comprehensive financial plan, as an operations guide for all organizational units and as a communications device for all significant budgetary issues, trends and resource choices.

To provide a reasonable basis for making the Chief Financial Officer's (management's) required representations concerning the finances of the City of Beverly Hills, the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. The Chief Financial Officer is given the responsibility and authority to develop and maintain proper internal controls on all financial aspects of the City and maintain for inspection all the books of the City. Because the cost of internal controls should not significantly outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements.

The Chief Financial Officer shall evaluate the fiscal impact of proposed changes in retirement benefits to be provided to any employee or employee association and present to the City Council.

The Chief Financial Officer shall endeavor to maintain cash reserves sufficient to fully fund the net present value of accruing liabilities including self-insurance provisions, obligations to employees for vested payroll and benefits and similar obligations as they are incurred.

The Chief Financial Officer shall prepare and present to the City Council quarterly analyses of interim revenue and expenditure trends to allow evaluation of potential discrepancies from budget assumptions.

The City Council shall endeavor to avoid committing to new spending for operating or capital improvement purposes until an analysis of all current and future cost implications is completed.

Operating Management Policies

The Chief Financial Officer is primarily responsible for the development, implementation and evaluation of all financial and human resource management policies and procedures. However, all departments will participate in the responsibility of meeting policy goals, budget goals and ensuring the long-term financial health of the City. Future work plans, program initiatives and performance indicators will be developed to reflect current policy directives,

projected resources and future service requirements.

The budget process is intended to weigh all competing requests for City resources within expected fiscal constraints. Requests for new, ongoing programs made outside the budget process will be discouraged.

The City will avoid budgetary and accounting procedures that balance the current budget at the expense of future budgets.

Budget development will use strategic multi-year fiscal planning, conservative revenue forecasts, and program-based cost accounting that require every program to be justified annually in terms of meeting intended objectives ("effectiveness criteria"). The process will include a diligent review of programs by staff, the Chief Financial Officer and City Council.

Utilization of a program budget format will provide a basis for evaluation of service and other impacts of potential increases or decreases in funding.

Revenues will not be dedicated for specific purposes, unless required by law or generally accepted accounting practices (GAAP). All non-restricted revenues will be deposited in the General Fund (or other designated fund as approved by the Chief Financial Officer) and appropriated by City Council.

Current revenues will fund current expenditures and a diversified and stable revenue system will be developed and maintained to protect programs from short-term fluctuations in any single revenue source.

Current operating expenditures for all fund types will include all allocable overhead operating costs. For the most part, these expenses will be charged to individual budget program elements as internal service fund charges. Included within the allocated service charges to Governmental Fund types will be funding adequate to maintain the approved capital program (unless financed through other debt instruments).

City staff shall strive to identify entrepreneurial solutions to recover costs of operating programs.

The City shall strive to avoid returning to the City Council for new or expanded appropriations. Exceptions may include emergencies, unforeseen impacts, mid-year adjustments or new opportunities.

Addition of personnel will only be requested to meet program initiatives and policy directives; after service needs have been thoroughly examined and it is substantiated that additional staffing will result in increased revenue or enhanced operating efficiencies. To the extent feasible, personnel cost reductions will be achieved through attrition.

All non-enterprise user fees and charges will be examined or adjusted at least bi-annually to determine the direct and indirect cost of service recovery rate. The acceptable recovery rate and any associated changes to user fees and charges will be approved by the City Council following public review.

Development impact fees, as permitted by state law, for capital expenses attributable to new development will be reviewed annually to ensure that fees recover all direct and indirect development-related expenses and be approved by City Council. Any unfavorable balances in cost recovery will be brought to the City Council's attention and evaluated from a departmental, program and goals perspective.

Capital equipment replacement will be accomplished through a life cycle of funding mechanism and in some instances the use of a "rental" rate structure. The rates will be revised annually to ensure that charges to operating departments are sufficient for operation and replacement of vehicles and other capital equipment (fleet, computers, phones and copier systems). The City shall endeavor to maintain adequate cash reserves to fund 100% replacement of capital equipment. Replacement costs will be based upon equipment lifecycle financial analysis developed by each department and approved by the Chief Financial Officer. Non-capital equipment replacement will be accomplished through a life cycle funding mechanism developed by each department and approved by the Chief Financial Officer.

Grant funding will be considered to leverage City funds. Inconsistent and/or fluctuating grants should not be used to fund ongoing programs. Programs financed with grant monies will be budgeted in separate cost centers, and the service program will be adjusted to reflect the level of available funding. In the event of reduced grant funding, City resources will be substituted only after all program priorities and alternatives are considered.

Balanced revenue and expenditure forecasts will be prepared by the Chief Financial Officer to examine the City's ability to absorb operating costs due to changes in the economy, service demands, and capital improvements. The forecast will be updated annually and include a four or five-year outlook. The Chief Financial Officer will prepare these estimates to the City Council at least once a year.

Alternative means of service delivery will be evaluated by the Chief Financial Officer to ensure that quality services are provided to our citizens at the most competitive and economical cost. Departments, in cooperation with the City Manager and Chief Financial Officer, will identify all activities that could be provided by another source and

review options/alternatives to current service delivery. The review of service delivery alternatives and the need for the service will be performed annually or on an "opportunity" basis.

Cash and Investment programs will be maintained in accordance with the Government Code and the adopted investment policy and will ensure that proper controls and safeguards are maintained. City funds will be managed in a prudent and diligent manner with an emphasis on safety of principal, liquidity, and financial return on principal, in that order. Pursuant to State law, the City Treasurer and Chief Financial Officer, at least annually, revise, and the City Council affirms, a detailed investment policy. In addition to liquidity requirements, the City Treasurer and Chief Financial Officer will also consider the appropriateness of investment decisions vis-à-vis debt management.

The City, through the Chief Financial Officer and the Administrative Services Department, will follow an aggressive, consistent, but sensitive policy of collecting revenues, with proper internal controls, to meet the needs of the City and follow all applicable state and federal laws.

Capital Management Policies

A five-year Capital Improvement Plan will be developed and updated annually, including anticipated funding sources. Capital improvement projects are defined as infrastructure or equipment purchases or construction which results in a capitalized asset and having a useful (depreciable life) of two years or more.

The capital improvement plan will attempt to include, in addition to current operating maintenance expenditures, adequate funding to support repair and replacement of deteriorating infrastructure and avoidance of a significant unfunded liability.

Proposed capital projects will be part of the City budget development process and reviewed and prioritized by a cross-departmental team regarding accurate costing (design, capital, and operating) as well as the Chief Financial Officer for overall consistency with the City's goals and objectives. The City's Chief Financial Officer will then identify financing sources for the highest-ranking projects.

Capital project contract awards will include a fiscal impact statement disclosing the expected operating impact of the project and when such cost is expected to occur.

Pay-as-you-go Capital Improvement Plan financing should account for a minimum of 50 percent of all capital improvement projects for each five-year planning period. Pay-as-you-go financing is defined as all sources of revenue other than City debt issuance, i.e., fund balance contributions, developer contributions, grants, endowments, etc. Pay-as-you-go financing should generally be considered as the preferred option. However, the potential for debt issuance that provides additional economic and/or strategic values should be considered as recommended by the Chief Financial Officer.

The City shall endeavor to apply restricted funds (i.e., In-lieu Parking, Gas Tax Funds or existing Bond proceeds) to capital projects before using "unrestricted" funds.

Debt Management Policies

The Chief Financial Officer will seek to maintain and, if possible, improve our current bond rating(s) in order to minimize borrowing costs and preserve access to credit.

New debt issues, and refinancing of existing debt, must be analyzed for compatibility within the City's overall financial planning. The review shall not be limited to cash flow analysis, potential for unexpected revenue surprises, and the maintenance of the City's bond ratings. Annual debt service shall not produce an inordinate impact upon future operations.

The Chief Financial Officer will ensure that City Debt Service costs within the General Fund should not exceed 15% of the City's operating revenue in order to control fixed costs and ensure expenditure flexibility. Improvement District, Enterprise Fund and general obligation debt service is not included in this calculation because it is paid by district property owners, service users or taxpayers and is not an obligation of future general fund revenues.

General Obligation debt, which is supported by property tax revenues and grows in proportion to the City's assessed valuation and/or property tax rate increases, may be utilized if/when authorized by voters. Other types of debt (e.g., water, sewer, and parking) may also be utilized when they are supported by dedicated revenue sources (e.g., fees and user charges) and recommended by the Chief Financial Officer.

Debt financing should not exceed the useful life of the infrastructure improvement with the average (weighted) bond maturities at or below twenty-five years, unless otherwise authorized by Council.

A ratio of current assets to current liabilities of at least 2/1 will be maintained to ensure the City's ability to pay short-term obligations.

Utility rates will be set, as a minimum, to ensure the ratio of revenue to debt service meets our bond indenture requirement (generally a minimum of 125% of debt service). When calculating debt services coverage for internal purposes, the minimum pay-as-you-go capital

expense for each enterprise fund will be considered a part of the operating costs to be covered by pre-debt service revenues. The City goal will be to maintain the required debt service coverage with this additional cost factored into the equation. Use of a 5 year budget projection, including capital project requirements, will provide assurance that all needs are considered by the Chief Financial Officer, the Public Works Commission and City Council as revenue requirements are considered.

Reserve Policies

General Fund

All fund designations and reserves will be evaluated annually by the Chief Financial Officer for long-term adequacy and use requirements in conjunction with development of the City's balanced five year financial plan.

It is a goal of the City to obtain and maintain a general operating reserve in the form of cash, of at least 40% of operating revenues. The first 25% shall be considered a contingency reserve to cover normal seasonal cash flow variations, as well as unforeseen emergency or catastrophic impacts upon the City. Funds in excess of 25% may be used for economic investment in the community when justified by projected financial return to the City and specifically authorized by the City Council.

In addition to cash specifically maintained in the General Fund, we recognize the following cash reserve resources as being available to meet sudden negative fiscal impacts in the short term:

Liability Self-Insurance Fund
Worker's Compensation Self-Insurance Fund
Employee Benefits Fund
Information Technology Fund
Equipment Replacement Fund

One-time revenue windfalls should be designated as a reserve or used for one-time expenditures. The funds should not be used for on-going operations. To the extent such funds are not required for current expenditures, one-time expenditures and/or capital improvements such funds should be maintained as operating reserves or used to reduce debt.

For purposes of this policy, one-time revenue windfalls shall include:

Proceeds from new taxes or increases in existing tax rates.
Lump sum (net present value) savings from debt restructuring
CalPERS Rebates
Tax Revenue growth in excess of 5% in a single year
Sale of city-owned real estate
Pure unexpected revenues (i.e. litigation settlement)
Receipts from approved Development Agreements
Contributions and Gifts
Any other revenues the City Council may elect to designate as extraordinary

Sufficient reserves shall be maintained in internal service funds to prevent extended disruption of service in the event of natural disasters or other interruptions of revenue collections. Determination of adequate reserves will be reviewed annually by the Chief Financial Officer and guided by the following:

Self-Insurance Reserves (liability, workers' compensation, other) will be maintained at a level, which, together with purchased insurance policies, will adequately indemnify the City's property, liability, and health benefit risk. A qualified actuarial firm shall be retained and report on a bi-annual basis recommended appropriate funding levels. The City shall endeavor to maintain reserves equal to 90% of the net present value of such liabilities.

Fleet Management, Building, Equipment and Information Technology reserves will be maintained based upon life-cycle replacement plans to ensure adequate fund balance required for systematic replacement of fleet vehicles, buildings, computers and related equipment, and operational contingencies. Operating departments will be charged over the useful life of the asset used. The City shall endeavor to stabilize funding by maintaining reserves equal to the current replacement cost of each asset class.

Enterprise Fund (Water, Solid Waste, Wastewater, Parking and Stormwater) user fees and charges will be examined annually to ensure that they recover all direct and indirect costs of service, provide for capital improvements and maintenance, and maintain adequate reserves. Secondly, maintenance of cash reserves will provide a de facto rate stabilization plan. Rate increases shall be approved by the City Council following formal noticing and public hearing. Rate adjustments for enterprise operations will be based on five-year financial plans unless a conscious decision is made to the contrary. The target level of operating cash reserves shall be 50% of gross annual user revenues.

Contingency Reserves, to be determined annually by the Chief Financial Officer, will be maintained to offset unanticipated revenue shortfalls and/or unexpected expenditure increases. Contingency reserves may also be used for unanticipated and/or inadequately budgeted events threatening the public health or safety. Use of contingency funds should be approved at recommendation of the Chief Financial Officer.

Annual Review of Financial Policies

The City Council shall review and approve the financial policies on an annual basis, as recommended by the

Chief Financial Officer.

VOTE:

AYES: Councilmembers Krasne, Delshad, Briskman, Fenton and Mayor Brucker

NOES: None

ABSENT: None

CARRIED

RESOLUTION NO. 08-R-12607

RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS APPROVING THE CAPITAL IMPROVEMENT PROGRAM BUDGET FOR THE 2008/2009 FISCAL YEAR AND APPROPRIATING FUNDS THEREFOR

The Council of the City of Beverly Hills does resolve as follows:

Section 1. That certain document entitled "City of Beverly Hills 2008/09 Fiscal Year Budget," a copy of which is on file in the office of the City Clerk, which may hereafter be amended by the Council, is hereby approved as the Capital Improvement Program budget for the City of Beverly Hills for the Fiscal Year 2008/2009.

Section 2. Appropriations in the amount not to exceed \$60,996,306 are authorized in the City's various funds that have capital programs for the purpose of carrying on the Capital Improvement Program of the City.

Section 3. In adopting the Budget, the City Council hereby gives authority to the City Manager, under recommendation of the Chief Financial Officer, to re-appropriate all Capital Improvement Program unencumbered Fiscal Year 2007/08 appropriated fund balances and unexpended encumbrances of the Fiscal Year 2007/08 Capital Improvement Program.

Section 4. The City Manager or his designee may transfer appropriations between and among all funds, as defined in the Fiscal Year 2008/09 Capital Improvement Program. A quarterly report shall be made to the Council describing each transfer and the reason therefore.

Section 5. The Chief Financial Officer may make budget adjustments to accounts within the same fund, provided that the fund is within its approved budget and that any transfer between departments within the same fund is authorized by the City Manager.

Section 6. The City Manager may transfer and appropriate up to \$300,000 during the Fiscal Year and the Chief Financial Officer may transfer and appropriate up to \$100,000 during the Fiscal Year from all fund balances to any accounts within that fund as long as it meets the purposes of that fund's designation. A quarterly report shall be made to the Council describing each transfer and the reason therefore.

Section 7. Pursuant to the provisions of Section 37208 of the Government Code, the Council, from time to time, by motion or resolution, may ratify the prior payment of budgeted demands from those funds which have been certified or approved by the Chief Financial Officer and may appropriate funds for non-budgeted items, and any such appropriation for a non-budgeted item shall constitute an approval to issue a warrant in payment of a proper demand or demands therefore.

Section 8. The City Clerk shall certify to the adoption of this resolution and shall cause this resolution and his certification, together with proof of publication, to be entered in the Book of Resolutions of the Council of this City.

Adopted: June 3, 2008

BARRY BRUCKER
Mayor of the City of
Beverly Hills, California
ATTEST:

BYRON POPE
City Clerk

Approved as to form:
LAURENCE S. WIENER
City Attorney

Approved as to content:
RODERICK J. WOOD
City Manager

SCOTT G. MILLER
Chief Financial Officer

VOTE:

AYES: Councilmembers Krasne, Delshad, Briskman, Fenton and Mayor Brucker

NOES: None

ABSENT: None

CARRIED

ORDINANCE NO. 08-O-2551

AN ORDINANCE OF THE CITY OF BEVERLY HILLS APPROVING A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND PROJECT LOTUS, LLC FOR CONSTRUCTION OF LUXURY RESIDENTIAL CONDOMINIUMS, PUBLIC GARDENS AND ANCILLARY COMMERCIAL USES, IN ACCORDANCE WITH THE 9900 WILSHIRE SPECIFIC PLAN FOR PROPERTY AT 9900 WILSHIRE BOULEVARD (THE FORMER ROBINSONS-MAY DEPARTMENT STORE SITE)

THE CITY COUNCIL OF THE CITY OF BEVERLY HILLS HEREBY ORDAINS AS FOLLOWS:

Section 1. Project Lotus, LLC ("Developer") proposes to enter into a development agreement (herein, the "Development Agreement"), which is attached to this Ordinance as Exhibit "A," in connection with the construction of a luxury residential condominium project with

ancillary commercial uses and gardens to be located at 9900 Wilshire Boulevard (the "Project"). The Project includes requests for a general plan amendment, zone text amendment, zone change, specific plan and a Development Agreement for the subject property.

Section 2. The Project, including this Ordinance and the Development Agreement, 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 Project might have a significant environmental impact on several specifically identified 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 Project's potential impacts on the environment. The City Council, by separate Resolution No. 08-R-12497, adopted on April 3, 2008 (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. 08-R-12497 is incorporated herein by reference, and made a part hereof as if fully set forth herein. The documents and other materials that constitute the record on which this recommendation was made 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 therein are made applicable to the Project at 9900 Wilshire Boulevard.

Section 3. On January 24, 2008 and February 7, 2008, the Planning Commission conducted duly noticed public hearings to consider the Development Agreement and the Project. Notices of the time, place and purpose of the public hearings were duly provided in accordance with California Government Code Sections 65867, 65090 and 65091.

Section 4. The Planning Commission recommended that the City Council adopt an ordinance approving a Development Agreement incorporating revisions recommended by the Planning Commission with respect to setting aside funds for affordable housing, requiring the Developer to make a school benefit payment to the Beverly Hills Unified School District, and setting aside a portion of the Public Benefit Fee for implementation of improvements to address congestion at the intersection of Santa Monica Boulevard and Wilshire Boulevard.

Section 5. On March 11, 2008, March 20, 2008 and March 27, 2008, the City Council conducted a duly noticed public hearing to consider the Development Agreement and the Project. Notices of the time, place and purpose of the public hearing were duly provided in accordance with California Government Code Sections 65867, 65090 and 65091.

Section 6. The City Council finds that the provisions of the Development Agreement are consistent with the City of Beverly Hills General Plan, as proposed to be amended as a part of the Project, and complies with its objectives and policies including the objective of developing large parcels at anchor locations that serve as gateways to the City with a variety of land uses at higher intensities, provided such developments serve as adequate transition to adjacent single family neighborhoods. The Development Agreement implements the terms of the General Plan, the 9900 Specific Plan and City ordinances, including a General Plan Amendment processed in connection with the Project to change the land use designation of the project site from Commercial to 9900 Wilshire Specific Plan, and does not allow development except in conformance with the General Plan, as amended.

Section 7. The City Council hereby approves the Development Agreement and authorizes the Mayor to execute the Development Agreement on behalf of the City.

Section 8. No later than ten (10) days after the effective date of this Ordinance, the City Clerk shall record with the County Recorder a copy of the Development Agreement and the notice shall describe the land to which such contract applies.

Section 9. The City Clerk shall cause this Ordinance to be published at least once in a newspaper of general circulation published and circulated in the City within fifteen (15) days after its passage, in accordance with Section 36933 of the Government Code; shall certify to the adoption of this Ordinance and shall cause this ordinance and this certification, together with proof of publication, to be entered in the Book of Ordinances of the Council of this City.

Section 10. Effective Date. This Ordinance shall go into effect and be in full force and effect at 12:01 a.m. on the thirty-first (31st) day after its passage.

Adopted: April 9, 2008

Effective: May 10, 2008

BARRY BRUCKER
Mayor of the City of Beverly
Hills, California

BYRON POPE
City Clerk

APPROVED AS TO FORM:
LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT:
RODERICK J. WOOD
City Manager

VINCENT P. BERTONI, AICP
Director of Community Development

EXHIBIT A DEVELOPMENT AGREEMENT

RECORDING REQUESTED BY:
CITY OF BEVERLY HILLS
WHEN RECORDED MAIL TO:
City of Beverly Hills
Attention: City Attorney's Office
455 North Rexford Drive
Room 220
Beverly Hills, CA 90210

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (this "Agreement") is made by and between THE CITY OF BEVERLY HILLS, a California municipal corporation (the "City"), and PROJECT LOTUS, LLC, a Delaware Limited Liability Company (the "Developer"). The City and Developer are individually referred to herein as a "Party" and collectively referred to as the "Parties."

RECITALS

This Agreement is made and entered into with regard to the following facts, each of which is acknowledged as true and correct by the Parties to this Agreement.

A. Developer is the fee owner of that certain real property located in the City of Beverly Hills, California and described in Exhibit A attached hereto and incorporated herein by reference.

B. Developer desires to develop the Project (as hereafter defined).

C. Developer has applied to the City for approval of this mutually binding Agreement, pursuant to the provisions of the Development Agreement Act (as hereafter defined) and other applicable laws.

D. In anticipation of the development of the Project, Developer has made or will make application to the City (in its governmental capacity) for certain approvals, entitlements, findings and permits required for the development and construction of the Project, including, without limitation: (1) a general plan amendment, (2) a specific plan, (3) a zone change; (4) a zoning code amendment, (5) a vesting tentative tract map, and (6) a development agreement for the Project under the Development Agreement Act.

E. The City Council has specifically considered the advantages and impacts of this Project upon the welfare of the City and believes that the Project will benefit the City.

F. This Agreement eliminates uncertainty in planning and provides for the orderly development of the Project in a manner consistent with the City's Zoning Regulations (as hereafter defined), the Applicable Rules (as hereafter defined) and the General Plan (as hereafter defined).

G. To provide such certainty, the City desires, by this Agreement, to provide Developer with assurance that Developer can proceed with development of the Project with the uses, density and other land use characteristics specified in the Project Approvals. Developer would not enter into this Agreement, or agree to provide the public benefits and improvements described herein, without the City's agreement that the Project can be developed, during the term of this Agreement, with the uses, density and other land use characteristics specified in the Project Approvals.

H. The City has determined that, as a result of the development of the Project in accordance with the Project Approvals and this Agreement, substantial benefits will accrue to the public.

I. On January 24, 2008 and February 7, 2008, pursuant to the requirements of the Development Agreement Act, the Planning Commission of the City of Beverly Hills conducted a hearing on Developer's application for this Agreement.

J. On March 11, 2008, March 20 2008 and March 27, 2008, pursuant to the requirements of the Development Agreement Act, the City Council of the City of Beverly Hills (the "City Council") conducted a hearing on Developer's application for this Agreement.

K. The City Council has found and determined that this Agreement is consistent with the City's General Plan and all other plans, policies, rules and regulations applicable to the Project.

L. On April 9, 2008, the City Council adopted Ordinance No.08-O-2546 approving this Agreement, and such ordinance became effective on May 10, 2008.

M. By Resolution No. 08-R-12497 adopted by the City Council on April 3, 2008, the City Council reviewed and certified, after making appropriate findings, the EIR (as hereafter defined) that contemplates this Agreement.

AGREEMENT

NOW THEREFORE, pursuant to the authority contained in the Development Agreement Act, as it applies to the City, and in consideration of the mutual promises and covenants herein contained and other valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions. For all purposes of this Agreement, except as otherwise expressly provided herein, or unless the context of this Agreement otherwise requires, the following words and phrases shall be defined as is set forth below:

(a) "Applicable Rules" means the rules, regulations, ordinances, resolutions, codes, guidelines, and officially adopted procedures and official policies of the City governing the use and development of real property, including, but not limited to, the City's Zoning Regulations and building regulations, adopted as of the Effective Date. Among other matters, the Applicable Rules set forth and govern the permitted uses of land, the density or intensity of use, subdivision requirements, the maximum height and size of proposed buildings, parking requirements, setbacks, and development standards, the provisions for reservation or dedication of land for public

purposes, and the design, improvement and construction guidelines, standards and specifications applicable to the development of the Property.

(b) "Beverly Hills Public Art Ordinance" means the requirements set forth in Title 3, Chapter 1, Article 8 of the Beverly Hills Municipal Code.

"Building Permit" means a permit issued by the City pursuant to Title 9 of the Beverly Hills Municipal Code to authorize construction of a building or other structure.

(c) "Building Permit" shall not include a demolition permit or excavation and shoring permit, but shall include a foundation permit.

(d) "Business Day" means any day other than a Saturday, Sunday or California or Federal holiday on which banks in the City are customarily closed.

(e) "CEQA" means the California Environmental Quality Act (California Public Resources Code Section 21000 et seq.), as it now exists or may hereafter be amended.

(f) "Change of Control" shall refer to a transaction whereby a transferee acquires a beneficial ownership interest in Developer (or in an Existing Owner) such that after such transaction there is a change of identity of the person or entity that has the power to direct or cause the direction of the management and policies of Developer, whether through the ownership of voting securities, by contract or otherwise.

(g) "Conditions of Approval" shall mean those conditions of approval imposed by the City upon the Project Approvals.

(h) "Developer Fees" shall mean those fees established, adopted, or imposed by the City pursuant to Section 66000 et seq., of the Government Code of the State of California or the California Subdivision Map Act to offset the impact of development on the City's capital facilities, including impact fees, linkage fees, exactions, assessments or fair share charges, or other similar impact fees imposed by the City on or in connection with new development. Notwithstanding the foregoing, Developer shall not be obligated to pay any Developer Fees in connection with the Project, as all Developer Fees are included within the "Public Benefit Contribution" (as defined below). Developer Fees do not mean or include Processing Fees.

(i) "Development Agreement" or "Agreement" means this Agreement.

(j) "Development Agreement Act" means Article 2.5 of Chapter 4 of Division 1 of Title 7 (Sections 65864 through 65869.5) of the California Government Code (as the same may be amended and/or re-codified from time to time).

(k) "Discretionary Action(s)" or "Discretionary Approval(s)" means an action which requires the exercise of judgment, deliberation or discretion on the part of the City, including any board, agency, commission or department and any officer or employee thereof, in the process of approving or disapproving a particular activity, as distinguished from a Ministerial Permit or Ministerial Approval (as hereafter defined).

(l) "Effective Date" shall mean the date this Agreement, fully executed, is recorded in the official records of the Los Angeles County Recorder.

(m) "EIR" shall mean the final Environmental Impact Report (SCH No. 2006071107) which addresses the Project and was prepared, circulated and certified in accordance with applicable law, including, without limitation, CEQA.

(n) "EMS Fee" means the fee paid pursuant to the provisions of Section 10(e) of this Agreement, which payments may be used by the City for various public projects and programs.

(o) "General Plan" means the General Plan of the City, as it exists as of the Effective Date.

(p) "Ministerial Permit(s)," or "Ministerial Approval(s)" means a permit or approval, including, but not limited to, building permits, grading permits, zone clearances, and certificates of occupancy, which requires the City, including any board, agency, commission or department or any officer or employee thereof, to determine whether there has been compliance with applicable rules, statutes, ordinances, conditions of approval, and/or regulations, as distinguished from an activity which is included in the definition of Discretionary Action or Discretionary Approval.

(q) "Mortgage" means any mortgage, deed of trust, encumbrance, sale leaseback or other security interest encumbering all or any portion of the Property, given by Developer for the purpose of securing funds to be used for financing the acquisition of the Property or any portion thereof, the construction of improvements thereon and/or any other expenditures reasonably necessary and appropriate to develop the Project.

(r) "Mortgagee" means the holder of the beneficial interest under any Mortgage.

(s) "Processing Fees" means all processing fees and charges required by the City that are applied uniformly to all construction or development related activity including, but not limited to, fees for land use applications, Building Permit applications, Building Permits, grading permits, hauling permits, encroachment permits, demolition permits, subdivision or parcel maps, lot line adjustments, street vacations, inspections, certificates of occupancy and plan check. Processing Fees shall not mean or include Developer Fees.

(t) "Project" means the development project as described in the final EIR, as modified by the Project Approvals.

(u) "Project Approvals" shall include, collectively, a General Plan Amendment, specific plan, zone change, zoning code amendment, and vesting tentative tract map approved by the City with respect to the Project and shall include any Subsequent Project Approvals (as hereafter defined).

(v) "Property" means the real property described in Exhibit "A" attached hereto.

(w) "Public Benefit Contribution" means the

payment from the Developer to the City pursuant to Section 10(d) of this Agreement, which payment may be used by the City for various public projects and programs, and which payment includes any and all Developer Fees (as defined above).

(x) "Reserved Powers" means the power and authority of the City to enact regulations and/or take Discretionary Action if the same is expressly found by the City to be necessary to protect residents of the City, those employed in the City, or visitors to the City, from a condition that is dangerous to public health or safety or if the same is required to comply with California or federal laws (whether enacted previous or subsequent to the Effective Date of this Agreement).

(y) "Sales Transaction" means any transaction evidenced by the recording of a conveyance document that conveys the Property, or any subdivided portion of the Property, and which conveyance would be subject to, and not exempt from, the Los Angeles County Documentary Transfer Tax (Los Angeles County Code, Chapter 4.60) or the City of Los Angeles Real Estate Transfer Tax (Los Angeles City Municipal Code, Chapter 2, Article 1.9) as those taxes existed on the Effective Date of this Agreement. A transaction whereby the possession of all or a portion of the Property is transferred but the seller retains the title as security for the payment of the price shall be deemed a Sales Transaction. Notwithstanding the foregoing, a transfer of all or a portion of the Property as a result of a judicial or non-judicial foreclosure, or by deed in lieu of foreclosure, initiated by a Mortgagee, shall not be deemed a Sales Transaction. For the purposes of triggering the EMS Fee only, a Sales Transaction shall include (i) any sale, assignment, or transfer of fifty percent (50%) or more of the beneficial ownership interest in Developer, whether in one transaction or a series of transactions, provided however, that any transfers of ownership interests among the owners (or the beneficial owners of such owners) of any successor Developer hereunder (each an "Existing Owner"), shall not be deemed a Sales Transaction so long as the EMS Fee shall have been paid in connection with the acquisition of the Property by such successor Developer and the transferee was an Existing Owner at the time of such acquisition, or (ii) any Change of Control.

(z) "Subsequent Land Use Regulations" means any change in or addition to the Applicable Rules adopted after the Effective Date of this Agreement, including, without limitation, any change in any applicable general or specific plan, zoning, subdivision, or building regulation, including, without limitation, any such change by means of an ordinance, initiative, resolution, policy, order or moratorium, initiated or instituted for any reason whatsoever by the Mayor, City Council, Planning Commission or any other board, agency, commission or department of City, or any officer or employee thereof, or by the electorate, as the case may be, which would, absent this Agreement, otherwise be applicable to the Project.

(aa) "Subsequent Project Approvals" shall mean all further Discretionary Actions or Discretionary Approvals, Ministerial Permits and Ministerial Approvals required or requested with respect to the Project, including, without limitation, any tentative subdivision map, whether vesting or non-vesting. Following adoption or approval, a Subsequent Project Approval shall become a Project Approval.

(bb) "Zoning Regulations" shall mean the official zoning regulations of the City adopted as of the Effective Date of this Agreement.

2. Recitals of Premises. Purpose and Intent.

(a) State Enabling Statute. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted the Development Agreement Act which authorizes any city to enter into binding development agreements establishing certain development rights in real property with persons having legal or equitable interests in such property. Section 65864 of the Development Agreement Act expressly provides as follows:

"The Legislature finds and declares that:

(a) The lack of certainty in the approval of development projects can result in a waste of resources, escalate the cost of housing and other development to the consumer, and discourage investment in and a commitment to comprehensive planning which would make maximum efficient utilization of resources at the least economic cost to the public.

(b) Assurance to the applicant for a development project that upon approval of the project, the applicant may proceed with the project in accordance with existing policies, rules and regulations, and subject to conditions of approval will strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic cost of development."

Notwithstanding the foregoing, to ensure that the City remains responsive and accountable to its residents while pursuing the benefits of development agreements contemplated by the Legislature, the City accepts restraints on its police powers contained in development agreements only to the extent and for the duration required to achieve the mutual objectives of the Parties.

(b) The Project. The Developer intends to develop the Property as described in the Project Approvals and the final plans submitted to the City, subject to the Applicable Rules, the Project Approvals, and the Conditions of Approval. The Parties hereby agree that, for the term of this Agreement, the permitted uses, the density and intensity of use, the maximum height and size of proposed buildings, parking requirements, setbacks, and development standards, provisions for reservation or dedication of land for public purposes and location of public improvements, and the design, improvement, construction and other guidelines, standards and specifications applicable to the development of the Property shall be those set forth in the Project Approvals,

the Applicable Rules and this Agreement, including the Conditions of Approval.

3. Property Subject to Agreement. This Agreement shall apply to all of the Property.

4. Application of Agreement. This Agreement shall apply to the development and use of the Property. Such development shall be in accordance with the Project Approvals and this Agreement.

5. Term of Agreement. The initial term of this Agreement shall commence on the Agreement Effective Date, and shall continue for two (2) years. If a vesting tentative subdivision map for the Project is approved by the City, then the term of this Agreement shall be extended until expiration of that vesting tentative map or approval and recordation of a final subdivision map for the Project, whichever is earlier. Additionally, if a final subdivision map for the Project is approved by the City, then the term of this Agreement shall be extended until the expiration of the vested rights that accompany the vesting tentative tract map for the Project. In addition to the above, at any time, the term may be extended by Developer for one year or more provided that the total extension period does not exceed three years. An extension by Developer pursuant to the prior sentence shall be effective upon written request of Developer provided to the City at least ten (10) days before the expiration of the term (including any previous extension) and a concurrent payment to the City of the following amounts: for the first year of extension, Developer shall pay five hundred thousand dollars (\$500,000), for the second year of extension, Developer shall pay seven hundred fifty thousand dollars (\$750,000) and for the third year of extension, Developer shall pay one million dollars (\$1,000,000). Notwithstanding the term set forth above, the obligation to pay the Environmental Mitigation and Sustainability Fee pursuant to Section 10 shall continue indefinitely as provided in Sections 10 and 13.

Additionally, in the event of any litigation or referendum initiated by third parties to attack, set aside, modify, void or annul this Agreement, any of the Project Approvals, or the EIR (a "Challenge"), the term of this Agreement shall be tolled for the period during which such Challenge is proceeding until fully and finally resolved.

6. Timing of Development. The Parties acknowledge that Developer cannot at this time predict when or if the Property will be developed. Such decisions depend upon numerous factors that are not within the control of Developer. Because the California Supreme Court held in *Pardee Construction Co. v. City of Camarillo* (1984) 37 Cal. 3d 465, (the *Pardee Case*) that the failure of the parties therein to provide for the timing of development resulted in a later adopted initiative restricting the timing of development to prevail over such parties' agreement, it is the Parties' intent to cure that deficiency by acknowledging and providing that Developer shall have the right to develop the Property consistent with the Project Approvals and the Conditions of Approval in such order and at such rate and at such times as Developer deems appropriate within the exercise of its sole and subjective business judgment during the term of this Agreement. This provision shall be broadly construed to provide Developer the greatest amount of time and flexibility (in light of the *Pardee Case* and/or any other similar or distinguishing cases) as necessary or appropriate to permit Developer to complete the development of the project irrespective of later adopted rules, regulations or initiatives which would otherwise restrict the Developer's time to complete the Project.

7. Permitted Uses; Density; Building Heights and Sizes; Required Dedications. The City and Developer hereby agree that the permitted uses of the Property, the density and intensity of such uses, the maximum heights and sizes of the buildings and improvements to be constructed on the Property, and the reservation and dedication of land for public purposes, if any, required in connection with the development of the Property shall be as set forth in and consistent with the Project Approvals, as they may be lawfully amended from time to time. Developer shall not cause or permit any use of the Property that is not permitted by the Project Approvals, and shall not cause or permit the construction of any building or improvement that exceeds the maximum density, building heights and/or building sizes set forth in or otherwise required by the Project Approvals, as they may be lawfully amended from time to time. In addition, Developer shall not permit the use of the Property for an Adult Entertainment Business or Sexual Encounter Center as defined in the zoning regulations of the City of Beverly Hills.

8. Developer's Rights. Developer shall have and is hereby vested with the rights, during the term of this Agreement, to develop the Project as set forth in the Project Approvals, as they may be lawfully amended from time to time, all of which are hereby incorporated in this Agreement by reference.

9. Changes in Applicable Rules.

(a) Non-Application of Changes in Applicable Rules. The adoption of any Subsequent Land Use Regulations after the Effective Date of this Agreement, or any change in, or addition to, the Applicable Rules (other than changes in Processing Fees as provided in this Agreement), including, without limitation, any changes in the General Plan or the Zoning Regulations (including any regulation relating to the timing, sequencing, or phasing of the Project or construction of all or any part of the Project), adopted after the Effective Date of this Agreement, including, without limitation, any such change by means of ordinance, initiative, resolution, motion, policy, order or moratorium, initiated or instituted for any reason whatsoever and adopted by any board, agency, commission or department of the City, or by the electorate, as the case may be, which would, absent this Agreement, otherwise be applicable to the Project and which would conflict in any way with or be more restrictive than the Applicable Rules or Developer's entitlements under the Project Approvals, shall not be applied

to the Project during the term of this Agreement unless such changes represent an exercise of the City's Reserved Powers.

(b) Changes in Uniform Codes. Notwithstanding any provision of this Agreement to the contrary, development of the Project shall be subject to changes occurring from time to time in the provisions of the City's building, mechanical, plumbing and electrical regulations which are based on the recommendations of a multi-state professional organization and become applicable throughout the City, including, but not limited to, the California Building Code, and other similar or related uniform codes.

(c) Changes Mandated by Federal or California Laws or Regulations. Changes in, or additions to, the Applicable Rules adopted or made operative on or after the Effective Date shall apply to the Project, if such changes or additions are specifically mandated to be applied to developments such as the Project, irrespective of vested rights, by applicable California or federal laws or regulations. Where the City or Developer believes that such a change or addition exists that Party shall provide the other Party hereto with a copy of such California or federal law or regulation and a statement of the nature of its conflict with the provisions of the Applicable Rules and/or of this Agreement. The City's determination as to the applicability of the change or addition to California or federal laws to the Project shall be final and conclusive. However, nothing in this Agreement shall deprive Developer of the rights possessed by any other property owner, absent vested rights, to challenge the appropriateness of the application to the Project of the change or addition.

(d) Changes in Processing Fees Under Applicable Rules. The Project shall be subject to any increase in Processing Fees imposed by the City, provided that such a change is applied on a Citywide basis.

10. Developer's Obligations.

(a) Conditions of Approval. Developer shall comply with the Conditions of Approval.

(b) Reimbursement of Project Approval Costs. No later than the Effective Date, Developer shall reimburse the City for all of its costs to process the Project Approvals, including legal and environmental processing costs related to the Project Approvals and preparation of this Agreement, if any.

(c) Processing Fees. Developer agrees to pay all Processing Fees, including City plan check fees, building inspection fees, and permit fees, at the rate and amount in effect at the time the fee is required to be paid.

(d) Public Benefit Contribution. Developer shall pay to the City a Public Benefit Contribution of thirty million dollars (\$30,000,000).

(i) Timing of Payment. Developer shall pay to the City thirteen million dollars (\$13,000,000) of the Public Benefit Contribution no later than ninety (90) days after issuance of the first Building Permit for the Project. Developer shall pay to the City an additional six million five hundred thousand dollars (\$6,500,000) of the Public Benefit Contribution no later than four hundred fifty five (455) days after issuance of the first Building Permit for the Project. Developer shall pay to the City the remaining ten million five hundred thousand dollars (\$10,500,000) of the Public Benefit Contribution prior to issuance of the first certificate of occupancy (or temporary certificate of occupancy) for any portion of the Project.

(ii) Security for Payment. Developer shall secure the payment of the Public Benefit Contribution by arranging for an irrevocable standby letter of credit to be issued to the City, as beneficiary, for thirty million dollars (\$30,000,000) guaranteeing payment of the Public Benefit Contribution in form and content satisfactory to the city attorney. The standby letter of credit shall be issued to the City before the City issues a Building Permit for the Project. The letter of credit shall be issued by a financial institution acceptable to the City with a presence in California at which the letter of credit may be presented for payment. The City acknowledges that the following prospective issuers are acceptable to the City: Bank of America, Wells Fargo Bank, Citibank, City National Bank, and J.P. Morgan Chase Bank. The letter of credit shall provide that the City may fully draw upon such letter of credit in the event that: (x) the City issues a written statement that, after all applicable notice and cure periods have expired, Developer has failed to make any payment on or before the deadlines set forth in subsection (i) above or (y) the letter of credit has not been renewed or replaced at least thirty (30) days prior to its expiry date and all payments have not been made pursuant to subsection (i) above. The City shall permit adjustment of the amount of the letter of credit upon receipt of payments under subsection (i). The adjustment shall reduce the amount secured by the letter of credit to reflect the payments paid to the City and those payments still owed to the City.

(iii) Affordable Housing Contribution. The City Council shall place a portion of the Public Benefit Contribution into an affordable housing fund that shall be used by the City for the purpose of promoting the provision of affordable housing in the City of Beverly Hills, or as otherwise may be permitted by State law. The amount to be placed in the affordable housing fund shall be three million dollars (\$3,000,000).

(e) Environmental Mitigation and Sustainability Fee

(i) Amount of Fee. Concurrent with the close of each Sales Transaction, the seller shall pay or cause to be paid to City an Environmental Mitigation and Sustainability Fee ("EMS Fee"). The amount of the EMS Fee shall be equal to \$4.50 for each \$1,000 of the consideration or value of the interest or property conveyed (exclusive of the value of any lien or encumbrance remaining thereon at the time of sale). The EMS Fee shall be paid from the escrow account set up for the

Sales Transaction. The fee shall be paid upon each Sales Transaction by the then current owner.

(ii) Adjustment of EMS Fee. If, after the Effective Date of this Agreement, the City adopts or increases a real estate transfer tax or documentary transfer tax for Beverly Hills, so that the combined total of the City's taxes and the County of Los Angeles Documentary Transfer Tax exceeds the current \$1.10 per \$1000 of City and County documentary transfer taxes, then the EMS Fee imposed upon all subsequent Sales Transactions shall be reduced by the amount of the combined taxes that exceeds \$1.10 per \$1000. For example, if City adopts a real estate transfer tax of \$2.20 per \$1000, thus increasing the combined City and County real estate transfer taxes and documentary transfer taxes to \$3.30 per \$1,000 of sales price, then the EMS Fee on all subsequent Sales Transactions would be \$2.30 per \$1000 of sales price (\$4.50-\$2.20 = \$2.30). If the City increases the documentary transfer tax or adopts a real estate transfer tax so that the combined taxes exceed \$5.60 per \$1000 of sales price, then no further EMS Fee shall be due or payable.

(f) Liens for EMS Fee Payable Upon Sale. Developer hereby grants to the City, with power of sale, a lien on the Property, each lot or parcel created by the tentative tract map for the Project, including without limitation, following the creation thereof, each condominium unit in the Project, to secure the payment of the EMS Fee payable upon each Sales Transaction. In the event that the EMS Fee secured by such lien is not paid concurrently with and as a condition to the closing of a Sales Transaction, then the City may enforce such lien by sale by the City, its attorney or any other person or entity authorized by the City Manager to conduct the sale. Any such sale shall be conducted in accordance with California Civil Code Sections 2924, 2924b, 2924c, 2924f, 2924g, and 2924h, or in any other manner permitted or provided by law. The City, through its agent authorized by the City Manager, shall have the power to bid on the encumbered property at the sale, using as a credit bid the amounts secured by such lien, its own funds, or funds borrowed for such purpose, and to acquire the lot or parcel. The City is hereby granted, in trust, the applicable lot or parcel and is appointed as trustee for purposes of noticing and effecting any sale pursuant to the provisions of this Section and is hereby expressly granted a "power of sale" in connection therewith. Developer, or any subsequent owner of the Property or any portion thereof, shall provide notice to City, in a form satisfactory to City, upon any opening of escrow that will result in a Sales Transaction or any other conveyance of the Property or portion thereof. The notice shall include a declaration stating the amount of the EMS Fee due upon closing of any Sales Transaction, or in the case of a conveyance that is not a Sales Transaction, the reason that such conveyance is not a Sales Transaction and therefore not subject to the EMS Fee. Upon receipt of the full amount of the EMS Fee payable with respect to a sale, the City shall execute and deliver such documentation, in recordable form, as Developer, the buyer or the title company may reasonably request to evidence the payment of the EMS Fee and extinguishment of the City's lien rights with respect to such sale (a "Lien Release"). Such Lien Release shall also indicate that payment of the EMS Fee shall not extinguish the City's lien rights with respect to subsequent Sales Transactions. In the event that the City determines that a conveyance is not a Sales Transaction, the City shall execute and deliver to the seller, buyer or title company documentation that the City has determined that the conveyance is not a Sales Transaction and not subject to the EMS Fee.

(g) Public Open Space Easement. Prior to issuance of a Building Permit for the Project, Developer shall execute an open space easement in favor of the City for the public gardens as shown in the Specific Plan, and as shown in Exhibit B attached hereto and incorporated herein by reference. The open space easement shall ensure that the public gardens are maintained as public open space for the life of the Project (which maintenance, once the Project's property owners association (the "Association") becomes operational, shall be the responsibility of the Association). The open space easement shall be in form and substance satisfactory to the City Attorney and substantially in the form set forth in Exhibit C.

(h) Gateways. Prior to issuance of a certificate of occupancy (or temporary certificate of occupancy) for the first of the Project's condominium units, Developer shall construct or install two significant "gateway statements" to enhance the significance of the entry to Beverly Hills. One gateway statement shall be located along Wilshire Boulevard and the other gateway statement shall be located along Santa Monica Boulevard. Both gateway statements shall be provided on the Project site in an area that is clearly visible to the general public entering Beverly Hills. The gateway statements may take the form of public art, landscaping, architectural features such as fountains, or other features satisfactory to the City of Beverly Hills.

(i) Design. Prior to issuance of a Building Permit for the Project, Developer shall provide conceptual drawings depicting the gateway statements and their location. Prior to issuance of a certificate of occupancy (or temporary certificate of occupancy) for the first of the Project's condominium units, the proposed gateway statements shall be reviewed and approved by the City's Architectural Commission. The aggregate cost of constructing, or purchasing and installing, the gateway statements shall not be required to exceed two hundred fifty thousand dollars (\$250,000). If the gateway statements include public art, the City's Fine Arts Commission shall review and approve the public art prior to its installation. Decisions of the Architectural Commission and

Fine Arts Commission shall be appealable to the Planning Commission, and decisions of the Planning Commission shall be appealable to the City Council, provided that all applicable appeal fees shall be paid. Any appeals shall be filed within ten (10) days of the final decision that is the subject of the appeal. The gateway statements shall be constructed or installed in substantial compliance with the approved drawings.

(ii) Public Art Requirement. The gateway statements, combined with a payment of two hundred fifty thousand dollars (\$250,000) into the fund established pursuant to Beverly Hills Municipal Code Section 3-1-808 shall satisfy Developer's obligations under the Beverly Hills Public Art Ordinance.

(iii) Maintenance. Until the Association becomes operational, Developer shall own the gateway statements and maintain the gateway statements in good condition and repair. Once the Association becomes operational the gateway statements shall be deemed part of the Project's common area and shall be maintained by the Association. Additionally, the Developer, initially, and thereafter the Association, shall maintain insurance satisfactory to the City's Risk Manager and City Attorney and in an amount equal to the value of the gateway statements, which insures the gateway statements against any loss or damage, including vandalism. Upon damage, the party tasked with maintaining the gateway statements shall timely repair or replace the gateway statements, as appropriate, to the reasonable satisfaction of the City's Director of Community Development. Prior to occupancy of the Project's first condominium unit, Developer shall record a covenant in favor of the City (or as part of the Project's recorded declaration of covenants, conditions and restrictions ("CC&Rs")) evidencing the obligation to maintain the gateway statements in accordance with this Section 10(h). The covenant shall be in form and substance reasonably satisfactory to the City Attorney and shall not be subject to amendment without the City's reasonable consent.

(i) Bus Turnouts. Prior to issuance of a Building Permit, Developer shall dedicate to the City of Beverly Hills right of way easements along the Project's Wilshire Boulevard frontage and Santa Monica Boulevard frontage sufficient to provide sidewalk area behind bus turnouts in locations as shown on Exhibit D. The dedication shall be in form and substance satisfactory to the City Attorney and substantially in the form set forth in Exhibit D.

(j) Access for City Shuttle. Prior to issuance of a Building Permit for the Project, Developer shall dedicate to the City a non-exclusive easement to allow any City sponsored, financed or operated shuttle service vehicle to access the Project site for the purpose of picking up or dropping off residents and visitors to the site at the valet area for the commercial uses on the Project site (to the extent the Project includes valet parking, or otherwise at the commercial parking entrance area). The easement shall be in form and substance satisfactory to the City Attorney and substantially in the form set forth in Exhibit E.

(k) Beverly Hills Unified School District Benefit Fee. Prior to the issuance of a Building Permit for the Project, Developer shall pay to the Beverly Hills Unified School District a school benefit fee in the amount of one million dollars (\$1,000,000).

(l) Subway Portal. Prior to obtaining a Building Permit for the any part of the Project, Developer shall dedicate an easement to the City substantially in the form set forth in Exhibit F. The easement shall be for the purpose of providing a portal for a subway station under Wilshire Boulevard or Santa Monica Boulevard and shall be assignable to the Metropolitan Transportation Authority or any other governmental entity responsible for constructing or maintaining a subway line. The easement shall provide that the surface area of the portion of the portal on the Property at ground level shall be no more than 300 square feet. The easement shall automatically terminate unless each of the following conditions are met: (i) the City must accept the easement within twenty (20) years from the Effective Date of this Agreement; and (ii) the Metropolitan Transportation Authority, or other appropriate governmental entity, must have secured funding for construction of the station within twenty (20) years from the Effective Date of this Agreement. The easement shall limit the portal so that it does not materially interfere with or limit access to the Project, interfere in any way with the structural integrity of the Property or buildings or structures on the Property, or materially interfere with the operations of the Property or the businesses located on the Property.

11. Issuance of Building Permit. The City shall be under no obligation to issue a Building Permit for the Project until: (i) all the fees and other obligations set forth in Section 10 and due before issuance of a Building Permit have been fully paid or otherwise fulfilled; and (ii) any lender whose lien is prior and superior to the lien created by this Agreement or any conveyance or covenant required by this Agreement shall have agreed to subordinate its lien to the lien, conveyances and covenants created and required by this Agreement.

12. Default. Failure by City or Developer to perform any term or provision of this Agreement for a period of thirty (30) days from the receipt of written notice thereof from the other shall constitute a default under this Agreement, subject to extensions of time by mutual consent in writing. Said notice shall specify in detail the nature of the alleged default and the manner in which said default may be satisfactorily cured. If the nature of the alleged default is such that it cannot reasonably be cured within such thirty (30) day period, the commencement of the cure within such time period and the diligent prosecution to completion of the cure shall be deemed a cure within such period. Notwithstanding the above, failure to make a Public Benefit Contribution payment shall not constitute a default by Developer if the City has presented the

standby letter of credit provided pursuant to Section 10 and been paid the amount of the applicable portion of the Public Benefit Contribution by the issuer of the letter of credit.

Subject to the foregoing, after notice and expiration of the thirty (30) day period without cure, the notifying party, at its option, shall have all rights and remedies provided by law and/or may give notice of intent to terminate this Agreement pursuant to Government Code Section 65868. Following such notice of intent to terminate, the matter shall be scheduled for consideration and review by the City Council within thirty (30) calendar days in the manner set forth in Government Code Sections 65867 and 65868. Following consideration of the evidence presented in said review before the City Council and a determination that a default exists, the Party alleging the default by the other Party may give written notice of termination of this Agreement to the other Party. Upon any such termination, the respective rights, duties and obligations of the Parties hereto shall without further action cease as of the date of such termination (except as to duties and obligations that arose prior to the date of such termination). In no event shall monetary damages be available against the City for any alleged default or breach by the City. In no event shall consequential damages be available against Developer or any seller of any portion of the Property for any alleged default or breach of this Agreement.

13. Termination and Expiration. Upon the expiration of the term or termination of this Agreement, this Agreement shall terminate and be of no further force or effect; provided, however, such termination shall not affect Developer's obligations under Section 10, nor the obligation to pay any claim of any Party hereto arising out of the provisions of this Agreement prior to the effective date of such termination. The obligations under Section 10, and the obligation to pay any claim arising before the effective date of termination shall continue after termination in perpetuity or until completed.

14. Transfers of Interests in Property or Agreement. In the event of a proposed transfer of interest in the Property or in this Agreement by Developer to a transferee other than a retail purchaser of an individual residential condominium unit, Developer agrees to provide the City at least thirty (30) days written notice of such proposed transfer and shall provide satisfactory evidence that the transferee will assume in writing through an assignment and assumption agreement all remaining obligations of Developer under this Agreement. The assignment and assumption agreement shall be in a form satisfactory to the City Attorney. However, Developer has no obligation to obtain the consent of the City to assign this Agreement to a transferee. Notwithstanding the foregoing: (i) the terms, covenants and conditions of this Agreement shall be binding upon any transferee whether or not such an assignment and assumption agreement is signed by the assignee upon acquiring the Property; and (ii) no such transfer shall relieve Developer (transferor) of any obligations under this Agreement.

15. Mortgagee Protection.

(a) In General. The provisions of this Agreement shall not prevent or limit Developer's right to encumber the Property or any portion thereof or any improvement thereon by any mortgage, deed of trust or other security device securing financing with respect to such portion. The City acknowledges that Mortgagees may require certain interpretations and modifications of this Agreement and agrees upon request, from time to time, to meet with Developer and representatives of such Mortgagees to negotiate in good faith any such request for interpretation or modification. The City shall not unreasonably withhold its consent to any such requested interpretation or modification provided such interpretation or modification is consistent with the intent and purposes of this Agreement and does not, in the City's sole determination, diminish the City's benefits from this Agreement. Any Mortgagee shall be entitled to the rights and privileges set forth in this Section.

(b) Notice of Default to Mortgagee. If a Mortgagee has submitted a request in writing to City in the manner specified herein for giving notices, the City shall exercise its best efforts to provide to such Mortgagee written notification from the City of any failure or default by Developer in the performance of Developer's obligations under this Agreement, which notification shall be provided to such Mortgagee at such time as such notification is delivered to Developer.

(c) Right of Mortgagee to Cure. Any Mortgagee shall have the right, but not the obligation, to cure any failure or default by Developer during the cure period allowed Developer under this Agreement, plus an additional sixty (60) days if, in order to cure such failure or default, it is necessary for the Mortgagee to obtain possession of the property such as by seeking the appointment of a receiver or other legal process. Any Mortgagee that undertakes to cure or attempt to cure any such failure or default shall provide written notice to the City that it is undertaking efforts of such a nature; provided that no initiation of any such efforts by a Mortgagee shall obligate such Mortgagee to complete or succeed in any such curative efforts.

(d) Liability for Past Defaults or Obligations. Subject to the foregoing, any Mortgagee, including the successful bidder at a foreclosure sale, who comes into possession of the Project or the Property or any part thereof pursuant to foreclosure, eviction or otherwise, shall take such property subject to the terms of this Agreement and in no event shall any such property be released from any obligations associated with its use and development under the provisions of this Agreement. Nothing in this Section shall prevent City from exercising any remedy it may have for a default under this Agreement, provided, however, that in no event shall such Mortgagee personally be liable for any defaults or monetary obligations of Developer arising prior to acquisition of possession of such property by such Mortgagee.

16. Binding Effect. All of the provisions, agreements, rights, powers, standards, terms, covenants and obligations contained in this Agreement shall be binding upon the Parties and their respective heirs, successors (by merger, reorganization, consolidation or otherwise) and assigns, devisees, administrators, representatives, lessees, and all other persons acquiring the Property, or any portion thereof, or any interest therein, whether by operation of law or in any manner whatsoever, and shall inure to the benefit of the parties and their respective heirs, successors and assigns. All of the provisions of this Agreement shall constitute covenants running with the land.

17. Indemnification.

(a) Developer agrees to and shall indemnify, hold harmless, and defend, the City and its respective officers, officials, members, agents, employees, and representatives, from liability or claims for death or personal injury and claims for property damage which may arise from the acts, errors, and/or omissions of Developer or its contractors, subcontractors, agents, employees or other persons acting on its behalf in relation to the Project and/or in any manner arising from this Agreement. The foregoing indemnity applies to all deaths, injuries, and damages, and claims therefor, suffered or alleged to have been suffered by reason of the acts, errors, and/or omissions referred to in this Section 17, regardless of whether or not the City prepared, supplied, or approved plans or specifications, or both. In the event of litigation, the City agrees, at no cost to the City, to cooperate with Developer. This indemnification, hold harmless and defense requirement shall survive the termination or expiration of this Agreement. The City reserves the right, in cases subject to this indemnity, to reasonably approve the attorney selected by Developer to defend Developer and the City in any such action.

(b) In the event of any court action or proceeding challenging the validity of this Agreement, any of the Project Approvals or the EIR prepared and certified for the Project, Developer shall defend, at its own expense, the action or proceeding. In addition, Developer shall reimburse the City for the City's costs in defending any court action or proceeding challenging the validity of this Agreement, any of the Project Approvals or the EIR and Developer shall also pay any award of costs, expenses and fees that the court having jurisdiction over such challenge makes in favor of any challenger and against the City. Developer shall cooperate with the City in any such defense as the City may reasonably request and may not resolve such challenge without the agreement of the City. In the event Developer fails or refuses to reimburse the City for its cost to defend any challenge to this Agreement, the Project Approvals or the EIR, the City shall have the right to terminate this Agreement, subject to the notice and cure requirements of Section 12 above. In all events, the City shall have the right to resolve any challenge in any manner, in its sole discretion, provided, however, Developer's consent shall be required if the resolution of the challenge shall require a payment by Developer or limit Developer's rights under this Agreement.

In order to ensure compliance with this Section 17(b), within twenty (20) days after notification by the City of the filing of any claim, action or proceeding to attack, set aside, void or annul this Agreement, any of the Project Approvals or the EIR prepared and adopted for the Project, Developer shall deposit with the City cash or other security in the amount of one hundred thousand dollars (\$100,000), satisfactory in form to the City Attorney, guaranteeing indemnification or reimbursement to the City of all costs related to any action triggering the obligations of this Section. If the City is required to draw on that cash or security to indemnify or reimburse itself for such costs, Developer shall restore the deposit to its original amount within fifteen (15) days after notice from the City. Additionally, if at any time the City Attorney determines that an additional deposit or additional security up to an additional fifty thousand dollars (\$50,000.00) is necessary to secure the obligations of this section, Developer shall provide such additional security within fifteen (15) days of notice from the City Attorney. The City shall promptly notify Developer of any claim, action or proceeding within the scope of this Section and the City shall cooperate fully in the defense of any such claim or action, but shall have the right to resolve any challenge, in any manner, in its sole discretion, provided, however, Developer's consent shall be required if the resolution of the challenge shall require a payment by Developer or limit Developer's rights under this Agreement.

18. Relationship of the Parties. The Parties acknowledge and agree that Developer is not acting as an agent, joint venturer or partner of the City, but each is, in fact, an independent contractual party and not in any way under the control or direction of the City except as is expressly provided to the contrary in this Agreement.

19. Recordation. The City Clerk shall record a copy of this Agreement with the Registrar-Recorder of the County of Los Angeles no later than ten (10) days after the effective date of the ordinance approving this Agreement. Developer shall reimburse the City for all costs of such recording, if any.

20. No Third Party Beneficiaries. The only signatories to this Agreement are the City and Developer. There are no third party beneficiaries and this Agreement is not intended and shall not be construed to benefit or be enforceable by any other person whatsoever other than the successors in interest of the signatories.

21. Advice; Neutral Interpretation. Each Party has received independent legal advice from its attorneys with respect to the advisability of executing this Agreement and the meaning of the provisions hereof. This Agreement has been drafted through a joint effort of the Parties and their counsel and therefore shall not be construed against either of the Parties in its capacity as draftsperson, but in accordance with its fair meaning.

22. Certificate of Compliance. At any time during the

term of this Agreement, any Mortgagee or other party may request any Party to this Agreement to confirm that (i) this Agreement is unmodified and in full force and effect (or if there have been modifications hereto, that this Agreement is in full force and effect as modified and stating the date and nature of such modifications) and that (ii) to the best of such Party's knowledge, no defaults exist under this Agreement or if defaults do exist, to describe the nature of such defaults and (iii) any other information reasonably requested. Each Party hereby agrees to provide a certificate to such lender or other party within ten (10) Business Days of receipt of the written request therefor.

23. Consideration. The City and Developer acknowledge and agree that there is good, sufficient and valuable consideration flowing to the City and to Developer pursuant to this Agreement as more particularly set forth in the Recitals and Section 2 of this Agreement. The Parties further acknowledge and agree that the exchanged consideration hereunder is fair, just and reasonable.

24. Periodic Reviews.

(a) Annual Reviews. The City shall conduct annual reviews to determine whether Developer is acting in good faith compliance with the provisions of this Agreement and Government Code Section 65865.1. The reasonable cost of each annual review conducted during the term of this Agreement shall be reimbursed to the City by Developer. Such reimbursement shall include all direct and indirect expenses reasonably incurred in such annual reviews.

(b) Special Reviews. In addition, the City Council of the City may order a special periodic review of Developer's compliance with this Agreement at any time. The cost of such special reviews shall be borne by the City, unless such a special review demonstrates that Developer is not acting in good faith compliance with the provisions of this Agreement. In such cases, Developer shall reimburse the City for all costs, direct and indirect, incurred in conjunction with such a special review.

(c) Procedure for Review. The City's Director of Community Development (the "Community Development Director") shall conduct the review contemplated by this Section 24 to ascertain whether Developer has complied in good faith with the terms and conditions of this Agreement during the period for which the review is conducted. The Community Development Director shall give Developer written notice that any such review has been commenced, and shall give Developer at least twenty (20) days after Developer's receipt of such notice to provide to the Community Development Director such information as Developer deems relevant to such review. In addition, upon the written request of the Community Development Director, Developer shall furnish such documents or other information as requested by the Community Development Director.

(d) Result of Review. If, following such a review, the Community Development Director finds good faith compliance by Developer with the terms and conditions of this Agreement, the Community Development Director shall issue to Developer an executed certificate of compliance, certifying Developer's good faith compliance with the terms and conditions of this Agreement through the period of such review. Such certificate shall be in recordable form, and shall contain such information as may be necessary to impart constructive record notice of the finding of good faith compliance hereunder. Developer shall have the right to record such certificate of compliance in the Official Records of the County of Los Angeles.

If, following such a review, the Community Development Director finds that Developer has not complied in good faith with the terms and conditions of this Agreement, the Community Development Director shall specify in writing the respects in which Developer has failed to so comply. The Community Development Director shall provide Developer with written notice of such noncompliance as provided in Section 12 and the City may follow the default procedures as set forth in Section 12.

(e) Effect on Default. Nothing in this Section 24 shall be interpreted to prevent the City from providing Developer with a notice of default hereunder at any time, including any time other than during a periodic review under this Section 24, or from terminating this Agreement pursuant to the provisions of Section 12 following any event of default by Developer.

25. Future Litigation Expenses.

(a) Payment of Prevailing Party. If the City or Developer brings an action or proceeding (including, without limitation, any motion, order to show cause, cross-complaint, counterclaim, third-party claim or arbitration proceeding) by reason of default, breach, tortious act, or act or omission, arising out of this Agreement, the prevailing party in such action or proceeding shall be entitled to its costs and expenses of suit including, but not limited to, reasonable attorneys' fees and expert witness fees.

(b) Scope of Fees. Attorneys' fees under this Section shall include attorneys' fees on any appeal and, in addition, a party entitled to attorneys' fees shall be entitled to all other reasonable costs and expenses incurred in connection with such action. In addition to the foregoing award of attorneys' fees to the prevailing party, the prevailing party in any lawsuit shall be entitled to its attorneys' fees incurred in any post-judgment proceedings to collect or enforce the judgment. This provision is separate and several and shall survive the merger of this Agreement into any judgment on this Agreement.

26. Headings. The section headings used in this Agreement are for convenient reference only and shall not be used in construing this Agreement. The words "include," "including" or other words of like import are intended as words of illustration and not limitation and shall be construed to mean "including, without limitation."

27. Amendment. This Agreement may be amended from time to time, in whole or in part, by mutual written consent of the Parties or their successors in interest, as follows:

(i) City and Developer, by mutual agreement, may terminate or amend the terms of this Agreement, and the amendment or termination shall be accomplished in the manner provided under California law for the enactment of Development Agreement amendments.

(ii) Except as may be otherwise agreed to by the Parties, no amendment of this Agreement shall be required in connection with the issuance of any Subsequent Project Approval. Any Subsequent Project Approval issued after the Effective Date of this Agreement automatically shall be incorporated into this Agreement and vested hereby.

28. Alterations. No alteration, amendment or modification of this Agreement shall be valid unless evidenced by a written instrument executed by the parties hereto with the same formality as this Agreement, and made in the manner required by the Development Agreement Act.

29. Waiver. The failure of either Party hereto to insist in any one or more instances upon the strict performance of any of the covenants, agreements, terms, provisions or conditions of this Agreement, or to exercise any election or option herein contained, shall not be construed as a waiver or relinquishment for the future of such covenant, agreement, term, provision, condition, election or option, but the same shall continue and remain in full force and effect. No waiver by any Party hereto of any covenant, agreement, term, provision or condition of this Agreement shall be deemed to have been made unless expressed in writing and signed by an appropriate official or officer on behalf of such Party.

30. Severability. If any article, section, subsection, term or provision of this Agreement, or the application thereof to any party or circumstance, shall, to any extent, be invalid or unenforceable, the remainder of the article, section, subsection, term or provision of this Agreement, or the application of the same to parties or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each remaining article, section, subsection, term or provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law, except that if any provision of Section 10 is held invalid or unenforceable before approval of a tentative subdivision map for the Project, then this entire Agreement shall be void and unenforceable and of no further force and effect.

31. Force Majeure. Performance by any Party of its obligations hereunder (other than for payment of money) shall be excused during any period of "Permitted Delay," which Permitted Delay shall mean and include delay caused by an event beyond the reasonable control of the Party claiming the delay (and despite the good faith efforts of such Party) that prevents the Party from fulfilling the obligations for which it seeks excuse including without limitation all of the following to the extent that they prevent the Party claiming delay from fulfilling the obligation from which it seeks to be excused: acts of God; civil commotion; riots; strikes; picketing or other labor disputes; shortages of materials or supplies; damage to work in progress by reason of fire, floods, earthquake or other casualties; failure, delay or inability of the other Party to act; terrorism, and litigation brought by a third party attacking the validity of this Agreement, the Project Approvals or the EIR.

32. Notices. All notices, disclosures, demands, acknowledgments, statements, requests, responses and other communications (each, a "Communication") to be given under this Agreement shall be in writing, signed by a signatory hereto (or an officer, agent or attorney of such party) giving such Communication, and shall be deemed effective (i) upon receipt if hand delivered or sent by overnight courier service; or (ii) upon delivery or the date of refusal if sent by the United States mail, postage prepaid, certified mail, return receipt requested, in either case addressed as follows:

To Developer: Project Lotus LLC
Attn: Manager
Rodeo Collection
424 North Rodeo Drive
Third Floor
Beverly Hills, CA 90210

With Copy to: Candy & Candy
100 Brompton Road, Knightsbridge
London
SW3 1ER
United Kingdom

To City: City Manager
City of Beverly Hills
455 North Rexford Drive
Third Floor
Beverly Hills, California 90210

With Copy to: City Attorney
City of Beverly Hills
455 North Rexford Drive
Room 220
Beverly Hills, California 90210

Any signatory hereto may from time to time, by notice given to the other signatories hereto pursuant to the terms of this Section 32 change the address to which communications to such signatory are to be sent or designate one or more additional persons or entities to which communications are to be sent.

33. Applicable Law. This Agreement shall be governed in all respects by the laws of the State of California.

34. Time is of the Essence. Time is of the essence of this Agreement and every term or performance hereunder.

35. Entire Agreement. This Agreement supersedes any prior understanding or written or oral agreements between the Parties hereto respecting the within subject matter and contains the entire understanding between the Parties with respect thereto.

36. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be

deemed an original but all of which together shall constitute one and the same instrument.

37. Compliance With Law. Notwithstanding any provision of this Agreement, the Parties agree to comply with all federal, state and local laws and to act in good faith and reasonably in carrying out the terms of this Agreement.

38. Authorization. Each person executing this Agreement represents and warrants that he or she is authorized and has the legal capacity to execute and deliver this Agreement on behalf of the Party for which execution has been made.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the ____ day of _____, 200__.

CITY OF BEVERLY HILLS,
A Municipal Corporation

BARRY BRUCKER
Mayor of the City of
Beverly Hills, California

ATTEST:
(SEAL)
BYRON POPE
City Clerk
PROJECT LOTUS LLC, a Delaware limited liability company

By: _____
Name: _____
Its: _____

APPROVED AS TO FORM:
LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT:
RODERICK J. WOOD
City Manager

EXHIBIT A Legal Description

9900 WILSHIRE LEGAL DESCRIPTION

That certain real property located in the State of California, County of Los Angeles described as follows:

PARCEL 1:

THAT PORTION OF BLOCK 33 OF BEVERLY, SHEET 2, IN THE CITY OF BEVERLY HILLS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 13, PAGES 62 AND 63 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWESTERLY CORNER OF LOT 4 OF SAID BLOCK 33; THENCE ALONG THE NORTHERLY LINE OF LOT 4 AND A PORTION OF LOT 3 OF SAID BLOCK 33, NORTH 89° 55' 00" EAST 300.00 FEET TO A POINT ON THE NORTHERLY LINE OF LOT 3 OF SAID BLOCK 33; THENCE SOUTH 0° 05' 00" EAST 177.00 FEET; THENCE SOUTHEASTERLY SOUTH 38° 46' 45" EAST 583.79 FEET TO A POINT ON THE SOUTHEASTERLY LINE OF LOT 7 OF SAID BLOCK 33, DISTANT 431.22 FEET FROM THE MOST SOUTHERLY CORNER OF LOT 6 OF SAID BLOCK 33; THENCE SOUTH 50° 19' 15" WEST 431.22 FEET TO THE MOST SOUTHERLY CORNER OF LOT 6 OF SAID BLOCK 33; THENCE ALONG THE SOUTHWESTERLY LINE OF LOTS 6 AND 4 OF SAID BLOCK 33, NORTH 30° 58' 05" WEST 798.43 FEET TO THE MOST SOUTHERLY CORNER OF LOT 5 OF SAID BLOCK 33; THENCE ALONG THE SOUTHEASTERLY LINE OF LOT 5 NORTH 19° 03' 30" EAST 235.27 FEET TO THE POINT OF BEGINNING.

PARCEL 2:

AN EASEMENT FOR PRIVATE ROAD PURPOSES OVER THE EASTERLY 20 FEET OF THOSE PORTIONS OF LOTS 3 AND 7 IN BLOCK 33 OF BEVERLY, IN THE CITY OF BEVERLY HILLS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 13 PAGES 62 AND 63 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, INCLUDED WITHIN A STRIP OF LAND, 40 FEET WIDE, THE CENTER LINE OF WHICH IS DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF SAID LOT 3, DISTANT NORTH 89° 55' 00" EAST 300 FEET MEASURED ALONG THE NORTHERLY LINE OF SAID BLOCK 33 FROM THE NORTHWEST CORNER OF LOT 4 OF SAID BLOCK 33; THENCE SOUTH 0° 05' 00" EAST 177.00 FEET; THENCE SOUTHEASTERLY SOUTH 38° 46' 45" EAST 583.79 FEET TO A POINT ON THE SOUTHEASTERLY LINE OF LOT 7 OF SAID BLOCK 33, DISTANT 431.22 FEET FROM THE MOST SOUTHERLY CORNER OF LOT 6 OF SAID BLOCK 33, AS GRANTED BY DEED AND AGREEMENT DATED DECEMBER 20, 1950, AND RECORDED DECEMBER 22, 1950, IN BOOK 35141, PAGE 331, OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXHIBIT B Map Exhibit of Public Open Space Area

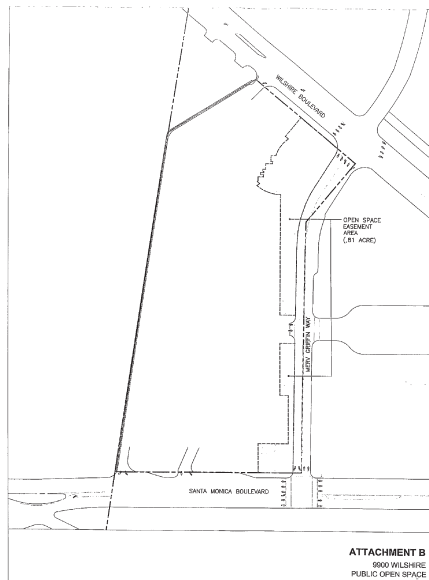


EXHIBIT C Form of Open Space Easement

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO:
City Clerk
City of Beverly Hills
455 N. Rexford Drive
Beverly Hills, California 90210

THE AREA ABOVE IS RESERVED FOR RECORDER'S USE

A.P.N.: _____
Exempt from recording fees pursuant to Government Code § 27383.
Exempt from documentary transfer taxes pursuant to Revenue Taxation Code § 11922.

OPEN SPACE EASEMENT AGREEMENT

This OPEN SPACE EASEMENT AGREEMENT (the "Agreement") is entered into as of _____, 2008 (the "Effective Date"), by and between PROJECT LOTUS, LLC, a Delaware limited liability company ("Grantor") and THE CITY OF BEVERLY HILLS, a municipal corporation ("Grantee").

RECITALS

A. Grantor is the owner of the land described on Exhibit "A" and the improvements thereon (collectively "Grantor Parcel").

B. Grantor and Grantee have entered into a Development Agreement dated _____, 2008 (the "Development Agreement") in connection with a proposed development ("Development") on the Grantor Parcel.

C. The Development Agreement requires that Grantor enter into this Agreement with Grantee prior to the issuance of any building permit for the proposed development.

NOW, THEREFORE, in consideration of the mutual promises contained herein and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Grant of Easement. Grantor hereby grants to Grantee, a perpetual easement (the "Easement") in and over the portion of the Grantor Parcel described on Exhibit "B" (the "Easement Area").

2. Purpose of Easement. The purpose of the easement shall be for access to and use by the public of the Public Gardens identified on Exhibit "B." The Public Gardens shall be open to the public pursuant to the easement from 8:00 am to dusk (or as otherwise established by the property owner and reasonably approved by the City's Director of Community Development), provided that the Public Gardens may be closed to the public from time to time for maintenance and repairs, improvement work, and emergencies, as reasonably required.

3. Maintenance. Grantor shall be and remain responsible for the maintenance of the Easement Areas as public open space. Once the Development's property owner's association (the "Association") becomes operational, Grantor may transfer and assign the maintenance obligations to the Association, provided title to the Easement Area is also conveyed the Association. The maintenance obligations may not be otherwise transferred or assigned to any other third-party without the prior written approval and consent of the City Manager, in the exercise of the City's sole, absolute and unfettered discretion.

4. Property Taxes; Liens. Grantor shall pay, prior to delinquency, all property taxes, special taxes and assessments assessed against the Easement Area, and shall keep the Easement Area free of all liens except for liens securing financing for the Development, which must be subordinate or subordinated to this Agreement and the Easement.

5. Grantee's Remedies. If Grantee determines that Grantor is in violation of the terms of this Agreement or the Easement, Grantee shall give written notice to Grantor of such violation. If Grantor fails to cure the violation within fifteen (15) days after said written notice is given, or said cure reasonably requires more than fifteen (15) days to complete and Grantor fails to begin to cure within the fifteen (15) day period or fails to continue diligently to complete the cure, Grantee may bring an action at law or in equity in a court of competent jurisdiction to enforce compliance by Grantor with the terms of this Agreement or the Easement, to recover any damages to which Grantee may be entitled for violation by Grantee of the terms of this Agreement or the Easement, or may cure the violation in which event Grantor shall reimburse Grantee for the costs incurred by Grantee in connection with violation within ten (10) days after written demand with evidence of such costs. Additionally, without notice or the expiration of any cure period, Grantee may enjoin the violation, ex parte, by temporary or permanent injunction without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies, or for other equitable relief.

6. Miscellaneous.

(a) Notices. Any notice to be given under or in connection with this Agreement shall be in writing and shall be deemed to have been given upon: (i) personal delivery, (ii) one (1) business day after being deposited with Federal Express or another reliable overnight courier service for next day delivery, or (iii) two (2) business days after being deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required, and addressed as follows:

If to Grantor: Project Lotus LLC
Attn: Manager
Rodeo Collection
424 North Rodeo Drive
Third Floor
Beverly Hills, CA 90210

With a copy to: Candy & Candy
100 Brompton Road, Knightsbridge
London
SW3 1ER
United Kingdom

If to Grantee: City of Beverly Hills

Beverly Hills City Hall
455 North Rexford Drive, Third Floor
Beverly Hills, California 90210
Attn: City Manager

With a copy to: City of Beverly Hills
455 North Rexford Drive, Suite 220
Beverly Hills, California 90210
Attn: City Attorney

(b) Assignment; Successors and Assigns. Upon prior written notice to Grantee, the Grantor may assign its obligations hereunder to the property owners' association for the Development provided title to the Easement Area is also conveyed to such association, but this Agreement may not be assigned to any other person or entity (except as collateral to a lender providing financing for the development) without the prior written consent of the City Manager.

(c) Runs With Land. The covenants and agreements contained herein and the rights, privileges and easements herein granted shall run with, burden and shall be appurtenant to the properties described herein.

(b) Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of California.

(e) Severability. If any provision of this Agreement shall for any reason be held to be invalid, illegal or unenforceable by any court of competent jurisdiction, the validity of the other provisions of this Agreement shall in no way be affected thereby.

(f) Counterparts. This Agreement may be executed in any number of identical counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

(g) Further Acts. Each of the parties shall execute such other and further documents and do such further acts as may be reasonably required to effectuate the intent of the parties and carry out the terms of this Agreement (including, without limitation, obtaining and delivering to Grantee prior to the recordation of this Agreement reasonable subordination agreements from the holders of any liens encumbering the Easement Area that are or might be senior to this Agreement or the Easement as of the date of the recordation of this Agreement).

(h) Attorneys' Fees. If any action shall be commenced to enforce the terms of this Agreement or to declare the rights of the parties hereunder, the prevailing party shall be entitled to recover all of its costs and expenses (including, but not limited to, its actual attorneys' fees) from the nonprevailing party. In addition to the foregoing award of attorneys' fees and other litigation costs to the prevailing party, the prevailing party in any lawsuit on this Agreement shall be entitled to its attorneys' fees and other litigation costs incurred in any post-judgment proceedings to collect or enforce the judgment. This provision is separate and several and shall survive the merger of this Agreement into any judgment on this Agreement. This provision shall survive the termination of this Agreement.

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

GRANTOR:
PROJECT LOTUS, LLC,
a Delaware limited liability company

By: _____
Print Name: _____
Title: _____

GRANTEE:
THE CITY OF BEVERLY HILLS,
a municipal corporation

By: _____
Print Name: _____
Title: _____

ATTEST:

BYRON POPE
City Clerk

Approved as to form:
LAURENCE WIENER
City Attorney

Approved as to content:
RODERICK J. WOOD
City Manager

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 _____
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 _____
Signature of Notary Public

**EXHIBIT "A"
LEGAL DESCRIPTION OF THE GRANTOR PARCEL**

**EXHIBIT "B"
DESCRIPTION OF EASEMENT AREA**

CERTIFICATE OF ACCEPTANCE

(California Government Code Section 27281)

This is to certify that the interest in real property conveyed by that certain Open Space Easement Agreement dated _____, 2008, from PROJECT LOTUS, LLC, to the CITY OF BEVERLY HILLS, a municipal corporation (the "City"), which is a governmental agency, is hereby accepted by the undersigned officer on behalf of the City pursuant to the authority conferred by resolution of the City, Resolution Number _____, adopted on _____, and that the City consents to recordation thereof by its duly authorized officer.

Dated: _____, 2008

CITY OF BEVERLY HILLS

Roderick Wood,
City Manager

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 D

Form of Bus Turnout Easement Agreement

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO:

City Clerk
City of Beverly Hills
455 N. Rexford Drive
Beverly Hills, California 90210

THE AREA ABOVE IS RESERVED FOR
RECORDER'S USE

A.P.N.: _____
Exempt from recording fees pursuant to Government Code § 27383.
Exempt from documentary transfer taxes pursuant to Revenue Taxation Code § 11922.

BUS TURNOUT EASEMENT AGREEMENT

This BUS TURNOUT EASEMENT AGREEMENT (the "Agreement") is entered into as of _____, 2008 (the "Effective Date"), by and between PROJECT LOTUS, LLC, a Delaware limited liability company ("Grantor") and THE CITY OF BEVERLY HILLS, a municipal corporation ("Grantee").

RECITALS

A. Grantor is the owner of the land described on Exhibit "A" and the improvements thereon ("Grantor Parcel").
B. Grantor and Grantee have entered into a Development Agreement dated _____, 2008 (the "Development Agreement") in connection with a proposed development ("Development") on the Grantor Parcel.
C. The Development Agreement requires that Grantor

enter into this Agreement prior to the issuance of a building permit with Grantee to provide right of way easements for bus turnouts along the Development's Wilshire Boulevard and Santa Monica Boulevard frontages that are assignable to the Metropolitan Transportation Authority (the "MTA") or any other governmental entity responsible for operating public bus service along those roadways.

NOW, THEREFORE, in consideration of the mutual promises contained herein and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Grant of Easement. Grantor hereby grants to Grantee two perpetual easements in and over the Grantor Parcel described on Exhibit B (the "Easements") as follows: (i) one easement sufficient to provide a sidewalk area, behind bus turnout along the Development's Wilshire Boulevard frontage, and (ii) one easement sufficient to provide a sidewalk area, behind bus turnout along the Development's Santa Monica Boulevard frontage.

2. Purpose of Easement. The purpose of the Easements shall be for the construction, installation, operation, access to (including access by the public), maintenance, improvement and repair/replacement (as necessary) of sidewalk area, behind bus turnouts.

3. Property Taxes; Liens. Grantor shall pay, prior to delinquency, all property taxes, special taxes and assessments assessed against the easement areas, and shall keep the easement areas free of all liens except for liens securing financing for the Development, which must be subordinate or subordinated to this Agreement and the Easement.

4. Grantee's Remedies. If Grantee determines that Grantor is in violation of the terms of this Agreement or the Easement, Grantee shall give written notice to Grantor of such violation. If Grantor fails to cure the violation within fifteen (15) days after said written notice is given, or said cure reasonably requires more than fifteen (15) days to complete and Grantor fails to begin to cure within the fifteen (15) day period or fails to continue diligently to complete the cure, Grantee may bring an action at law or in equity in a court of competent jurisdiction to enforce compliance by Grantor with the terms of this Agreement or the Easement, to recover any damages to which Grantee may be entitled for violation by Grantee of the terms of this Agreement or the Easement, or may cure the violation in which event Grantor shall reimburse Grantee for the costs incurred by Grantee in connection with violation within ten (10) days after written demand with evidence of such costs. Additionally, without notice or the expiration of any cure period, Grantee may enjoin the violation, ex parte, by temporary or permanent injunction without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies, or for other equitable relief.

5. Miscellaneous.

(a) Notices. Any notice to be given under or in connection with this Agreement shall be in writing and shall be deemed to have been given upon: (i) personal delivery, (ii) one (1) business day after being deposited with Federal Express or another reliable overnight courier service for next day delivery, or (iii) two (2) business days after being deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required, and addressed as follows:

If to Grantor: Project Lotus LLC
Attn: Manager
Rodeo Collection
424 North Rodeo Drive
Third Floor
Beverly Hills, CA 90210
Candy & Candy
100 Brompton Road, Knightsbridge
London
SW3 1ER
United Kingdom

With a copy to:

If to Grantee: City of Beverly Hills
Beverly Hills City Hall
455 North Rexford Drive
Beverly Hills, California 90210
Attn: City Manager

With a copy to:

City of Beverly Hills
455 North Rexford Drive, Suite 220
Beverly Hills, California 90210
Attn: City Attorney

(b) Assignment; Successors and Assigns. The Grantee may assign its rights and obligations hereunder to the MTA or to any other governmental entity responsible for operating public bus service along Wilshire Boulevard or Santa Monica Boulevard and, upon a written assumption by such assignee of the obligations hereunder, Grantee shall be released from all obligations and liabilities arising after the date of the assumption. Subject to the foregoing, this Agreement shall be binding upon, and shall inure to the benefit of, each party, its successors, assigns and successors-in-interest.

(c) Running With Land. The covenants and agreements contained herein and the rights, privileges and easements herein granted shall run with, burden and shall be appurtenant to the properties described herein.

(d) Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of California.

(e) Severability. If any provision of this Agreement shall for any reason be held to be invalid, illegal or unenforceable by any court of competent jurisdiction, the validity of the other provisions of this Agreement shall in no way be affected thereby.

(f) Counterparts. This Agreement may be executed in any number of identical counterparts, each of which shall be deemed an original, but all of which shall

constitute one and the same instrument.

(g) Further Acts. Each of the parties shall execute such other and further documents and do such further acts as may be reasonably required to effectuate the intent of the parties and carry out the terms of this Agreement (including, without limitation, obtaining and delivering to Grantee prior to the recordation of this Agreement reasonable subordination agreements from the holders of any liens encumbering the easement areas that are or might be senior to this Agreement as of the date of the recordation of this Agreement).

(h) Attorneys' Fees. If any action shall be commenced to enforce the terms of this Agreement or to declare the rights of the parties hereunder, the prevailing party shall be entitled to recover all of its costs and expenses (including, but not limited to, its actual attorneys' fees) from the nonprevailing party. In addition to the foregoing award of attorneys' fees and other litigation costs to the prevailing party, the prevailing party in any lawsuit on this Agreement shall be entitled to its attorneys' fees and other litigation costs incurred in any post-judgment proceedings to collect or enforce the judgment. This provision is separate and several and shall survive the merger of this Agreement into any judgment on this Agreement. This provision shall survive the termination of this Agreement.

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

GRANTOR:
PROJECT LOTUS, LLC,
a Delaware limited liability company

By: _____
Print Name: _____
Title: _____

GRANTEE:
THE CITY OF BEVERLY HILLS

By: _____
Print Name: _____
Title: _____

ATTEST:
(SEAL)
BYRON POPE
City Clerk

Approved as to form:
LAURENCE WIENER
City Attorney

Approved as to content:
RODERICK J. WOOD
City Manager

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 _____ (S e a l)
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 _____ (S e a l)
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 _____ (S e a l)
Signature of Notary Public

**EXHIBIT "A"
LEGAL DESCRIPTION OF THE GRANTOR PARCEL**

**EXHIBIT "B"
DESCRIPTION OF EASEMENTS**

CERTIFICATE OF ACCEPTANCE

(California Government Code Section 27281)

This is to certify that the interest in real property conveyed by that certain Bus Turnout Easement Agreement dated _____, 200____, from _____, to the CITY OF BEVERLY HILLS, a municipal corporation (the "City"), which is a governmental agency, is hereby accepted by the undersigned officer on behalf of the City pursuant to the authority conferred by resolution of the City, Resolution Number _____, adopted on _____, and that the City consents to recordation thereof by its duly authorized officer.

Dated: _____, 200____
CITY OF BEVERLY HILLS

City Manager

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 _____ (S e a l)
Signature of Notary Public

EXHIBIT E

Form of Non-exclusive Easement to Allow Shuttle Service Vehicle Access to Project

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO:

City Clerk
City of Beverly Hills
455 N. Rexford Drive
Beverly Hills, California 90210

THE AREA ABOVE IS RESERVED FOR
RECORDER'S USE

A.P.N.: _____
Exempt from recording fees pursuant to Government Code § 27383.
Exempt from documentary transfer taxes pursuant to Revenue Taxation Code § 11922.

SHUTTLE ACCESS EASEMENT AGREEMENT

This SHUTTLE ACCESS EASEMENT AGREEMENT (the "Agreement") is entered into as of _____, 2008 (the "Effective Date"), by and between PROJECT LOTUS, LLC, a Delaware limited liability company ("Grantor") and THE CITY OF BEVERLY HILLS, a municipal corporation ("Grantee").

RECITALS

A. Grantor is the owner of the land described on Exhibit "A" and the improvements thereon (collectively "Grantor Parcel").
B. Grantor and Grantee have entered into a Development Agreement dated _____, 2008 (the "Development Agreement") in connection with a proposed development ("Development") on the Grantor Parcel.
C. The Development Agreement requires that Grantor enter into this Agreement with Grantee prior to the issuance of any building permit for the proposed development.

NOW, THEREFORE, in consideration of the mutual promises contained herein and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Grant of Easement. Grantor hereby grants to Grantee, a non-exclusive perpetual easement ("Easement") in and over the portion of the Grantor Parcel described on Exhibit "B" (the "Easement Area").

2. Purpose of Easement. The purpose of the easement shall be for the ingress, egress and the loading and unloading of members of the public by any shuttle vehicle operated by a shuttle vehicle service designated in writing to Grantor from time to time by the City Manager.

3. Property Taxes; Liens. Grantor shall pay, prior to delinquency, all property taxes, special taxes and assessments assessed against the Easement Area, and shall keep the Easement Area free of all liens except for liens securing financing for the Development, which must be subordinate or subordinated to this Agreement and

the Easement.
4. Grantee's Remedies. If Grantee determines that Grantor is in violation of the terms of this Agreement or the Easement, Grantee shall give written notice to Grantor of such violation. If Grantor fails to cure the violation within fifteen (15) days after said written notice is given, or said cure reasonably requires more than fifteen (15) days to complete and Grantor fails to begin to cure within the fifteen (15) day period or fails to continue diligently to complete the cure, Grantee may bring an action at law or in equity in a court of competent jurisdiction to enforce compliance by Grantor with the terms of this Agreement or the Easement, to recover any damages to which Grantee may be entitled for violation by Grantee of the terms of this Agreement or the Easement, or may cure the violation in which event Grantor shall reimburse Grantee for the costs incurred by Grantee in connection with violation within ten (10) days after written demand with evidence of such costs. Additionally, without notice or the expiration of any cure period, Grantee may enjoin the violation, ex parte, by temporary or permanent injunction without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies, or for other equitable relief.
5. Miscellaneous.

(a) Notices. Any notice to be given under or in connection with this Agreement shall be in writing and shall be deemed to have been given upon: (i) personal delivery, (ii) one (1) business day after being deposited with Federal Express or another reliable overnight courier service for next day delivery, or (iii) two (2) business days after being deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required, and addressed as follows:

If to Grantor: Project Lotus LLC
Attn: Manager
Rodeo Collection
424 North Rodeo Drive
Third Floor
Beverly Hills, CA 90210

With a copy to: Candy & Candy
100 Brompton Road, Knightsbridge
London
SW3 1ER
United Kingdom

If to Grantee: City of Beverly Hills
Beverly Hills City Hall
455 North Rexford Drive, Third Floor
Beverly Hills, California 90210
Attn: City Manager

With a copy to: City of Beverly Hills
455 North Rexford Drive, Suite 220
Beverly Hills, California 90210
Attn: City Attorney

(b) Assignment; Successors and Assigns. Upon prior written notice to Grantee, the Grantor may assign its obligations hereunder to the property owners' association for the Development provided title to the Easement Area is also conveyed to such association, but this Agreement may not be assigned to any other person or entity (except as collateral to a lender providing financing for the development) without the prior written consent of the City Manager.

(c) Runs With Land. The covenants and agreements contained herein and the rights, privileges and easements herein granted shall run with, burden and shall be appurtenant to the properties described herein.

(d) Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of California.

(e) Severability. If any provision of this Agreement shall for any reason be held to be invalid, illegal or unenforceable by any court of competent jurisdiction, the validity of the other provisions of this Agreement shall in no way be affected thereby.

(f) Counterparts. This Agreement may be executed in any number of identical counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

(g) Further Acts. Each of the parties shall execute such other and further documents and do such further acts as may be reasonably required to effectuate the intent of the parties and carry out the terms of this Agreement (including, without limitation, obtaining and delivering to Grantee prior to the recordation of this Agreement reasonable subordination agreements from the holders of any liens encumbering the Easement Area that are or might be senior to this Agreement or the Easement as of the date of the recordation of this Agreement).

(h) Attorneys' Fees. If any action shall be commenced to enforce the terms of this Agreement or to declare the rights of the parties hereunder, the prevailing party shall be entitled to recover all of its costs and expenses (including, but not limited to, its actual attorneys' fees) from the nonprevailing party. In addition to the foregoing award of attorneys' fees and other litigation costs to the prevailing party, the prevailing party in any lawsuit on this Agreement shall be entitled to its attorneys' fees and other litigation costs incurred in any post-judgment proceedings to collect or enforce the judgment. This provision is separate and several and shall survive the merger of this Agreement into any judgment on this Agreement. This provision shall survive the termination of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.
GRANTOR:
PROJECT LOTUS, LLC,
a Delaware limited liability company

By: _____
Print Name: _____

Title: _____

GRANTEE:
THE CITY OF BEVERLY HILLS,
a municipal corporation

By: _____
Print Name: _____
Title: _____

ATTEST:

_____(SEAL)

BYRON POPE
City Clerk

Approved as to form:
LAURENCE WIENER
City Attorney

Approved as to content:
RODERICK J. WOOD
City Manager

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

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 OF THE GRANTOR PARCEL

EXHIBIT "B" DESCRIPTION OF EASEMENT AREA

CERTIFICATE OF ACCEPTANCE

(California Government Code Section 27281)
This is to certify that the interest in real property conveyed by that certain Shuttle Access Easement Agreement dated _____, 2008, from PROJECT LOTUS, LLC, to the CITY OF BEVERLY HILLS, a municipal corporation (the "City"), which is a governmental agency, is hereby accepted by the undersigned officer on behalf of the City pursuant to the authority conferred by resolution of the City, Resolution Number _____, adopted on _____, and that the City consents to recordation thereof by its duly authorized officer.
Dated: _____, 2008
CITY OF BEVERLY HILLS

Roderick Wood,
City Manager

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 F Form of Subway Portal Easement

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO:

City Clerk
City of Beverly Hills
455 N. Rexford Drive
Beverly Hills, California 90210

THE AREA ABOVE IS RESERVED FOR
RECORDER'S USE

A.P.N.: _____
Exempt from recording fees pursuant to Government Code § 27383.
Exempt from documentary transfer taxes pursuant to Revenue Taxation Code § 11922.

SUBWAY PORTAL EASEMENT AGREEMENT

This SUBWAY PORTAL EASEMENT AGREEMENT (the "Agreement") is entered into as of _____, 2008 (the "Effective Date"), by and between PROJECT LOTUS, LLC, a Delaware limited liability company ("Grantor") and THE CITY OF BEVERLY HILLS, a municipal corporation ("Grantee").
R E C I T A L S

A. Grantor is the owner of the land described on Exhibit "A" and the improvements thereon ("Grantor Parcel").

B. Grantor and Grantee have entered into a Development Agreement dated _____, 2008 ("Development Agreement") in connection with a proposed development ("Development") on the Grantor Parcel.

C. The Development Agreement requires that Grantor enter into this Agreement prior to issuance of a building permit with Grantee to provide an entranceway or "portal" for a subway station under Wilshire Boulevard or Santa Monica Boulevard that is assignable to the Metropolitan Transportation Authority (the "MTA") (or any other governmental entity responsible for constructing or maintaining a subway station) for the benefit of a future subway line.

NOW, THEREFORE, in consideration of the mutual promises contained herein and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Grant of Easement. Grantor hereby grants to Grantee, a perpetual subway portal easement ("Easement") in, over and under the Grantor Parcel provided, however, that the surface area at ground level of such portal shall not exceed three hundred (300) square feet.

2. Purpose of Easement. The purpose of the Easement shall be for the construction, installation, operation, access to (including access by the public), maintenance, improvement and repair/replacement (as necessary) of an entrance or "portal" (and related improvements) to a subway station to be constructed under Wilshire Boulevard or Santa Monica Boulevard in the City of Beverly Hills, California.

3. Special Restrictions on Use of Easement. The Easement may not be used in a manner that materially interferes with or limits access to the Development, materially interferes with the structural integrity of the Grantor Parcel or buildings or structures on the Grantor Parcel, or materially interfere with the operations of the Grantor Parcel or the businesses located on the Grantor Parcel.

4. Expiration. The Easement will expire in the event that: (i) the Grantee does not accept the Easement in writing on or before the twentieth (20th) anniversary of the date of this Easement; or (ii) neither the MTA nor any other appropriate governmental entity involved with the subway has secured financing for the construction of the subway station on or before the twentieth (20th) anniversary of the date of this Easement.

5. Property Taxes; Liens. Grantor shall pay, prior to delinquency, all property taxes, special taxes and assessments assessed against the easement area, and shall keep the Easement area free of all liens except for liens securing financing for the Development, which must be subordinate or subordinated to this Agreement and the Easement.

6. Grantee's Remedies. If Grantee determines that Grantor is in violation of the terms of this Agreement or the Easement, Grantee shall give written notice to Grantor of such violation. If Grantor fails to cure the violation within fifteen (15) days after said written notice is given, or said cure reasonably requires more than fifteen (15) days to complete and Grantor fails to begin to cure within the fifteen (15) day period or fails to continue diligently to complete the cure, Grantee may bring an action at law or in equity in a court of competent jurisdiction to enforce compliance by Grantor with the terms of this Agreement or the Easement, to recover any damages to which Grantee may be entitled for violation by Grantee of the terms of this Agreement or the Easement, or may cure the violation in which event Grantor shall reimburse Grantee for the costs incurred by Grantee in connection with violation within ten (10) days after written demand with evidence of such costs. Additionally, without notice or the expiration of any cure period, Grantee may enjoin the violation, ex parte, by temporary or permanent injunction without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies, or for other equitable relief.
7. Miscellaneous.

(a) Notices. Any notice to be given under or in connection with this Agreement shall be in writing and

shall be deemed to have been given upon: (i) personal delivery, (ii) one (1) business day after being deposited with Federal Express or another reliable overnight courier service for next day delivery, or (iii) two (2) business days after being deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required, and addressed as follows:

If to Grantor: Project Lotus LLC
Attn: Manager
Rodeo Collection
424 North Rodeo Drive
Third Floor
Beverly Hills, CA 90210

With a copy to: Candy & Candy
100 Brompton Road, Knightsbridge
London
SW3 1ER
United Kingdom

If to Grantee: City of Beverly Hills
Beverly Hills City Hall
455 North Rexford Drive
Beverly Hills, California 90210
Attn: City Manager

With a copy to: City of Beverly Hills
455 North Rexford Drive, Suite 220
Beverly Hills, California 90210
Attn: City Attorney

(b) Assignment; Successors and Assigns. The Grantee may assign its rights and obligations hereunder to the MTA or to any other governmental entity responsible for constructing or maintaining the subway station and, upon a written assumption by such assignee of the obligations hereunder, Grantee shall be released from all obligations and liabilities arising after the date of the assumption. Subject to the foregoing, this Agreement shall be binding upon, and shall inure to the benefit of, each party, its successors, assigns and successors-in-interest.

(c) Running With Land. The covenants and agreements contained herein and the rights, privileges and easements herein granted shall run with, burden and shall be appurtenant to the properties described herein.

(d) Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of California.

(e) Severability. If any provision of this Agreement shall for any reason be held to be invalid, illegal or unenforceable by any court of competent jurisdiction, the validity of the other provisions of this Agreement shall in no way be affected thereby.

(f) Counterparts. This Agreement may be executed in any number of identical counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

(g) Further Acts. Each of the parties shall execute such other and further documents and do such further acts as may be reasonably required to effectuate the intent of the parties and carry out the terms of this Agreement (including, without limitation, obtaining and delivering to Grantee prior to the recordation of this Agreement reasonable subordination agreements from the holders of any liens encumbering the Easement area that are or might be senior to this Agreement as of the date of the recordation of this Agreement).

(h) Attorneys' Fees. If any action shall be commenced to enforce the terms of this Agreement or to declare the rights of the parties hereunder, the prevailing party shall be entitled to recover all of its costs and expenses (including, but not limited to, its actual attorneys' fees) from the nonprevailing party. In addition to the foregoing award of attorneys' fees and other litigation costs to the prevailing party, the prevailing party in any lawsuit on this Agreement shall be entitled to its attorneys' fees and other litigation costs incurred in any post-judgment proceedings to collect or enforce the judgment. This provision is separate and several and shall survive the merger of this Agreement into any judgment on this Agreement. This provision shall survive the termination of this Agreement.

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

GRANTOR:
PROJECT LOTUS, LLC,
a Delaware limited liability company

By: _____
Print Name: _____
Title: _____

GRANTEE:
THE CITY OF BEVERLY HILLS

By: _____
Print Name: _____
Title: _____

ATTEST:

_____(SEAL)

BYRON POPE
City Clerk

Approved as to form:
LAURENCE WIENER
City Attorney

Approved as to content:
RODERICK J. WOOD
City Manager

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 _____ (S e a l)
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 _____ (S e a l)
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 _____ (S e a l)
Signature of Notary Public

EXHIBIT "A"

LEGAL DESCRIPTION OF THE GRANTOR PARCEL

CERTIFICATE OF ACCEPTANCE

(California Government Code Section 27281)

This is to certify that the interest in real property conveyed by that certain Subway Portal Easement Agreement dated _____, 200__, from _____, to the CITY OF BEVERLY HILLS, a municipal corporation (the "City"), which is a governmental agency, is hereby accepted by the undersigned officer on behalf of the City pursuant to the authority conferred by resolution of the City, Resolution Number _____, adopted on _____, and that the City consents to recordation thereof by its duly authorized officer. Dated: _____, 200__

CITY OF BEVERLY HILLS

City Manager

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 _____ (S e a l)
Signature of Notary Public

VOTE:

AYES: Councilmembers Briskman, Fenton and Mayor Brucker

NOES: Councilmember Krasne and Delshad

ABSENT: None

CARRIED

ORDINANCE NO. 08-O-2553 AN ORDINANCE OF THE CITY OF BEVERLY HILLS AMENDING THE COMPREHENSIVE SCHEDULE OF TAXES, FEES & CHARGES TO ENACT EMERGENCY WATER CONSERVATION RATES

THE CITY COUNCIL OF THE CITY OF BEVERLY HILLS HEREBY ORDAINS AS FOLLOWS:

Section 1. In 1992, the City Council adopted an Ordinance No. 92-0-2129 establishing requirements to implement mandatory water usage restrictions in the event of water shortages as determined by the City. If certain water shortages are declared, Section 9-4-304 of the Municipal Code allows the City to levy a water penalty surcharge based on the customer's water consumption that exceeds a certain percentage of water use.

Section 2. In order to implement the water usage restrictions and levy the water penalty surcharge should a water conservation stage be declared, and to comply with Proposition 218, the City has provided notification to all water customers compliant with Proposition 218 in the form of a mailing. The notice mailed on April 5, 2008 informed the customer about the proposed increase in rates if a water conservation stage is declared, the reasons for the increase in rates should a water conservation stage be declared, information on the public hearing to be held on May 20, 2008 and instructions for those who desire to protest. Accordingly, the City Council finds that notice of the hearing on this ordinance was duly provided pursuant to Proposition 218.

Section 3. The City Council hereby establishes that the water rates of the City are subject to a water penalty surcharge as described in Section 9-4-304 of the Beverly Hills Municipal Code and set forth as follows:

Water Usage	Stage A	Stage B	Stage C	Stage D
Baseline (% of Average Usage)	100%	90%	80%	70%
Water Penalty Surcharge				
Baseline to 100% (factor times rates)	1 X	2 X	3 X	4 X
Greater than 100% (factor times rates)	1 X	2 X	10 X	10 X

The water penalty surcharge is hereby imposed and shall take effect when the City has complied with the procedures set forth in Section 9-4-304 of the Beverly Hills Municipal Code.

Section 4. The City Clerk shall cause this Ordinance to be published at least once in a newspaper of general circulation published and circulated in the City within fifteen (15) days after its passage, in accordance with Section 36933 of the Government Code; shall certify to the adoption of this Ordinance and shall cause this Ordinance and his certification, together with proof of publication, to be entered in the Book of Ordinances of the Council of this City.

Section 5. This Ordinance shall go into effect and be in full force and effect at 12:01 a.m. on the thirty-first (31st) day after its passage.

Adopted: June 3, 2008
Effective: July 4, 2008

BARRY BRUCKER

Mayor of the City of Beverly Hills

ATTEST:

By Ron Pope
City Clerk (SEAL)

Approved as to form:

LAURENCE S. WIENER
City Attorney

Approved as to content:

RODERICK J. WOOD
City Manager

DAVID GUSTAVSON
Director of Public Works & Transportation

VOTE:

AYES: Councilmembers Krasne, Delshad, Briskman, Fenton and Mayor Brucker

NOES: None

ABSENT: None

CARRIED

ORDINANCE NO. 08-O-2555 AN ORDINANCE OF THE CITY OF BEVERLY HILLS ADOPTING A GREEN BUILDING ORDINANCE AND AMENDING TITLE 10 OF THE BEVERLY HILLS MUNICIPAL CODE

THE CITY COUNCIL OF THE CITY OF BEVERLY HILLS HEREBY ORDAINS AS FOLLOWS:

Section 1. A new Article 46 entitled "Green Building Standards" is hereby added to Chapter 3 ("Zoning") of Title 10 ("Planning and Zoning") to read as follows:

"Article 46. Green Building Standards

10-3-4600: Purpose.

The purpose of this Article is to enhance public health and welfare and assure that further multi-family residen-

tial, commercial and mixed-use development is consistent with the City's desire to create a more sustainable community by incorporating green building measures into the design, construction and maintenance of buildings. The green building provisions referenced in this Article are designed to achieve the following goals:

- Encourage resource conservation.
- Reduce waste generated by construction projects.
- Increase energy efficiency in buildings.
- Provide durable buildings that are efficient and economical to own and operate.
- Enhance the health, welfare and productivity of residents, workers, and visitors to the City.

10-3-4601: Definitions.

For the purposes of this Article, certain words and terms are defined as follows:

"Applicant" means any individual, firm, limited liability company, association, partnership, corporation, or any other entity that applies to the City for the applicable permits to undertake any construction or Renovation project within the City.

"Commissioning Authority" means the party retained by an Applicant pursuant to Section 10-3-4607.

"Covered Project" means the construction of, or addition to, any multi-family residential, commercial, or mixed-use building, or the Renovation of any existing multi-family residential, commercial, or mixed use building if the cost of the Renovation exceeds fifty percent (50%) of the replacement cost of the building, as determined pursuant to Section 10-3-4100.

"Green Building Compliance Official" means the Director of Planning and Community Development or his or her designee.

"Green Building Project Checklist" means the rating system established as provided in Section 10-3-4604.

"Non-Covered Project" means any project that is exempt from the provisions of this Article as set forth in Section 10-3-4603.

"Pre-Permitting Documentation" means documentation submitted as required by Section 1034605.

"Renovation" means any change or modification to an existing building or structure.

10-3-4602: General Provisions-Applicability.

A. Neither this Article, nor any of its related green building resolutions, shall affect in any manner the permissible use of property, density/intensity of development, design and improvement standards, or other applicable standards or requirements of this Code, all of which shall be operative and remain in full force and effect without limitation.

B. When the provisions of this Article conflict with state law, state law shall govern.

C. The provisions of this Article shall be applicable to City projects unless the City Council determines that application of these provisions to any particular project is not in the best interest of the public or City.

10-3-4603: Non-Covered Projects.

The following projects shall be exempt from the provisions of this Article:

A. The voluntary repair or renovation of any structure for the sole purpose of performing seismic upgrades.

B. Any project that solely includes plumbing, electrical or mechanical work.

C. Installation of a roof covering on any existing building.

D. The repair of a building, if the building official determines that the repair is necessary for safety reasons and the repair does not enlarge the building.

10-3-4604: Standards for Compliance.

A. All Covered Projects shall demonstrate compliance with the rating system and minimum point requirements established by separate resolution of the City Council, as amended from time to time. This shall be known as the Beverly Hills Green Building/Sustainability Checklist or the Green Building Project Checklist.

B. Applicants are encouraged to register Covered Projects with the U.S. Green Building Council. LEED™ certification through the U.S. Green Building Council is not required by this Article.

C. Applicants for Non-Covered Projects are encouraged to use their best effort to incorporate as many green building measures as feasible from the Beverly Hills Green Building Project Checklist.

10-3-4605: Submission of Pre-Permitting Documentation.

A. Pre-Permitting Documentation. Concurrent with the application for a planning approval or building permit approval for any Covered Project, the Applicant shall submit documentation indicating the measures used to achieve compliance with the Green Building Project Checklist. This Pre-Permitting Documentation shall include:

The applicable Green Building Project Checklist; and
The applicable green building worksheet with an analysis of each credit claimed; and

Any other documentation that may be necessary to show compliance with this Article or as requested by the Green Building Compliance Official.

B. Meeting. After submission of the documentation required by this section, but prior to the issuance of a building permit, the Green Building Compliance Official may arrange a meeting with the Applicant to discuss the proposed measures, as needed.

10-3-4606: Review of the Pre-Permitting Documentation.

A. Approval of Documentation. The Green Building Compliance Official shall approve the Pre-Permitting Documentation if the Official determines that the project will conform to the applicable rating set forth in the Green Building Project Checklist.

B. Non-approval or Incomplete Documentation. If the Green Building Compliance Official determines that the Pre-Permitting Documentation fails to demonstrate that the Covered Project will meet the required rating or the documentation is incomplete, Official shall:

1. Return the Pre-Permitting Documentation to the Applicant marked "denied" including a statement of reasons for the denial; or

2. Return the Pre-Permitting Documentation to the Applicant marked "incomplete" with an indication of additional information or project modifications that may be required to complete the Pre-Permitting Documentation.

Neither a building permit, nor a grading permit, shall be issued until the Pre-Permitting Documentation has been approved.

C. Re-Submission. If the Pre-Permitting Documentation is returned to the Applicant, the Applicant may re-submit the Pre-Permitting Documentation with such modifications or additional information as may be required.

10-3-4607: Compliance.

A. LEED Certified Professional. The Applicant shall retain a LEED certified professional to assist with the submission of Pre-Permitting Documentation and the monitoring and verifying of compliance with the Green Building Project Checklist and other approved Pre-Permitting Documentation required by Section 10-3-4605. The LEED certified professional shall submit evidence of compliance with the approved documentation to the Green Building Compliance Official during design and construction as required by the Green Building Compliance Official.

B. Verification. The City shall verify that the green building measures and provisions indicated in the Pre-Permitting Documentation are being implemented through inspections of the project during construction and through review of appropriate documents such as purchase receipts or photographic documentation provided by the Applicant and acceptable to the Green Building Compliance Official. If, as a result of any inspection, the Green Building Compliance Official determines that the Covered Project does not comply with the Pre-Permitting Documentation, a stop-work order may be issued. At the discretion of the Green Building Compliance Official such a stop-work order may apply to the portion of the project impacted by noncompliance or to the entire project. The stop-work order shall remain in effect until the Green Building Compliance Official determines that the project will be brought into compliance with this Article.

C. Substitution of Credits. During construction of the project, the Green Building Compliance Official may approve the substitution of approved credits with other credits in the Green Building Project Checklist. Substitution shall occur only at the request of the Applicant and after submittal of revised Pre-Permitting Documentation satisfactory to the Green Building Compliance Official.

D. Commissioning Authority. The Applicant shall retain a third party agent commonly known as a "Commissioning Authority" to ensure that the systems are designed, installed, functionally tested, and capable of being operated and maintained to perform in conformity with the approved Pre-Permitting Documentation for a Covered Project. Pursuant to Section 10-3-4614, the Green Building Compliance Official may adopt qualifications for the Commissioning Authority as part of the rules and regulations for implementation of this Article.

10-3-4608: Final Determination of Compliance.

A. Prior to any final building permit approval and/or issuance of a final certificate of occupancy, the Green Building Compliance Official shall review the documentation submitted by the Applicant, and determine whether the Applicant has complied with the requirements of this Article. If the Green Building Compliance Official determines the Applicant has met the requirements of this Article, the Green Building Compliance Official shall so certify. No building permit shall be finalized, nor shall a permanent certificate of occupancy be issued, for a Covered Project until the Green Building Compliance Official has issued a certification of compliance with this Article.

B. As required by the regulations adopted by the Green Building Compliance Official pursuant to Section 10-3-4614, the Commissioning Authority shall submit a report of building operation in accordance with the approved Pre-Permitting Documentation to the Green Building Compliance Official for verification of compliance with this Article and to ensure that the building systems are designed, installed, functionally tested, and capable of being operated and maintained to perform in conformity with the approved Pre-Permitting Documentation for the Covered Project.

C. If the Green Building Compliance Official determines that the Covered Project has not met the requirements of this Article, the Green Building Compliance Official may withhold issuance of final building permit approval or a certificate of occupancy or may make one of the following determinations:

1. Good Faith Effort to Comply. Upon request by an Applicant, the Green Building Compliance Official may determine that the Applicant has made a good faith effort to comply with this Article and authorize issuance of final building permit approval or a permanent certificate of occupancy. The Green Building Compliance Official may determine that the Applicant has made a good faith effort to comply with this Article if:

a. The cost of good faith compliance with this Article exceeds twenty-five percent (25%) of the total construction cost; or

b. The green building materials and technologies on the Green Building Project Checklist are no longer available or not yet commercially

What you don't know about your life insurance policy could cost you a fortune!

At age 80, Norman's life insurance policy had a \$5,000,000 death benefit with a yearly payment of \$66,000. Unfortunately, he didn't know that if he lived another 10 years, his payment would increase to \$400,000 annually!

Until her consultation with Alan Kaye, Joyce didn't know that unless she continued making payments, her \$1,000,000 policy would be cancelled on her 87th birthday.

Do you know:

- Whether your policy will be cancelled if you stop making payments?
- If it's guaranteed to stay in effect for your lifetime at your current payment?
- If your policy can stay in effect beyond age 90 or even 100?
- If your cash value is sufficient to buy 50% more coverage than you have now?
- If you can sell your policy for more than its cash surrender value, even if it's term insurance?

Let's face it! Most people don't have a clue!

Alan Kaye has over thirty years of experience helping individuals and businesses create an insurance plan that will best satisfy their needs. As president of his own company and vice president of Barry Kaye Associates, Alan is an authority on wealth creation and preservation.

He has helped thousands of people determine if their policies and plans really work, meet their goals and help implement creative solutions to their estate planning problems.

Don't wait until you lose your health, your life insurance and your options! If you are over 70 years old and have at least \$250,000 of life insurance, ask for your free consultation and policy appraisal, either on the phone or in person.

CALL US AT 800.662.LIFE (5433)

www.alankayeins.com

Alan Kaye Insurance Agency, Inc.

AN **NFP** COMPANY



Alan L. Kaye, CLU, ChFC
President

Be sure to ask when Alan Kaye's next free seminar will be held in your area.