

City Council

Adjourned Regular Meeting

Tuesday, October 8, 2013

6:00 PM

City Council Chambers

Manhattan Village Shopping Center Enhancement Project



Mayor David J. Lesser
Mayor Pro Tem Amy Howorth
Councilmember Wayne Powell
Councilmember Mark Burton
Councilmember Tony D'Errico

Executive Team

David N. Carmany, City Manager
Quinn Barrow, City Attorney

Robert Espinosa, Fire Chief
Cathy Hanson, Human Resources Director
Eve R. Irvine, Police Chief
Mark Leyman, Parks & Recreation Director

Bruce Moe, Finance Director
Tony Olmos, Public Works Director
Liza Tamura, City Clerk
Richard Thompson, Community
Development Director

MISSION STATEMENT:

The City of Manhattan Beach is dedicated to providing exemplary municipal services, preserving our small beach town character and enhancing the quality of life for our residents, businesses and visitors.

October 8, 2013

City Council Meeting Agenda Packet

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MANHATTAN BEACH'S CITY COUNCIL WELCOMES YOU!

Your presence and participation contribute to good city government.

By your presence in the City Council Chambers, you are participating in the process of representative government. To encourage that participation, the City Council has specified a time for citizen comments on the agenda under "Public Comment on Non-Agenda Items", at which time speakers may comment on any item of interest to the public that is within the subject matter jurisdiction of the legislative body, with each speaker limited to three minutes.

Copies of staff reports or other written documentation relating to each item of business referred to on this agenda are available for review on the City's website at www.citymb.info, the Police Department located at 420 15th Street, and are also on file in the Office of the City Clerk for public inspection. Any person who has any question concerning any agenda item may call the City Clerk's office at (310) 802-5056 to make an inquiry concerning the nature of the item described on the agenda.

In compliance with the Americans With Disabilities Act, if you need special assistance to participate in this meeting, you should contact the Office of the City Clerk at (310) 802-5056 (voice) or (310) 546-3501 (TDD). Notification 36 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to this meeting.

BELOW ARE THE AGENDA ITEMS TO BE CONSIDERED. THE RECOMMENDED COUNCIL ACTION IS LISTED IMMEDIATELY AFTER THE TITLE OF EACH ITEM IN BOLD CAPITAL LETTERS.**A. PLEDGE TO THE FLAG**

5 MINUTES

B. ROLL CALL

1 MINUTE

C. CERTIFICATION OF MEETING NOTICE AND AGENDA POSTING

1 MINUTE

I, Liza Tamura, City Clerk of the City of Manhattan Beach, California, state under penalty of perjury that this notice/agenda was posted on Thursday, October 3, 2013, on the City's Website and on the bulletin boards of City Hall, Joslyn Community Center and Manhattan Heights.

D. CITY MANAGER REPORT(S)

5 MINUTES

E. PUBLIC COMMENT ON NON-AGENDA ITEMS

3 MINUTES PER PERSON

Speakers may comment on any item of interest to the public that is within the subject matter jurisdiction of the legislative body. The Mayor may determine whether an item is within the subject matter jurisdiction of the City. While all comments are welcome, the Brown Act does not allow City Council to take action on any item not on the agenda. Please complete the "Request to Address the City Council" card by filling out your name, city of residence, and returning it to the City Clerk. Thank you!

F. PUBLIC HEARINGS

30 MINUTES PER ITEM

1. Continued Public Hearing to Consider Certification of a Final Environmental Impact Report and Approval of a Master Use Permit Amendment, Height Variance and Master Sign Program/Exception for the Manhattan Village Shopping Center Enhancement Project at 2600 through 3600 Sepulveda Boulevard and 1220 Rosecrans Avenue. (Director of Community Development Thompson).

[13-0444](#)

CONDUCT CONTINUED PUBLIC HEARING AND PROVIDE DIRECTION

Attachments: [Responses to Additional Late Comments- from Briggs Law Corporation and Gal Construction, Operation, and Reciprocal Easement Agreement- \(COREA\)-Nove Grant Deed and Grant of Easements with Covenants Running With the Land- N Resolution No. PC 13-10 Planning Commission Resolution approving Master U Resolution No. PC 13-09 Planning Commission Resolution Certifying Final EIR- \[Hyperlink to Mall City Council presentations, staff report and attachments- Sept\]\(#\) \[Hyperlink to Manhattan Village Mall main webpage including Draft and Final EIF Public comments\]\(#\)](#)

G. OTHER COUNCIL BUSINESS, COMMITTEE AND TRAVEL REPORTS

5 MINUTES PER CITY COUNCILMEMBER FOR TOTAL OF 25 MINUTES

H. ADJOURNMENT

I. FUTURE MEETINGS

CITY COUNCIL MEETINGS

Oct. 8, 2013 - Tuesday - 6:00 PM - Joint City Council/Cultural Arts Commission Meeting (Cancelled)
Oct. 15, 2013 – Tuesday – 6:00 PM – City Council Meeting
Oct. 29, 2013 - Tuesday - 6:00 PM - Joint City Council/Library Commission Meeting
Nov. 5, 2013 – Tuesday – 6:00 PM – City Council Meeting
Nov. 12, 2013 - Tuesday - 6:00 PM - Joint City Council/Parking & Public Improvements Commission Meeting
Nov. 19, 2013 – Tuesday – 6:00 PM – City Council Meeting
Dec. 3, 2013 – Tuesday – 6:00 PM – City Council Meeting
Dec. 10, 2013 - Tuesday - 6:00 PM - Joint City Council/ Board of Building Appeals Meeting
Dec. 17, 2013 – Tuesday – 6:00 PM – City Council Meeting

BOARDS, COMMISSIONS AND COMMITTEE MEETINGS

Oct. 9, 2013 – Wednesday -- 6:30 PM – Planning Commission
Oct. 23, 2013 – Wednesday -- 6:30 PM – Planning Commission
Oct. 24, 2013 - Thursday -- 6:30 PM -- Parking & Public Improvements Commission
Oct. 29, 2013 - Tuesday - 6:00 PM - Joint City Council and Library Commission (Cancelled)
Nov. 12, 2013 - Tuesday - 6:00 PM - Joint City Council/Parking & Public Improvements Commission
Nov. 13, 2013 – Wednesday -- 6:30 PM – Planning Commission
Nov. 27, 2013 – Wednesday -- 6:30 PM – Planning Commission
Dec. 5, 2013 -- Thursday -- 6:30 PM -- Parking & Public Improvements Commission
Dec. 10, 2013 - Tuesday - 6:00 PM - Joint City Council/ Board of Building Appeals Meeting
Dec. 11, 2013 – Wednesday -- 6:30 PM – Planning Commission

J. CITY HOLIDAYS

CITY OFFICES CLOSED ON THE FOLLOWING DAYS:

Oct. 14, 2013 – Monday – Columbus Day
Nov. 11, 2013 – Monday – Veterans Day
Nov. 28-29, 2013 – Thursday & Friday – Thanksgiving Holiday
Dec. 25, 2013 – Wednesday – Christmas Day
Jan. 1, 2014 – Wednesday – New Years Day
Jan. 20, 2014 – Monday – Martin Luther King Day
Feb. 17, 2014 – Monday – President's Day
May. 26, 2014 – Monday – Memorial Day
Jul. 4, 2014 - Friday - Independence Day
Sep. 1, 2014 – Monday – Labor Day

Agenda Date: 10/8/2013

TO:

Honorable Mayor and Members of the City Council

THROUGH:

David N. Carmany, City Manager

FROM:

Richard Thompson, Director of Community Development
Laurie B. Jester, Planning Manager

SUBJECT:

Continued Public Hearing to Consider Certification of a Final Environmental Impact Report and Approval of a Master Use Permit Amendment, Height Variance and Master Sign Program/Exception for the Manhattan Village Shopping Center Enhancement Project at 2600 through 3600 Sepulveda Boulevard and 1220 Rosecrans Avenue. (Director of Community Development Thompson).

CONDUCT CONTINUED PUBLIC HEARING AND PROVIDE DIRECTION

RECOMMENDATION:

Staff recommends that the Mayor open the continued public hearing, receive an introduction from staff, receive public testimony, receive presentations from the applicants/appellants, discuss and provide comments and direction.

FISCAL IMPLICATIONS:

There are no fiscal impacts associated with this action.

BACKGROUND:

Overview

Public hearings were held on this item on September 3, 10, and 17, 2013, and then continued to tonight's October 8th meeting. This report considers the applications for the renewal and revitalization of the Manhattan Village Shopping Center ("the Mall") so it can better compete with other shopping opportunities in the region. The Mall is the largest commercial site and development in the City and one of the premier shopping destinations in the community. The primary owner, RREEF, has been working with the community for almost 7 years on the proposed redesign of the Center. The proposal is a three phased Project adding approximately 133,300 square feet of commercial uses with required parking.

An application for a Master Use Permit Amendment ("Amendment") and Height Variance

("Variance") has been filed by project applicants: Mall property owners RREEF; 3500 Sepulveda LLC (owners of the Hacienda Building); and Bullocks USA, Inc. (owners of the Macy's property) (collectively, "Applicant") for the Manhattan Village Shopping Center Enhancement Project ("Project"). Prior to taking action on the Amendment and Variance, State law requires the Council to consider whether to certify the Environmental Impact Report prepared in connection with the application.

Staff noticed the public hearings for September 3, 10 and 17. The September 17th meeting was continued to tonight's meeting and a fifth meeting was tentatively scheduled for October 29, 2013. The Council will conduct all of the hearings as *de novo* public hearings, which means that the Council will take a "fresh look" at all the evidence presented at the public hearings, not just the evidence that was presented to the Planning Commission, and will base its decision on such evidence. This does not mean, however, that the Council cannot consider Planning Commission staff reports and resolutions, minutes of those meetings, and the Planning Commission's actions. All of those documents have been included in the evidence for this hearing and can also be considered at the time the Council deliberates on this Project. The Council can consider the application as a whole, not merely those portions of the Project that may be of concern to the appellants.

In November 2006, Applicant submitted its original application. Revised applications, plus a Sign Exception/Program and Development Agreement were submitted in 2012, although subsequently the Development Agreement was withdrawn. Over the past almost seven years, RREEF and their team of consultants have been meeting with the neighbors, tenants, other site property owners, agencies, staff, and community leaders to review the proposed project and to make revisions to address their concerns, as well as the needs of a changing consumer market.

September 17, 2013 Meeting Overview

At the September 17th meeting, the Mayor opened the public hearing. Thereafter, staff provided an introduction, highlighting the Mall webpage on the City website. Detailed presentations were provided by the Environmental Impact Report (EIR) consultants, including Matrix Environmental, the primary EIR consultant, Murex, the EIR Hazards consultant, and Gibson Transportation, the EIR Traffic and Parking consultant. The City's Economic consultant provided an overview of the economics of the project. RREEF indicated that they were available to respond to any questions from the Council, and that the Council had all of the information on their appeal. The 3500 Sepulveda LLC representative provided a comprehensive PowerPoint presentation, and presented a letter and testimony detailing their concerns on the project. The City Council asked questions for further clarification throughout the presentations.

Additionally, the City's Traffic Engineer provided an overview of a possible Oak Avenue neighborhood traffic plan. As shown in the CEQA documentation, the Project does not create a significant impact on Oak Avenue traffic circulation. Nevertheless, both staff and RREEF would like to help resolve the concerns of the Oak Avenue residents regarding possible cut-through traffic in their neighborhood.

All of the presentations from the September 17th meeting and the late attachments received after distribution of the Council packet are posted on the City's website, along with all of the

project information. The City's website has a separate page devoted exclusively to the Mall enhancement project that includes all of the Planning Commission background including agendas, reports, attachments, minutes, and presentations as well as the videos of all the meetings. There is a link to the Mall page on the homepage of the City website. The Draft and Final EIRs are also posted on the website at:

<http://www.citymb.info/city-officials/community-development/planning-zoning/current-projects-programs/manhattan-village-shopping-center-enhancement-project>

There were a number of public comments on the project both during the audience participation portion of the meeting, and as part of the public hearing. A variety of opinions were expressed by the public at the meeting. Many people spoke in support of the Project. Others expressed concerns about the project, similar to the comments provided at other meetings. A number of people indicated that they feel the Mall needs to be updated and refreshed in order to stay competitive and provide the quality of stores, amenities, and shopping experience that the community desires. Others expressed concerns with and had questions about the density, size, General Plan consistency, traffic, potential neighborhood traffic impacts, construction impacts, parking and parking structures, potential crime, potential impacts on City services, soil and hazard conditions, economics, shuttle and transit service, City parking lot access, building and light heights, alcohol sales, phasing, and the commitment, relationships, rights and responsibilities of the three property owners.

The City Council posed questions regarding several of the items addressed above. The City Council also requested additional information on a number of items, as discussed further in this report.

CEQA Process

Based upon an initial study, an Environmental Impact Report (EIR) was prepared by an independent environmental consultant ("EIR Consultant") in accordance with the requirements of the California Environmental Quality Act (CEQA). In February 2009, the City held a public Scoping Meeting to introduce the project to the community, and provide an overview of the project and the CEQA process. The 45 day public review and comment period for the Draft EIR was in June and July 2012. The Final EIR was distributed for public review in April 2013. The Draft and Final EIRs are available on the City website, at City Hall and at the Police Department. The Council received discs of the documents when they were distributed for public review. Hard copies were also provided to the Council prior to the September 17th meeting.

Throughout the process, the Applicant has responded to public input and incorporated mitigation measures to eliminate or reduce potential environmental impacts. This is very typical when a project's impacts are studied and discussed. An EIR will study potential impacts, people will provide comments, and modifications are made to the Project to respond to those comments and to incorporate mitigation measures. The EIR Consultant is in the process of analyzing each modification in order to provide an opinion as to whether:

1. The revised Project would result in greater impacts than those that were identified for the Project as originally analyzed in the DEIR.
2. Any of the modifications to the Project would result in any new or greater impacts than those identified in the DEIR.

3. Any new impacts have been identified.
4. Any new mitigation measures are required for implementation of the revised Project.

We anticipate that the EIR Consultant will conclude this analysis in October. The EIR Consultant's analysis will be presented to the City Council prior to its consideration of the adoption of any resolutions.

On June 26, 2013 the Planning Commission adopted Resolution No. PC 13-09 certifying the Final EIR and adopting a mitigation monitoring and reporting program ("MMRP"). The certification has been appealed by 3500 Sepulveda LLC.

The public review and comment period on the Draft EIR ended more than a year ago in July 2012 and the public review and comment period on the Final EIR ended almost six months ago in April 2013. The City received a number of public comments during that process, and drafted written responses to the comments that are included in the final EIR.

A number of late comments on the EIR have been presented very recently. Representatives of 3500 Sepulveda LLC have had numerous opportunities to provide comments, including during the public review and comment period, the seven Planning Commission hearings, and the prior public hearings before the City Council. Indeed, both staff and the Mayor specifically invited such representatives to speak at the September 3rd and September 10th public hearings. Despite these many opportunities for comment, representatives of 3500 Sepulveda LLC decided to wait until the last public hearing on September 17th to present written and oral comments. Due to the volume of late comments, a comprehensive Response to Late Comments document is in the process of being prepared and will be presented to the City Council at a later date. Responses to comments from 3500 Sepulveda LLC are attached to this report as Attachment 1. In the judgment of Staff and the City's EIR Consultant, no new issues were raised by these comments and all are addressed in the Draft and Final EIR as well as the Use Permit conditions of approval.

DISCUSSION:

Meeting format

At tonight's meeting, the Mayor will re-open the continued public hearing, Staff will provide an introduction, the Council will receive public testimony, and the applicant will have another opportunity to provide a presentation. The EIR and technical consultants will be available to respond to questions from the City Council, but will not be making presentations.

The Council requested that the applicant provide design examples, more details and photographs of similar projects to show what the proposed project will be like. Councilmembers wanted to get a better understanding of the architecture and more of a sense of what the project will look and feel like, as well as how it will be integrated into the fabric of the existing Mall and represent a sense of community for Manhattan Beach.

This continued public hearing will provide a fourth opportunity for members of the public to comment on the Project before the City Council. After the additional presentations and public comments, Council may be in a position to close the public testimony portion of the public hearing, begin discussion and deliberation and provide further Council direction. A fifth

meeting has been scheduled for October 29th.

Project Overview

The approximately 44-acre Manhattan Village Shopping Center site includes an enclosed, main Mall building and several freestanding buildings that provide approximately 572,837 square feet of gross leasable area (GLA), with 2,393 parking spaces. The proposed Project, all three Phases as analyzed in the Environmental Impact Report (EIR), would involve an increase of approximately 123,672 square feet of net new commercial, retail and restaurant GLA (approximately 194,644 square feet of new GLA and demolition of approximately 70,972 square feet of existing retail, restaurant, and cinema GLA) within an approximately 18.4 acre development area within the overall 44-acre Shopping Center site. Of the 194,644 square feet of new GLA, up to approximately 25,894 square feet would be new restaurant uses, while up to approximately 168,750 square feet would be new retail uses. When accounting for existing development on the Shopping Center site, upon Project completion, the Shopping Center site would include a total of approximately 696,509 square feet of GLA, for all three Phases.

In addition, the EIR analyzed a Traffic Equivalency Program that provides the opportunity to build a variety of land uses currently permitted by the Master Use Permit for the Shopping Center as long as there is not an increase in traffic or other environmental impacts. With implementation of the Equivalency Program, a maximum of 133,389 square feet of net new GLA would be allowed. This includes 204,361 square feet of new GLA and demolition of approximately 70,972 square feet of existing retail, restaurant, and cinema, resulting in 706,226 square feet GLA. This is a 9,717 square foot increase over the 123,672 square feet of GLA without the Equivalency Program. Any development of square footage over 123,672 square feet, requires Community Development Department and City Traffic Engineer review and approval to ensure compliance with the Equivalency Program, up to a maximum of 133,389 square feet.

The proposed Project would include new on-site parking structures and surface parking areas that are proposed to provide at least 4.1 parking spaces per 1,000 square feet of GLA. Heights of new shopping center buildings and parking facilities would range from 26 feet to up to 42 feet, plus mechanical, elevators, and architectural features. The Building Safety-required elevator overruns can add up to an additional 14 feet in height. The increased building height requires a Variance, which is consistent with the height of the existing Macy's building.

Variance

The Project requests a Variance to construct new buildings and parking structures that exceed the maximum allowed height (22 feet, and up to 30 feet with structured parking) by a range of 2 to 26 feet (for required equipment). The Phase I Village shops buildings are proposed to be up to 32 feet in height. Phase II Northeast Corner (Macy's Expansion) building is proposed to be up to 42 feet in height to match and maintain consistency with the height of the existing buildings that were entitled by a previous height variance. The Phase III- Northwest corner buildings are proposed to be up to 40 feet in height. The parking decks on all phases are not proposed to exceed the height of the buildings. Mechanical, elevator overruns, architectural features, and parapets (on top of the parking structures) are

proposed to exceed the height limit with the Building Safety Division-required elevator overruns at up to 56 feet in height.

Pursuant to Section 10.84.060B of the Manhattan Beach Municipal Code, three findings are required to be made in order to approve a Variance application. First there must be special circumstances or conditions applicable to the subject property where strict application of the Code would result in peculiar and exceptional difficulties to, or exceptional and/or undue hardships upon the property owner. Second there may not be substantial detriment to the public good, substantial impairment of natural resources, detriment or injury to property or improvements in the area, or to the public health, safety or general welfare. And third, that granting the variance is consistent with the purposes of the Code and will not grant a special privilege inconsistent with other properties in the vicinity and in the same zoning and area district.

First, the Project site is currently developed as a regional Shopping Center, and is unique as the largest commercial retail building and site, with 44 acres, in the City. The majority of the site is zoned Community Commercial due to its size, variety of uses and market area. This is the only site in the City with this zoning. Because the site is so large there is a varying topography. Additionally, the northwest corner of 3.6 acres is separated by a deep culvert, a former railroad right-of-way, that creates significant topographic challenges. The large site and the exceptional topographic variety make it difficult to construct large commercial buildings, and to integrate the new buildings into the site where the existing buildings already have a Variance to exceed the height limit, without exceeding the height limits with the new construction. Additionally the Phase II Macy's expansion adds onto a building that exceeds the height limit and matches the current 42 foot height and floor plates of the existing two-story building. The historic hydrocarbon soil contamination on the site limits the ability to grade down significantly as well as significantly limits the ability to expand parking or commercial buildings below the ground.

Second, additional building height will not obstruct views from surrounding properties and is generally consistent with the height and massing of existing Shopping Center structures. The site is situated in an area of the City that is fully developed and relatively devoid of natural resources. Project improvements will be constructed to meet LEED silver standards, will include shade trees to increase energy efficiency, electric vehicle charging facilities and will provide water quality upgrades to protect natural resources. The increase height would not be substantially detrimental to properties in the vicinity as they will not be impacted by aesthetics, shade/shadow, and visual impacts due to the Project design, site conditions, screening, landscaping, and architectural features. Additionally, the rolling topography of Sepulveda Boulevard, Rosecrans Avenue, and Marine Avenue alleviates adverse impacts generally seen with increased building heights. Application of the 30-foot height restriction with structure parking creates difficulties to balance the community's interest in a Shopping Center with the provision of ample parking, attractive architecture, improved circulation, and diverse land uses.

The buildings over the height limit have relatively large setbacks from adjacent land uses, are adjacent to major arterial roadways, and will not create adverse light, shadow or massing impacts. Most of the new buildings that are 26 to 32 feet in height are setback more than 180 feet from Sepulveda Boulevard and there is a row of existing buildings between

Sepulveda Boulevard, and the new structures that exceed the height limit. The Macy's expansion at 42 feet in height, plus limited features up to 56 feet in height, is more than 500 feet from Sepulveda Boulevard. All new buildings are more than 900 feet from Marine Avenue. The Macy's parking structure at the Northeast corner is about the same height as the existing Medical building at 1220 Rosecrans, immediately adjacent to the east, is setback about 20 to 30 feet from Rosecrans Avenue and the frontage on Rosecrans Avenue is limited and consistent with surrounding the buildings mass, scale and height. The corner of Sepulveda Boulevard and Rosecrans Avenue is a major Gateway into the City of Manhattan Beach, and Rosecrans Avenue defines the border of the City of El Segundo and the City of Manhattan Beach on large arterial streets. A taller building design is needed at this corner to create an architectural statement and a City gateway entry.

The proposed maximum height of 56 feet is limited to a few elevator overruns which have relatively small mass in comparison to the rest of the structure(s). The proposed buildings are up to 42 feet tall and a maximum of 48 feet tall with architectural features. The parking decks are approximately 31 feet plus up to 41 feet with architectural features. These maximum structure heights are similar to existing heights of 42 feet for the Macy's and main Mall buildings. It is not reasonably feasible to accomplish the Project without increasing the height envelopes of new development. Without these increases it is difficult to re-orient key parking, maintain or enhance vehicular, pedestrian and bicycle circulation, provide significant new landscaping, plaza areas, open space and upgrade the overall site. The additional height is integral to the continuing improvement of the Shopping Center, as well as the high quality of design which will attract new tenants and maintain a diverse and quality mix of tenants.

Lastly, the subject property is the largest single commercial development in the City. There are no other similarly-sized properties in the same zoning area and district. This property is the only property in the City that is zoned Community Commercial. The additional height needed for the expansion Project is integral to the continuing improvement of the Mall for attractive architecture, fluid circulation, and diverse commercial land uses, with adequate parking. The proposed Project enhances the ability and willingness for anchor tenants to remain on the site and expand, consistent with the purpose of providing quality commercial uses in the area.

Phases

Applicant proposes three Phases of development. The Master Use Permit and other land use applications cover the entire 44 acre site.

Phase I- Village Shops includes the demolition of 22,144 SF (Theaters and See's Candy building) and the construction of 63,300 SF for a net increase of 41,156 SF. This would bring the new total square footage for the entire Mall, including CVS, Ralphs, the freestanding restaurants and banks etc., to 613,993 SF. Parking would increase by about 265 net new spaces to 2,658 total parking spaces with the addition of surface parking as well as 2- three level parking structures, which creates a parking surplus of about 140 spaces for future Phase II use.

Phase II- Northeast corner includes the demolition of 2,628 SF (restaurant by the Theaters), the "decommissioning" of 8,656 SF (main mall reconfiguration of tenants)

and the construction of a 60,000 SF Macy's expansion for a net increase of 48,716 SF. A new two-level parking structure with 221 spaces would be provided north of the Macy's expansion for a total of 2,734 parking spaces on the site.

Phase III- Northwest (Fry's) corner is a concept plan with two general options shown on sheets 2-4, 9, 26 and 43-50 of the plan packet. These are only conceptual plans, they require further refinement, and do not reflect the final site plan, layout, elevations, parking or design. The final design will be returning to the Planning Commission for approval at a future public meeting as required by the conditions in the Resolution. Phase III would include the demolition of the Fry's building (46,200 SF) and the construction of a maximum of 80,000 SF, for a net increase of 33,800 SF. New buildings would also be constructed adjacent to the north and west sides of the Phase I and II parking structures, respectively. Portions of the lower level parking lot, the former railroad right-of-way, would be decked over to tie the site together and provide additional parking and building pads and Cedar Way would also be connected to Rosecrans Avenue.

Overall, parking would increase by about 535 spaces for a total of 2,928 spaces on the site. With completion of Phase III, this would bring the new total square footage for the entire site to 696,509 SF. The total square footage proposed is under the square footage analyzed in the EIR.

Some common area portions adjacent to Phase III, including the culvert parking area, an area set aside for a proposed "dog park", pedestrian and bike connections under Sepulveda, and pedestrian, bike, transit and traffic improvements, will be developed with Phase I in order to integrate the entire site, as feasible, coordinating with the Sepulveda Bridge widening project. Phase III includes integrating the Fry's parcel, the extension of Cedar Way north to connect to Rosecrans Avenue, and new buildings north of the Phase I- Village Shops north parking structure and to the west of the Phase II- Macy's Expansion northeast corner parking structure, as well as potentially the expansion of the Phase II parking structure with two additional levels.

September 17, 2013 Meeting Comments

3500 Sepulveda LLC comments

3500 Sepulveda LLC, presented a number of verbal comments and a letter dated September 17, 2013, at the September 17th City Council meeting. These comments related to parking, traffic, the concept plan, the development area boundary, the range of alternatives, the mitigation measures, and the main electrical transformer location. The responses to the issues raised in the letter are attached to this report as Attachment 1. The comments arguably related to the adequacy of the EIR will be addressed in a separate document that will be presented to the City Council at a later date. The following paragraphs respond to additional issues raised by 3500 Sepulveda's attorney on September 17th.

3500 Sepulveda LLC's attorney questioned whether it was proper for RREEF to pay for the EIR Hazards consultant, Murex. Murex is an environmental consultant with expertise in hazards and hazardous materials hired by RREEF to prepare technical studies. It is typical (and proper under CEQA) for applicants to engage the services of complex

technical consultants. As discussed at the last City Council meeting, Murex's reports have been reviewed by an independent consultant hired by the City, Ninyo and Moore, and reviewed by the Los Angeles Regional Water Quality Control Board (LARWQCB). Most importantly under CEQA, prior to the City Council certifying the EIR it must find that the EIR reflects the independent judgment and analysis of the City Council. On a related issue, there was a question about whether the City would be indemnified by RREEF as a condition of approval. The answer is yes: any approval would include a standard CERCLA indemnity provision.

3500 Sepulveda LLC representatives also raised a number of issues that are not germane to the Project. Essentially, the decision before the City Council is a land use one: is the expansion of the Mall, as proposed, the best use of the subject property? What project is best for the Manhattan Beach community as a whole? Should it be approved as proposed? Should it be scaled back?

3500 Sepulveda LLC raised issues about private agreements between RREEF and 3500 Sepulveda: a "Construction, Operation, and Reciprocal Easement Agreement" (COREA), a "Grant Deed and Grant of Easements" document for the properties. These are private agreements between the property owners, RREEF, Bullocks and 3500 Sepulveda, and the City is not a party to these agreements. The City has no rights, responsibilities or ability to enforce the agreements and the City has no role in any private dispute between such parties. As requested, these documents are attached as Attachments 2 and 3.

As a condition to obtaining its necessary entitlements to operate the Tin Roof Bistro, 3500 Sepulveda LLC agreed to be a "co-applicant" for the Project and to "cooperate" in obtaining necessary entitlements. On September 17th, its attorney stated that it would withdraw its application. Whether 3500 Sepulveda is an applicant or not has no bearing on the seminal issue here: is this proposed expansion best for the Manhattan Beach community? Further, it has no impact on whether the application can proceed if 3500 Sepulveda LLC withdraws its signature from the application. RREEF is entitled to a decision on the application and the City's processing of the application will continue. (At most, it may be necessary to review any entitlements provided to 3500 Sepulveda LLC if it rescinds its co-applicant status.)

The electrical transformer that 3500 Sepulveda LLC mentioned is proposed to be relocated. RREEF has been working with their engineers, design staff and Southern California Edison (SCE), and indicated that they informed 3500 Sepulveda LLC of this proposal about 18 months ago. This type of construction is typical with any large scale construction project. Any relocation will require approval from SCE and approval and a permit from the City of Manhattan Beach.

Public outreach, review and comments

Public notices for the meetings have been sent via US mail and e-mail to owners, residents and interested parties, as well as ads published in the paper. Hard copies of all of the project documents are available to the public in a variety of locations. The City has provided an entire webpage devoted to the Mall project with a direct link from the City's homepage and links to all of the staff reports, attachments, minutes, presentations, videos and EIR

documents, as well as the Planning Commission approved plans and Resolutions at:
<http://www.citymb.info/city-officials/community-development/planning-zoning/current-projects-programs/manhattan-village-shopping-center-enhancement-project>

CONCLUSION:

Staff recommends that the Mayor open the continued public hearing, receive an introduction from staff, receive public testimony, receive additional presentations, discuss and provide comments and direction. October 29, 2013, has been tentatively scheduled for further proceedings in this matter.

OPTIONS:

The City Council may:

1. Continue the public hearing to October 29, 2013, with direction to staff to address any remaining issues; or
2. Close the public testimony portion of the public hearing, and direct staff to return on October 29, 2013 with written responses to the issues raised at the public hearings, including tonight's public hearing; or
3. Close the public hearing, and direct staff to prepare resolutions, with findings, for Council consideration on October 29, 2013 to:
 - a. Conditionally approve the Project (The Council may impose any reasonable conditions, including those imposed by the Planning Commission)
 - b. Conditionally approve the Project subject to certain changes to the Project
 - c. Request that the Applicant revise the Project and return it to the Planning Commission for further review.

ATTACHMENTS:

1. Responses to Additional Late Comments- from Briggs Law Corporation and Gabriel Elliott, representing 3500 Sepulveda LLC- October 2013.
Appendix A- Comments from Briggs Law Corporation and Gabriel Elliott, representing 3500 Sepulveda- September 17, 2013
Appendix B- Rosecrans Avenue Traffic Signal Agreement between City of El Segundo and Manhattan Beach-June 6, 1984
2. Construction, Operation, and Reciprocal Easement Agreement- (COREA)-November 25, 1980
3. Grant Deed and Grant of Easements with Covenants Running With the Land- November 25, 1980
4. Resolution No. PC 13-10- Planning Commission Resolution approving Master Use Permit Amendment and Height Variance- July 24, 2013
5. Resolution No. PC 13-09- Planning Commission Resolution Certifying Final EIR- June 26, 2013
6. Hyperlink to City Council presentations, staff report and attachments- September 3, 10, and 17, 2013

<http://www.citymb.info/city-officials/community-development/planning-zoning/current-projects-programs/manhattan-village-shopping-center-enhancement-project/public-meetings>

7. Hyperlink to Manhattan Village Mall main webpage including Draft and Final EIRs. (Hard copies previously distributed to City Council)

<http://www.citymb.info/city-officials/community-development/planning-zoning/current-projects-programs/manhattan-village-shopping-center-enhancement-project>

8. Public comments

c: Mark English, RREEF
Chuck Fancher, Fancher Partners, LLC
Mark Neumann, 3500 Sepulveda LLC
Stephanie Eyestone Jones, Matrix Environmental
Pat Gibson, Gibson Transportation Consulting
Jeremy Squire, Murex Environmental

Responses to Additional Late Comments

This document provides responses to written comments submitted by Briggs Law Corporation on behalf of Mark Neumann. Included are responses to comments presented by Gabriel Elliott that are attached to the letter from Briggs Law Corporation. Individual comments are restated and are followed by a specific response. Copies of the original comment letters are attached as Appendix A.

Comment Letter No. 1

Cory J. Briggs
Briggs Law Corporation
99 East "C" St., Ste. 111
Upland, CA 91786

Comment No. 1-1

I am writing this letter on behalf of 3500 Sepulveda, LLC, 13th & Crest Associates, LLC and 6220 Spring Associates, LLC. These entities appealed the decisions relating to the Manhattan Village Shopping Center Enhancement Project, including the certification of the environmental impact report and approval of the Master Use Permit, Variance, Sign Exception/Sign Program, and any other associated approvals. My clients believe that an alternative to the project as proposed is better for the community of Manhattan Beach. My clients have had planning and traffic expert Gabriel Elliott examine the impacts of the project, which has confirmed several of the concerns raised by several members of the public and raised several questions.

My clients believe that an alternative to the project as proposed will result in economic benefits to the community at a significantly reduced cost, particularly in terms of traffic impacts to the neighborhood. The environmental impact report ("EIR") does not analyze a reasonable range of alternatives. Alternatives that would reduce the environmental impacts have not been analyzed in the EIR. If there are environmentally superior alternatives, you cannot certify the EIR under the California Environmental Quality Act ("CEQA") without making findings under Public Resources Code Section 21081(a) and (b). All findings under CEQA must be supported by substantial evidence. You cannot make the findings based on the evidence before you.

Response to Comment No. 1-1

The EIR prepared for the Project is comprehensive and thoroughly evaluates the environmental impacts of the Project. As demonstrated by the analysis in the EIR, with implementation of specific mitigation measures, impacts of the Project would be reduced to less than significant levels. Furthermore, as demonstrated by the EIR and in the following responses, including the responses to comments made by Gabriel Elliott, the Project would not result in any significant traffic impacts.

With regard to alternatives, in accordance with CEQA requirements, Section V. Alternatives of the Draft EIR evaluates a reasonable range of alternatives to the Project. As stated by the CEQA Guidelines, the intent of alternatives analysis is to reduce the significant impacts of a project. The Project would not result in significant impacts when accounting for proposed mitigation measures. Nonetheless, based on the less than significant environmental impacts identified in Chapter IV. of the Draft EIR, the objectives established for the Project (refer to Section II, Project Description, Subsection D, Statement of Project Objectives, in the Draft EIR), as well as consideration of the zoning designations applicable to the Shopping Center site, the following alternatives to the Project were evaluated:

- A. No Project/No Build Alternative
- B. Reduced Project—Village Shops Only Alternative
- C. Modified Site Plan Alternative
- D. Alternative Site Alternative

Furthermore, in accordance with CEQA Guidelines, an environmentally superior alternative was clearly identified as part of the Draft EIR. Specifically, as discussed in detail in Section V. Alternatives of the Draft EIR, the Reduced Project—Village Shops Only Alternative was identified as the environmentally superior alternative. As the analysis of alternatives is comprehensive and provides a reasonable range of alternatives, no additional alternatives are required to be studied by CEQA. In particular, an additional alternative focusing on neighborhood traffic is not required as no significant neighborhood traffic impacts would result from the Project. Furthermore, the decisionmakers have already been provided with sufficient analysis of the environmental impacts of the Project to make an informed decision about the Project.

Comment No. 1-2

While there are several impacts that have not been adequately analyzed and mitigated in the EIR, one of the most troublesome impact area for the community is traffic and

transportation. Public participation is crucial to the CEQA process. See *Citizens of Goleta Valley v. Board of Supervisors*, 52 Cal. 3d 553, 564 (1990) (noting that informed decision-making and public participation are fundamental purposes of CEQA). Case law confirms that an EIR must enable the public to understand and consider meaningfully the issues raised by the proposal under review. *Laurel Heights, supra*, 47 Cal. 3d at 405. Consequently, an environmental impact report is not sufficient if it simply includes bare conclusions and opinions; it must contain facts and analysis. *Santiago County Water Dist. v. County of Orange*, 118 Cal. App. 3d 818 (1981); see also *Berkeley Keep Jets Over the Bay Comm. v. Board of Comm'rs*, 91 Cal. App. 4th 1344, 1370 (2001) ("*Berkeley Jets*") (finding EIR's approach of simply labeling effect "significant" without accompanying analysis of project's impacts on nearby residents' health does not meet CEQA's environmental assessment requirements). The EIR's traffic analysis is convoluted and difficult to understand. Thus, my client asked a planning and traffic expert to weigh in; his report is attached.

Although the planning and traffic expert's report highlights the problems with the mitigation proposed, there are problems with the mitigation measures proposed from a legal perspective as well. There is no substantial evidence demonstrating that the mitigation measure for construction traffic impacts will reduce the impact to a level of insignificance. Mitigation of construction-related impacts is improperly being deferred. There is no explanation for why the plan cannot be developed now. Furthermore, there is not substantial evidence that mitigation measure H-I will reduce construction-related impacts to a level of insignificance. There is no way to evaluate the effectiveness of the mitigation measure without analysis of the impact. See *Stanislaus Natural Heritage Project v. County of Stanislaus*, 48 Cal. App. 4th 182, 195 (1996) (determining EIR was inadequate because it did not evaluate impact of supplying water to project, but instead included a mitigation measure that development would not proceed if adequate water was not available.). [sic]

Furthermore, the mitigation measure does not even include a performance measure to ensure that the impact will in fact be reduced to a level of insignificance. There has to be some criterion for success. See [sic] *Communities for a Better Environment v. City of Richmond*, 184 Cal. App. 4th 70, 93 (2010) (rejecting mitigation plan because it lacked criteria for "success"). Here, there is insufficient analysis of the impact and no performance standard. For example, is the goal of the construction traffic management plan to reduce impacts to circulation on-site, circulation off-site, safety impacts, or some combination thereof? Without a performance standard articulated, there is no way to know which of these impacts may be reduced, if any.

Response to Comment No. 1-2

The cases cited in this comment are not relevant to the Draft EIR. The Draft EIR provides thorough analyses for each of the issues that are evaluated in the EIR, including

traffic. Furthermore, as clearly demonstrated by the analyses within the Draft EIR, with implementation of mitigation measures, no significant impacts would result from the Project.

The analysis of potential traffic impacts is not convoluted as expressed by the Commentor. Rather, the analysis is thorough and is based on quantitative data, methodologies and significance thresholds that are typically used for evaluating Projects in southern California. Furthermore, the public review and decisionmaking process for the Project has been thorough and extensive and has gone well beyond that required by CEQA. Although not required by CEQA for the Project, a public scoping meeting was held and an additional meeting was held with the Planning Commission to specifically provide an opportunity for the public and decisionmakers to learn more about the Draft EIR and the CEQA process. In addition, seven public hearings with the Planning Commission and three City Council public hearing shave occurred to date. During these meetings, the City's technical consultants, including the traffic consultant, have provided presentations about the analyses in the EIR and have been available to answer questions raised by the public and decisionmakers. Furthermore, all written public comments, including late public comments, have been thoroughly responded to.

The comments regarding case law and traffic-related mitigation measures cited in this comment also do not apply to this Project. Rather, the Project would not result in significant impacts associated with construction traffic. Specifically, the Draft EIR documented the number of trucks that would occur during each quarter of the construction schedule and included the maximum number of construction employees that would be on-site during the busiest month of each quarter. Page IV.H-28 of the Draft EIR summarizes the truck and construction traffic levels for the Project. The analysis within the Draft EIR demonstrates that the traffic impacts of construction worker and truck traffic would not be significant (Page IV.H-30). As the Draft EIR construction traffic impact analysis found no significant impacts resulting from construction traffic, the comment that construction traffic impacts have to be mitigated to a level on insignificance is incorrect. For this same reason, mitigation of construction-related impacts is not being deferred.

Comment No. 1-3

The construction-related parking impact analysis and mitigation is also being improperly deferred. Mitigation measure H-2 does not include a performance standard. Furthermore, the implementation of the construction parking management plan is likely to lead to additional impacts that have not been analyzed. If off-site parking is required, then rather than the vehicle destination being the project site, the vehicle destination will be the off-site parking area. With a different destination, different roadways may be used and different intersections impacted. Furthermore, directing the traffic elsewhere will have different localized air quality, aesthetic and noise impacts than have been analyzed in the EIR. In

addition, the safety impacts to pedestrians traveling from off-site parking spaces to the site have not been analyzed. For example, will there be sufficient signalized crossing areas between the off-site parking spaces and the project site? Will the off-site parking be located such that more pedestrians will need to travel through or near areas under construction? Thus, not only is the mitigation measure not certain to reduce the impact it is directed towards, but it also has the potential to cause a whole host of additional impacts that have not and cannot be addressed until the plan is developed.

Thank you for your consideration of these comments.

Response to Comment No. 1-3

The construction-related parking impact analysis is not being deferred. It is fully analyzed in the Traffic Study (pages 80–85 and Tables 21–24). The performance standard for parking in the entire analysis is a maximum target of 95 percent occupancy. Mitigation Measure H-2 is proposed to ensure that adequate parking would be provided for the Shopping Center in the event that that construction is planned between Thanksgiving through New Year's. Mitigation Measure H-2 would use the same evaluation criteria as was tested in the Draft EIR.

In the case of Manhattan Village Shopping Center, the off-site parking lot is anticipated to be the lower lot that is owned by the City. Thus, the assignment of employee trips to this off-site lot would not change the directional distribution of Project traffic.

As far as pedestrian impacts are concerned, the lower level parking lot would be served by a shuttle bus so pedestrian crossings would not be an issue. Noise and aesthetic impacts would also be less than significant as the parking lot would continue to be used for the use that exists today .

Comment Letter No. 2

Attachment to Briggs Letter: Memo from
Gabriel Elliott
775 W. County Line Rd.
Calimesa, CA 92320

Comment No. 2-1

I have reviewed the Traffic Study, the Transportation and Circulation Element of the Environmental Impact Report (EIR) for the project, the revised traffic tables for the EIR, the project's Draft EIR technical appendices, and the Errata and Clarifications to the Draft EIR. For clarity, my comments are presented at the end headings, sub-headings, or sections identified in the traffic report and in the other documents reviewed and identified above. Comments provided are in **bold Arial font** and are *italicized* and numbered for easy reference.

The Project

The project consists of an assessment of the potential traffic and parking impacts associated with the proposed expansion of Manhattan Village Shopping Center (MVSC), located on the southeast corner of Sepulveda Boulevard & Rosecrans Avenue in the City of Manhattan Beach, California.

Description

The proposed expansion would increase the existing retail square footage as well as the existing parking supply in three components: [sic] (Village Shops, Northeast Corner, and Northwest Corner, Components I, II, and III, respectively), that could be developed sequentially or cumulatively (the Project). Upon completion, approximately 123,672 net square feet (sf) of retail and restaurant uses, for a total of approximately 696,509 sf of gross leasable area on the combined main shopping center parcel and the Fry's parcel in the northwest corner of the property, and provide an on-site parking supply of approximately 2,915 parking stalls. With the traffic equivalency program, up to 706,266 sf of GLA could be provided on the Project site.

Component I

Component I is anticipated to be accomplished in two stages that together would generate a net increase of approximately 60,000 sf of shops and restaurants to the shopping center. Approximately 33,400 sf of retail and restaurant space may be added in Stage 1 and the

remainder in Stage 2. One or two parking decks providing additional parking are anticipated to be located to the immediate north and/or south of Component I. These decks, with approximately 790 combined spaces, plus an additional 291 surface spaces would replace approximately 740 surface parking stalls, for a net gain of 341 parking spaces. The proposed garages would be a combination of grade plus one or two above-grade levels in each location. Based on the City's Master Use Permit (MUP) for the site, the project should provide a parking ratio of 4.1 spaces per 1,000 sf of gross leasable area of development (spaces/ksf) in the shopping center plus 170 spaces for the Fry's site. The Applicant intends to meet that minimum requirement at the completion of each component. Because of the complexity of providing an exact number of parking spaces when parking is provided in a parking deck format (given the need to provide parking increments of full floors of parking), the applicant is seeking to provide a minimum of 4.1 sp/ksf of development with a maximum of 10% above the minimum required parking supply. The Component I expansion could be completed as early as 2013 for Stage 1 and 2014 for Stage 2. The analysis in this report assumes the earliest possible opening for Component I, Stage 1 would be late 2013. The project assumes that if this opening were delayed by one or even a few years, the traffic and parking conclusions of this report would not change. The existing uses may be replaced with an expansion of the existing Macy's Fashion store on the northeast portion of the site. Alternatively, all or a portion of the new square footage may be developed as other shopping center uses on site. The parking supply in this portion of the shopping center would be decreased by 115 parking stalls.

Comment 1

There is a concern with the use of the 4.1 parking spaces per 1,000 square feet based on the City's Master Use Permit (MUP) for the site. It is not clear when the MUP was approved, however, with the proposed addition of 20,000 square feet more (for a total of 109,00 square feet) of restaurant space, the 4.1 parking ration may be deficient in meeting the site's parking needs.

Response to Comment No. 2-1

The Planning Commission spent considerable time on the question of adequate parking supply for the Project. Some Commissioners felt that too much parking was being supplied and that on-site parking should be reduced as a means to encourage non-vehicular travel. Members of the City Council felt differently and expressed an interest in maintaining the current parking ratio and addressing the distribution of parking on the site.

The current Master Use Permit (MUP) for the Project, approved in 2001, requires a parking ratio of 4.1 spaces per 1,000 square feet of gross leasable area (sp/1,000 sf GLA) and is based on historic parking occupancy counts at Manhattan Village Shopping Center and, as such, represents the best estimate of the actual parking demand peaks and

patterns at the facility. This ratio of parking to square footage has not created any significant impacts to date and, therefore, is not expected to create any significant impacts in the future.

The comment addresses the potential increase in restaurant space within the Shopping Center and suggests that the parking supply may become deficient if too much restaurant space is added. The Draft Environmental Impact Report (Draft EIR) recognizes the potential increase in parking demand as a result of adding restaurant space to the Project. Page IV.H-61 describes the increase in parking supply that must accompany restaurant space added over 89,000 sf GLA. This additional restaurant space would require additional parking at a ratio of 2.6 sp/1,000 sf GLA (over and above the 4.1 sp/1,000 sf GLA required by the MUP). Thus, the comment has already been addressed in the Project's Conditions of Approval.

Comment No. 2-2

Component II

Component II improvements could be completed as early as 2018. The proposed Northeast Corner (Component II) expansion of the existing main shopping center would occur near the existing Macy's Fashion store. Component II anticipates an approximate 50,000 sf expansion of shopping center uses and the demolition of approximately 20,000 sf of retail and cinema space, resulting in the net addition of approximately 30,000 sf of net new retail space. The existing uses may be replaced with an expansion of the existing Macy's Fashion store on the northeast portion of the site. The parking supply in this portion of the shopping center would be increased by 100 parking stalls with the addition of a new parking structure north of the Macy's Fashion store (maximum grade plus three levels of parking) and the addition of spaces to the west or northwest of the store.

Component III

The analysis reviewed assumes that the proposed Component III expansion would involve the removal of the existing Fry's building on the northwest corner of the property closest to the intersection of Sepulveda Boulevard & Rosecrans Avenue. Component III would replace the existing 46,200 sf Fry's building with 80,000 sf of new retail space, providing a net increase of approximately 33,800 sf for the shopping center. Additional parking would be provided in this component by bridging over the former railroad right-of-way currently used for below-grade surface parking. An underground pedestrian pathway would be maintained from Veterans Parkway through the Project site to Rosecrans Avenue. Together, the Component III development would eliminate 310 surface parking spaces and then add 508 spaces in surface and structured facilities, for a net increase of 198 parking stalls in the Component III expansion. The Component III expansion will include a parking

deck (maximum grade plus two levels of parking) in the northwest area of MVSC. This third component could be completed by 2022.

Parking Distribution

There will be times during the construction of the various components that the on-site parking supply will not meet the City Code. The anticipated construction schedule shows that the on-site supply would be adequate to meet the parking demand during every month of the year because, while the construction of parking garages would result in the loss of spaces during the January-November time frame, the parking would increase for the holiday shopping period with the opening of the new garage at the end of each Component. When each Component of construction is complete, the required parking ratio would be provided and the parking would actually be located closer to the stores than it is today due to the construction of the parking structures.

Comment 2

As good as this may sound, I have yet to come across any documents detailing construction schedules or mandating that construction commences and ends during the January -November time frame. An approved project condition of approval mandating construction for this time period, only because it is tied to parking availability, is necessary.

Response to Comment No. 2-2

The comment calls for a Project Condition that mandates construction activity be limited to the time period between January and November because it is tied to parking availability. The parking analysis in the Draft EIR tested the parking implications of an 11-month construction schedule (January-November) and a 14-month construction schedule. The comment ignores that fact that the analysis shows that the 14-month time period also works from a parking availability standpoint with continued use of the leased lower lot for employee parking during the holiday shopping period (page 84 of the Traffic Study).

Comment No. 2-3

Study Scope

The scope of work for this study was developed based on field review and input from the City of Manhattan Beach. The study analyzes the potential Project-generated traffic impacts on the adjacent street system. This study makes a conservative assumption that

each of these Project components and stages would be built sequentially. The analysis of future year traffic forecasts is based on projected conditions in the Years 2013, 2014, 2018 and 2022 both with and without the addition of the Project traffic. The traffic analysis examined existing conditions, cumulative base (2013, 2014, 2018, and 2022 conditions, and cumulative (2013, 2014, 2018, and 2022) plus Project conditions. The traffic analysis also evaluated 13 intersections as part of the scope of work based on consultation with the City of Manhattan Beach. They are:

1. Sepulveda Boulevard & Rosecrans Avenue
2. Project Driveway 1 (Fry's) & Rosecrans Avenue
3. Project Driveway 2 (railroad right-of-way) & Rosecrans Avenue
4. Village Drive & Rosecrans Avenue
5. Sepulveda Boulevard & Valley Drive
6. Sepulveda Boulevard & 33rd Street
7. Sepulveda Boulevard & 30th Street
8. Sepulveda Boulevard & 27th Street
9. Sepulveda Boulevard & Marine Avenue
10. Cedar Avenue & Marine Avenue
11. Sepulveda Boulevard & El Segundo Boulevard
12. Sepulveda Boulevard & Hughes Way
13. Sepulveda Boulevard & Manhattan Beach Boulevard

Comment 3

Given Rosecrans Avenue's importance as the shortest arterial connector street between Manhattan Beach and the 405 freeway, additional intersections on

Rosecrans Avenue at Nash Street, Redondo Avenue and Aviation should be studied in the traffic report.

Response to Comment No. 2-3

The comment calls for additional intersections to be studied along Rosecrans Avenue. The size of the study area was carefully chosen to make sure that all of the potential significant impacts of the Project were captured within the study intersections. The counts at the driveways of Manhattan Village Shopping Center showed that 23 percent of the traffic to/from the Shopping Center uses Rosecrans east of the Shopping Center.

As described on Pages III.B-2 through 4 of the Final Environmental Impact Report (Final EIR), in order to meet the City of Manhattan Beach's criteria for a significant impact, the Project would have to add at least 16 trips per lane per hour to the critical movement(s) along Rosecrans. As described in detail in the Final EIR, the heaviest addition of Project traffic would occur at the end of construction of Phase II when a total of 97 trips would enter the Shopping Center in the afternoon peak hour and 79 trips would leave the Shopping center. Allocating 23 percent of this total trip generation to the Rosecrans corridor would mean that 21 trips/hour would approach the Shopping Center via westbound Rosecrans and 19 trips/hour would leave the Shopping Center using eastbound Rosecrans. Since Rosecrans provides three lanes in each direction, this means that the Project would add approximately 6-7 trips per hour per lane to the corridor in the afternoon peak hour. This is less than the 16 trips per hour per lane that is necessary to trigger a significant impact along Rosecrans and therefore additional intersections were not studied in the EIR. The Project is simply not large enough to create a significant impact along Rosecrans east of the Shopping Center.

Nonetheless, in response to comments made regarding impacts along Rosecrans Avenue, a supplemental intersection analysis was prepared that also demonstrates that the Project will not result in significant impacts along Rosecrans Avenue. Refer to Response to Neumann/Briggs verbal testimony at the September 17, 2013, City Council meeting for a more detailed discussion of this supplemental analysis.

Comment No. 2-4

Existing Levels of Service

The morning peak commute hour was not analyzed in this report because the Project is not expected to have an impact on morning peak traffic conditions because it is assumed that retail projects are not typically open during the traditional morning peak hour commute.

Comment 4

Fast-food restaurants with drive-through windows and coffee shops are destinations for morning commuters and as such, may impact morning commute traffic. Without a concise list of tenants, it is unsafe to assume that morning peak traffic will not be impacted. Alternatively, because of the limited parking analysis, certain types of uses ust [sic] be prohibited to validate the parking analysis.

Response to Comment No. 2-4

The comment asks for morning peak-hour traffic analyses citing fast food restaurant with drive through windows as a type of land use that may attract morning peak-hour trips. Table IV.H-7 on Page IV.H-38 of the Draft EIR shows that the highest morning peak-hour generation of the Project would occur after the completion of construction Phases 1 and 2 of the Project when a total of 29 new trips/hour would be inbound to the Shopping Center and 19 new trips/hour would leave the Shopping Center. As described in Response to Comment 2-3, above, this is not enough traffic to trigger an impact at any of the study intersections and therefore the City agreed that the analysis of study intersections during the morning peak hour was unnecessary.

Further, the Project Description does not anticipate fast food restaurants with drive through windows and the Project site plan does not accommodate these types of uses. In fact, the current Use Permit for the site (Resolution No. PC 13-10, Condition No. 18) prohibits drive-through restaurants and prohibits land uses that generate high traffic or parking demands, further supporting the rationale for not studying the weekday morning peak hour in detail.

Comment No. 2-5**Project Traffic Generation**

The report concludes that the proposed Stage 1 of Component I would generate approximately 71 PM and 90 Saturday midday peak hour trips. The new land uses developed for the proposed Stage 2 of Component I is expected to generate approximately 76 PM and 96 Saturday midday peak hour trips. The resulting total trip generation for Component I of the Project is 147 PM and 186 Saturday midday peak hour trips.

Component II would result in an increase of 47 Saturday midday peak hour trips. During the weekday evening peak hour, Component II is expected to generate 29 additional trips than would be generated following the completion of Component I. The resulting total trip generation for combined Components I and II is 176 PM and 233 Saturday midday peak hour trips.

Integral to the proposed Component III expansion is the demolition of the existing Fry's retail space (approximately 46,000 sf). The trips generated by this land use would be removed from the street system and credited to the Project. Based on the traffic counts conducted at the driveways serving the site, the existing Fry's generates 78 AM, 375 PM, and 433 Saturday midday peak hour trips. These trips would be deducted from the total project trip generation when the Fry's closes and Component III is developed. Because the new land uses in Component III would generate fewer trips than the existing Fry's, the trip generation of Component III represents a reduction in total site trip generation.

The report concludes that MVSC would generate fewer vehicle trips with Component III alone than would be generated by the site at the completion of the Component I and/or Component II, resulting in 192 fewer weekday PM peak hour trips and 202 fewer Saturday midday peak hour trips. With all three Components, the Project is expected to generate slightly fewer PM peak hour trips and slightly more Saturday midday peak hour vehicles trips than the existing uses at MVSC: 4 more AM peak hour trips, 16 fewer PM peak hour trips, and 31 more Saturday midday peak trips.

Comment 5

I disagree with this conclusion because it has not factored in the possible construction of more than 89,000 square feet of restaurant space (an additional 20,000 square foot restaurant is proposed) in the project site. Restaurants generate higher parking and trips than retail uses (about 2.5 times more).

Response to Comment No. 2-5

The comment disagrees with the estimated Project trip generation. The comment contends that the future trip generation failed to take into account the increase in restaurant space over 89,000 sf.

The comment is incorrect. The Project trip generation estimates calculated in the Draft EIR applied the shopping center trip generation rate to the portion of the Shopping Center exclusive of the Fry's Store and the cinema. Separate trip rates were used for these two uses. The trip generation estimate in the Draft EIR used the Institute of Transportation Engineers (ITE) *Trip Generation, 8th Edition* as the source for trip rates. The bulk of the center used the trip rates for a shopping center (Land Use 820) because this is the land use that most closely defined the current and proposed set of land uses. Special trip rates based on empirical data were used for the Fry's Store and more recent data than was available in the ITE *Trip Generation, 8th Edition* was used for the cinema use. Both of these rates are higher than the shopping center trip rates.

The regional shopping center trip generation rate developed by the Institute of Transportation Engineers (ITE) and used in the Traffic Study does indeed take into account restaurant space within a center. As long as the non-retail space within the shopping center (restaurant, cinema, office, entertainment, etc.) is less than 20 percent of the total square footage of the Project, the ITE trip generation rate for shopping centers is applicable. If the non-retail square footage exceeds 20 percent, the Project is typically treated as a mixed-use development and the trip rates of the individual land uses are applied to develop an overall trip rate for the mixed-use project. Table 1 on page 15 shows that the current amount of non-retail/service space in the existing Shopping Center accounts for 19.4 percent of the total floor area of the Shopping Center. In addition, buildout of the Project as set forth in Table II-3 of the Draft EIR would result in approximately 17.5 percent of non-retail uses within the Shopping Center. Furthermore, as shown in Table 1, at the end of construction of Phases I + II, the amount of restaurant space actually decreases slightly and the proportion of non-retail space is 15.6 percent. This occurs because a small restaurant is closed in Phase II when the cinema and adjacent retail is demolished and the Macy's store is expanded. Thus, use of the shopping center trip rate is appropriate.

As shown in Table 1, implementation of the equivalency program could result in a mix of uses with non-retail uses comprising more than 20 percent of the total area within the Shopping Center. However, the Equivalency Program requires that land uses be exchanged based on the P.M. peak traffic equivalency factors included in the equivalency table provided in Appendix E of the Traffic Study. The equivalency table looks at the trip generation rate of each individual land use in the development and provides a specific conversion factor to other uses based on an equivalent amount of P.M. peak-hour trips. Thus, with use of the Equivalency Program, the Project is essentially treated as a mixed-use development from a trip generation standpoint. Thus, with implementation of the Equivalency Program, even if the amount of restaurant space is increased, the afternoon peak-hour trip generation still has to be equal to or less than trip generation levels shown in the Draft EIR. In addition, any changes to the land uses shown in Table II-3 of the Draft EIR would have to be accompanied by a trip generation analysis that uses the Equivalency Program to demonstrate that the trips generated by the modified land use plan for the Project do not exceed the afternoon peak-hour trips as identified in the EIR. This also applies to the land use totals at the end of Phases I + II.

Two equivalency scenarios that provide examples of scenarios that have more than 20 percent non-retail uses are presented in Table 1. One scenario increases the amount of office space and another scenario increases the amount of restaurant space within the Shopping Center. However, to provide for these increases without generating additional P.M. peak hour trips, the equivalency program would require the amount of square footage to be reduced within other land use categories. Similarly, if the amount of medical office space were to increase to the 28,800 allowed under the Use Permit, the amount of other

Table 1
Retail and Non-Retail Land Use Percentages

Land Use	Existing	Future with Phases I + II	Future Buildout		
			FEIR Concept Plan	Alt Equivalency Plans	
				With 89,000 sf Restaurant	With 109,000 sf Restaurant
Shopping Center—Retail/Service/Bank					
Retail	374,047	484,047	538,153	490,120	470,120
Service/Bank	<u>36,151</u>	<u>36,151</u>	<u>36,151</u>	<u>36,151</u>	<u>36,151</u>
Subtotal	410,198	520,198	574,304	526,271	506,271
% of Shopping Center	80.6%	84.4%	82.5%	74.5%	71.7%
Shopping Center—Non-Retail					
Restaurant	65,734	63,106	89,000	89,000	109,000
Office	11,527	11,527	11,527	69,277	69,277
Medical Office	<u>21,678</u>	<u>21,678</u>	<u>21,678</u>	<u>21,678</u>	<u>21,678</u>
Subtotal	98,939	96,311	122,205	179,955	199,955
% of Shopping Center	19.4%	15.6%	17.5%	25.5%	28.3%
<i>Subtotal of Shopping Center</i>	<i>509,137</i>	<i>616,509</i>	<i>696,509</i>	<i>706,226</i>	<i>706,226</i>
Other Land Uses					
Fry's	46,200	46,200	—	—	—
Cinema	<u>17,500</u>	—	—	—	—
Subtotal	63,700	46,200	0	0	0
Total	572,837	662,709	696,509	706,226	706,226
P.M. Peak-Hour Trip Generation					
Maximum Generation Tested in EIR	2,351	2,527	2,335	2,335	2,335
Equivalency Trip Generation					
Retail/Service/Bank/Restaurant	1,784	2,041	2,209	2,154	2,154
Office	17	17	17	87	87
Medical Office Building	81	81	81	81	81
Fry's	375	375	—	—	—
Cinema	83	—	—	—	—
Total	2,340	2,514	2,307	2,322	2,322
<i>Source: Gibson Transportation, 2013</i>					

types of permitted uses would be reduced under the equivalency program based on the equivalent amount of P.M. peak-hour trips. Thus, with implementation of the Equivalency

Program, the P.M. peak-hour trip generation would not increase above that set forth in the Draft EIR.

In addition, it is important to note that restaurants within a shopping center tend to attract their customers from the people already at the mall shopping. Thus, the trip rate for restaurants within a shopping center is similar to that of the retail trip rate.

The Comment is correct that restaurants do generate a higher parking demand than retail space and that fact has been taken into account in the requirement for higher parking requirements for restaurant space over 89,000 sf.

Comment No. 2-6

Component II Only

The existing plus project peak hour traffic volumes were analyzed to determine the existing plus project operating conditions with the addition of traffic generated by Component II. Upon completion of Components II, all 13 intersections would maintain the same LOS when compared to existing conditions during the weekday PM and Saturday midday peak hours. No intersection exceeds the significant impact thresholds set by the City of Manhattan Beach, and, therefore, Component II does not result in any significant impacts on the street system under either weekday or Saturday peak hour conditions.

Component III Only

The existing plus project peak hour traffic volumes were analyzed to determine the existing plus project operating conditions with the addition of traffic generated by Component III. This analysis assumes Intersection #2 would be signalized with full access. Due to the fact that the traffic projection of Component III predicts a reduction in traffic generation, any configuration of Intersection #2 would result in an improvement of delay/ICU/LOS. As such, only the full access configuration would be analyzed under the Component III-only analysis. Upon completion of the proposed Components III expansion, 12 of the 13 intersections would maintain the same LOS when compared to existing conditions during the weekday PM peak hour. The one intersection with an LOS change, Sepulveda Boulevard & El Segundo Boulevard, actually improves from LOS F to LOS E. Under Saturday midday existing plus project conditions, nine of the 13 study intersections would maintain the same LOS when compared to the existing conditions, the remaining four intersections actually see an improvement in LOS. Due to the limited net increase in retail square footage in this expansion component and the demolition of the existing Fry's, during the weekday PM peak hour and Saturday midday peak hour, all of the 13 study intersections are projected to show a small improvement over existing conditions. No

intersection exceeds the significant impact thresholds set by the City of Manhattan Beach, and, therefore, Component III does not result in any significant impacts on the street system under either weekday or Saturday peak hour conditions.

Comment 6

The analysis utilized a land use equivalency table to determine the mix of uses on the project site. According to the significant impact criteria established by the City of Manhattan Beach, the Project would not create significant impacts at any of the 13 study intersections under any of the development scenarios because the Project did not significantly affect the existing LOS at all 13 intersections. In certain instances, the report found that signalization reduces LOS at certain intersection. This conclusion allows the City and the Project developer to not provide direct project mitigation.

Response to Comment No. 2-6

The comment is based on an incorrect assumption. The comment suggests that the land use equivalency table was used to determine the mix of land uses on the Project site. This is not correct. The mix of land uses was proposed by the Applicant and then analyzed by the City in the Draft EIR. The land use equivalency table was developed so that the Applicant can modify the specific land uses within the Shopping Center in the future as long as the new mix of land uses does not result in any increase in peak-hour trips over and above what is studied in the Draft EIR.

The comment goes on to suggest that the City and the Project developer somehow avoided mitigation by not signalizing intersections because “the report found that signalization reduces LOS at certain intersection(s).” All 13 of the study intersections are already signalized and all 13 study locations were analyzed using the City’s significant impact criteria for signalized intersections.

Only one intersection (Rosecrans and the Carlotta Driveway Extension) was tested to see if a new traffic signal should be installed. City staff rejected that signal location because they felt that it was too close to the Sepulveda/Rosecrans intersection, as well as the Rosecrans/Village intersection.

Comment No. 2-7**Summary of Project Impacts****Sepulveda Boulevard Bridge Widening**

There have been discussions regarding the dedication of right-of-way by MVSC and the Hacienda Building for the purposes of expanding the Sepulveda Boulevard Bridge, approximately 500 feet south of Rosecrans Boulevard. MVSC and the Hacienda Building have agreed to dedicate the necessary right-of-way to the City of Manhattan Beach for the desired expansion of Sepulveda Boulevard. The Sepulveda Boulevard bridge widening is a project proposed by Caltrans that would help improve vehicular circulation locally by providing additional capacity on Sepulveda Boulevard.

Metro's *2010 Congestion Management Program for Los Angeles County* (CMP) indicates that a CMP traffic analysis must be conducted for all CMP monitored intersections that experience at least 50 net new trips generated by the project traveling through the intersection. The intersection of Sepulveda Boulevard and Rosecrans Avenue would absorb 54 project-related trips during the Saturday mid-day peak hour during the proposed Component I and II expansion. Even with the added trips from the MVSC expansion during this first and second expansion component, the intersection would not be impacted because of the increased volume. Therefore, there is no CMP impact at this intersection. For all other CMP monitoring intersections during the proposed Component I expansion and for all CMP monitoring intersections during Components I, II, and III, the negligible traffic increase from MVSC does not generate enough project traffic to meet the criteria for CMP analysis. Likewise, the Project would not generate enough freeway traffic nor transit ridership to result in a significant impact on these other components of the CMP system.

Caltrans Analysis

Caltrans requires traffic analysis be performed on all study intersections along state highways using the Highway Congestion Management (HCM) methodology. The section of Sepulveda Boulevard directly west of the Project site is under the jurisdiction of Caltrans as State Highway 1. The Sepulveda Boulevard intersections would experience a slight increase in delay or VIC numbers during the weekday PM peak hour and Saturday midday peak hour. With Components I and II and the existing cinema removed, the intersections along Sepulveda Boulevard would experience slight increases in delay or VIC operations during the weekday PM peak hour and Saturday midday peak hour. With Components I and II when the existing cinema remains and the Fry's is removed, the intersections along Sepulveda Boulevard would experience slight decreases in delay or VIC operations during the weekday PM peak hour and Saturday midday peak hour. With Components I, II, and III, three of the study intersections along Sepulveda Boulevard would experience

improvement, with decreases in delay and VIC operations when compared to the without project 2022 conditions. In all cases, the increases in intersection delay are less than one second when Project traffic is added to the Sepulveda corridor. This represents an insignificant increase in intersection delay.

Comment 7

While the Project does not have any significant impacts on any Caltrans facility, the Project has offered to dedicate right-of-way along Sepulveda Boulevard so that the Sepulveda Boulevard bridge over the railroad right-of-way south of Rosecrans Avenue could be widened. For previous versions of the MVSC expansion projects, Caltrans has accepted this voluntary mitigation as payment for the Project's "fair-share contribution" to improvements on State facilities. However, new information in the errata provides an insight into Caltrans' actions regarding this matter.

Response to Comment No. 2-7

Comment 7 presents a statement rather than a question. The comment correctly points out that the Project does not have any significant impacts on any Caltrans facility. It also correctly points out that the Project is dedicating right-of-way to Caltrans to facilitate the widening of the Sepulveda Bridge and that Caltrans is considering this as the Project's "fair share contribution" to improvements on state facilities.

Comment No. 2-8

Construction Impact Analysis

Two construction traffic impacts at MVSC were analyzed in the report. The first investigated the potential traffic and parking impacts of the construction schedule that is currently being pursued by the Applicant. In this construction phasing, each construction component would begin activity immediately after the Christmas holiday shopping period and the construction would finish (with new stores and new parking supplies open and operating) by the following Thanksgiving. In a second analysis, the potential impacts are measured if the construction schedule for any Component extends beyond the Christmas shopping period. The report shows that Component I would see 100 to 107 construction workers per day during peak activity periods. These same activity periods (when the stores are being finished and outfitted with merchandise) would see 41 to 43 trucks per day. Components II and III would see the maximum number of workers on site increasing to 114 and 122, respectively, with the trucks peaking at 46 and 50 per day. While the total square footage developed is greater in Component I, a greater number of workers and trucks are associated with Components II and III due to a larger demolition effort. It is anticipated that

the construction activity would not occur between Thanksgiving and December, the peak shopping season.

Comment 8

This section is of concern because of the conservative estimates of the anticipated number of trucks per day and the number of construction workers. Unfortunately, there are no stipulations to hold construction activity to this level. As with every construction project, one thing or another does not always proceed as planned and there are not enough safeguards in terms of conditions of approval or mitigation measures to ensure that construction activity proceed as anticipated. I would be much happier with conditions of approvals or construction plans that detail construction activities at the site and provides a safeguard for the members of the community who may have concerns with construction noise emissions and vibrations.

Response to Comment No. 2-8

Comment 8 questions the reliability of the estimate of the number of construction trucks and construction workers. It did not offer any alternate numbers.

Table 20 of the Traffic Study (page 86) shows a breakdown of both construction employees and construction trucks by category of work (demo/excavation and building construction/finishing). These estimates are given for each quarter of the year and for each construction phase. The estimates were prepared by the Applicant's construction management firm and reviewed by the City and the EIR preparers. They are consistent with construction activity levels at other similar projects. As is required by CEQA, the City has reasonably forecasted the consequences of project approval, including construction activity, and then analyzed the expected environmental impacts from the forecasted activity. The largest construction component of the Project would be associated with Phase III when the construction estimates indicate 121–122 construction employees would be on-site and there would be 48–50 truck trips per day during the busiest months.

The comment asks for more detailed plans of construction activity. The best estimates of construction activity that have been provided by the Applicant and analyzed in the Draft EIR are consistent with other similar EIR-level analyses. Actual construction activity will be consistent with the construction management plan and monitored by City inspectors for compliance.

Comment No. 2-9**Construction Trucks**

Depending upon the specific nature of the construction activity (e.g., demolition, excavation, finish construction, landscaping), it is assumed that the majority of truck traffic would be distributed evenly across the non-commuter peak hours of a workday (i.e., 9:00 AM to 4:00 PM). It is anticipated that during peak excavation periods, project construction would generate up to 52 daily haul trips for 26 loads (i.e., average of seven haul trips per hour from 9:00 AM to 4:00 PM). During the store finishing portion of the construction project, up to 50 daily trucks would produce 100 truck trips (14 truck trips per hour from 9:00 AM to 4:00 PM). Construction activity would be severely curtailed during the month of December in order to avoid conflicts with the peak shopping season.

Comment 9

The City of Manhattan Beach Public Works Department would require approval of a construction traffic management plan prior to commencement of construction. Proposed haul routes for dump trucks, semi-trailers, and truck and trailers in the removal of construction debris and excavated soils and delivery of heavy equipment would occur via one of the following routes: (1) Sepulveda Boulevard north to Rosecrans Boulevard, and Rosecrans Boulevard east to Interstate 405, (2) Village Drive north to Rosecrans Boulevard, and Rosecrans Boulevard east to Interstate 405, and (3) Rosecrans Boulevard east to Interstate 405. Since Village Drive is a narrow street with curb parking along the east side of the street, temporary parking restrictions could be implemented along the east side of Village Drive along the truck haul route in order to accommodate the haul and construction trucks. These parking restrictions, if necessary, would be temporary in nature and would likely occur only during haul days in the first three months of the construction Components that affect the north side of the site (Component I, Stage 2 and Component II). The primary destination for construction debris and excavated soils is Chandler's Pit in Rancho Palos Verdes, although other recycling areas needing the excavation fill may be selected, as appropriate. Again, submittal of , and approval of a construction traffic management plan is critical. It would also be beneficial if the public is granted access to the construction traffic management plan, or if a notice is required to be sent to all that have commented on this project.

Response to Comment No. 2-9

The comment reiterates the need for the City to review the construction traffic management plan and it requests that the public be granted access to that plan.

Mitigation Measure H-1 requires the Applicant to submit a construction management plan prior to the commencement of each construction phase. Once the plan is approved by the City, it becomes a public document and is available for review by the public.

Comment No. 2-10

Construction Parking Impacts

Parking for the proposed uses would be provided in surface parking areas and low-rise parking structures and several existing parking areas would be reconfigured. Upon completion of each phase, MVSC would comply with the required MUP parking ratio of 4.1 spaces/1,000 sf GLA to accommodate the new uses. However, during construction, some spaces may be taken out of service to accommodate the construction of new building pads, staging areas, or the construction of new parking facilities. Each Project construction phase will replace any accessible parking spaces lost, if needed to maintain the required number of accessible parking spaces.

Parking Supply vs. MUP Requirements

The construction schedule for each Component assumes a one-year time period for construction with construction of each Component completed by Thanksgiving of each year. This analysis includes the Project's visitors, employees, and construction workers. For each of the Components, the beginning parking supply is shown along with the number of spaces that would be taken out of service for that construction activity. The remaining parking supply represents the number of spaces available to serve the remainder of the project during that construction component. The available parking supply compared to MUP requirements would be as follows:

* The available supply would dip below the MUP required parking supply during construction of all scenarios except Component I, Stage 2.

* Component I, Stage 1 would fall 242 spaces short of meeting MUP requirements during the initial phase of construction when the first parking garage is being built. Even with the use of the 210-space lower lot, this Component would be short of meeting MUP requirements until the new parking supply for this Component opens.

* During the remainder of Component I, Stage 1 and the construction of Component II and Component III construction, the amount of shortfall is less than the number of spaces available in the lower lot abutting the eastern edge of the MVSC site leased by the Applicant from the City. Thus, the MUP required parking supply can be maintained by shifting employees to the lower parking lot during these construction Components. With

use of the lower parking lot, MVSC would meet the amount of parking required by the MUP except for the initial construction period for Component I, Stage 1.

Comment 10

We have commented earlier that the MUP parking requirement of 4.1 spaces per 1,000 square feet is insufficient for the proposed development. However, the MUP has been entitled and the Project Applicant is complying with the parking requirements. The MUP parking requirements are based on the amount of parking demand that is expected in December of each year. Like any zoning code requirement, the amount of required parking for a particular land use is intended to make sure that the land use has enough on-site parking supply to meet its peak demand. Since an office building parking demand does not vary much from weekday to weekday or from week to week throughout the year, the required parking as cited by the City Code is essentially needed every weekday of the year. A retail center experiences its peak parking demands during the six-week period between Thanksgiving and New Year's Day. During the remainder of the year, it is not uncommon to see available parking in a shopping center parking lot. However, the site must be provided with parking consistent with the peak demand period.

Response to Comment No. 2-10

The comment calls for parking to be provided that is consistent with peak parking demand for that land use.

The provision of parking at a ratio of 4.1 sp/1,000 sf GLA is indeed the parking level that is needed during the peak period of the year (December). The Draft EIR is consistent with this comment.

Comment No. 2-11

Summary

At some points during construction, the parking provided on site would dip below the parking requirements set forth per the MUP. Analysis of the proposed parking demand based on active land uses, customers, employees, and construction employees, shows that the parking supply would be adequate to meet the peak monthly parking demand at MVSC, even during those construction periods when the amount of parking provided temporarily dips below the amount of parking needed to meet the MUP. The Project would have enough parking at all times during construction to accommodate visitors, employees, and construction workers, assuming that each of the four distinct Components can begin in January and finish by mid-November of the same year.

As for the peak December parking demand vs. supply, the proposed parking supply meets the MUP requirements and provides enough parking to meet expected peak demands on the busiest day of the year upon completion of each Component. While all the construction phases will provide adequate parking to accommodate the shopping center's parking demand, during certain periods of construction the parking supply will not be evenly distributed throughout the shopping center, which could force some customers to walk further to reach their destination than they do today. Upon completion of the Project, adequate parking for each section of the shopping center will be provided and, in fact, the provision of parking structures will put more parking closer to the stores than exists in the current shopping center configuration.

Effects of Extended Construction

Each of the Components described above has been sized to enable construction to begin immediately after the first of the year and to be completed by Thanksgiving of that year. The analysis above shows that if this schedule is met, construction traffic impacts would not be significant, and the on-site parking would be sufficient to meet the anticipated parking demand throughout the construction period. If a particular construction Component starts late or unforeseen complications result in a longer than anticipated construction schedule, the construction activity could last through the holiday shopping period. The Applicant has stated that no substantial construction activity would take place between Thanksgiving and Christmas. However, the construction activity outlined assumes that the new parking supplies and the new stores for each Component would be open and available for the next Christmas shopping period. In the event that the construction period extended beyond Thanksgiving, the new stores may not yet be open, but the new parking could also be delayed.

Traffic Impacts

The report claims that the conclusions regarding the construction traffic (construction worker vehicles and construction trucks) remain valid even if the construction activity period is extended. The number of worker vehicles and truck trips would still not be large enough to cause a significant impact and the off-peak nature of the travel would still be expected to be the case even if the construction period was extended. This conclusion is based on the fact that little or no construction activity would take place in December so that construction traffic interference with peak shopping traffic does not occur.

Comment 11

There needs to be a condition of approval or mitigation measure that more accurately controls the construction schedule. So far, it has been left to the

Applicant to determine but the parking and traffic analyses have been determined based on construction occurring between the first of the year and Thanksgiving.

Response to Comment No. 2-11

The comment is incorrect. The Draft EIR analyzed the effects of a construction schedule for each construction phase that ended before the holiday period and one that extended beyond the 11-month construction schedule. In either case, the analysis within the Draft EIR demonstrates that traffic-related impacts would be less than significant.

Before each construction phase begins, the Applicant will submit a detailed construction schedule to the City as part of its construction management plan.

Comment No. 2-12

Parking Impacts

If each construction Component took approximately 14 months instead of 11 months, the report indicates there would be holiday shopping periods that would not have sufficient on-site parking supplies to meet the Christmas parking demand. Specifically, Component II would be short of parking in December if the construction activity were not complete by Thanksgiving. If the new Component II parking supply were not open by Thanksgiving, even if the new stores were not yet open, the parking supply would be short by 64 spaces on a busy December weekend. Shortfalls projected for Component III construction conditions would be 100 spaces on a busy December weekend. The Component II and III weekend shortfalls fall within the capacity of the leased lower lot and, therefore, the shortfall could be made up by moving employees to the lower lot. A limited amount of December weekend employee parking (approximately 64 spaces) would have to be moved off-site in order to meet customer demand on-site during Component II. There would also be a slight shortage on a December weekend during Component III construction if the construction activity did not finish by the Thanksgiving deadline. The projected shortage of 100 spaces could be made up by using the lower lot.

Comment 12

A 64 parking space shortage for Component 11 and 100 parking space shortage for Component III are significant and CANNOT be left to chance. The report indicates the shortfall would be transferred to the leased lower lot. The questions are: what is the status of that lease? What if the lease does not go through? What is the current condition of that parking area? What other alternatives are there should there be a hitch with this arrangement? For anyone who has managed a large project or development, unforeseen problems arise and being prepared for any contingencies is necessary and prudent for a

project of this magnitude. While the report shows that the on-site parking supply (in combination with the leased lower lot) would always be able to accommodate the projected parking demand, the uncertainty of construction schedules could result in a temporary condition when a parking shortage would occur. Because of this uncertainty, a Construction Parking Management Plan (CMP) is being proposed for those holiday periods when construction activity is anticipated. Unfortunately, the Construction Management Plan is proposed for a future time just prior to the commencement of construction. I would recommend that the public and all those who have expressed an interest in the project be allowed to review the CMP prior to approval.

Response to Comment No. 2-12

The comment asks about the status of the lease on the lower parking lot located to the east of the Shopping Center. The lease between the Applicant and the City is currently active, has been ongoing for decades and the City does not anticipate any changes to that status. Additionally, there are a number of large office buildings immediately adjacent to the project site with hundreds of parking spaces that are vacant and available for weekend use if needed. The lower level lot parking spaces are not counted in the 4.1 sp/1,000 sf GLA parking supply for the Project; therefore, the Draft EIR notes that the lower level lot spaces can be used for off-site employee parking spaces if the construction schedule falls behind and extends past the holiday period in any given year.

Mitigation Measure H-1 requires the Applicant to submit a construction management plan prior to the commencement of each construction phase. Once the plan is submitted to the City, it becomes a public document and is available for review by the public. This plan will specify the location and number of off-site parking spaces needed, consistent with the Draft EIR.

Comment No. 2-13

Project Access And Circulation Improvements

Veterans Parkway

As part of the project access and circulation improvements, the lower surface parking lot (adjacent to Fry's) would be restriped to provide a separate bicycle and pedestrian connection along Veterans Parkway. Detailed plans highlighting the parking lot configuration and bicycle and pedestrian connections in the interim condition (i.e., prior to development of the Project) would be required to be provided to the City for review and approval prior to issuance of building permits for the Project and constructed prior to obtaining the first Certificate of Occupancy for Component I of the Project. Further refinement to the lower surface parking lot area and bicycle/pedestrian connections would

be required with the development of Component III of the Project, which includes decking the below-grade railroad right-of-way and construction of an access ramp from below grade to the ground level parking area. Detailed plans highlighting the parking lot configuration and bicycle and pedestrian connections with the development of Component III would be required to be provided to the City for review and approval prior to issuance of building permits and constructed prior to Certificate of Occupancy for Component III of the Project.

Comment 13

This is a critical requirement because of the importance of this improvement to the overall project. It is not unusual to use the issuance of building permits and certificate of occupancy as thresholds for satisfying an important project/development improvement. This stipulation must be included as a project condition of approval or mitigation measure. However, the Errata submitted in conjunction with the Draft EIR has modified this condition to require improvements to be done and completed within Component I timeframe.

Response to Comment No. 2-13

The comment acknowledges that the improvements to the lower level parking lot in Veterans Parkway are now conditioned to occur in the Component I construction timeframe. No further response is required.

Comment No. 2-14

Easterly Rosecrans Avenue Driveway

The City requested further review of the easterly Rosecrans Avenue Project driveway to assess the feasibility of shifting it westerly to provide greater separation from the Village Drive & Rosecrans Avenue signalized intersection, as well as to modify its design to provide better alignment with Rosecrans Avenue. The easterly Rosecrans Avenue driveway is un-signalized and accommodates right-turn-in and right-turn-out-only turning movements between the lower level parking and Rosecrans Avenue. With the proposed modifications (i.e., shifting its location further to the west and realignment with Rosecrans Avenue), this driveway would remain un-signalized with stop sign control provided for the right-turns out of the driveway. As the driveway modification would maintain the current lane configuration and access controls, the operational analysis for this intersection would be the same.

Comment 14

We agree with the shifting of the easterly Rosecrans Avenue Project driveway and its modification to provide better alignment and greater separation from the Village Drive & Rosecrans Avenue signalized intersections. However, we would like to see a warrant conducted to determine whether or not by realigning it with Rosecrans Avenue, the driveway would remain un-signalized.

Response to Comment No. 2-14

The comment agrees with the realignment of the Veterans Parkway driveway with Rosecrans and it suggests that the driveway be considered for signalization.

The driveway is located too close to the existing signal at Rosecrans/Village and Rosecrans/Sepulveda. Therefore, the City does not support installing a traffic signal at this location as it is a limited access driveway (right turn in–right turn out).

Comment No. 2-15**Rosecrans Avenue Plaza El Segundo Signal**

Portions of the Plaza El Segundo project have been completed and a further expansion of that previously entitled site is being proposed. There have been ongoing discussions between the Cities of Manhattan Beach and El Segundo, as well as the MVSC and Plaza El Segundo project teams regarding the configuration of the driveways of the two projects. As presently proposed, the new MVSC Rosecrans Avenue driveway is located west of Village Drive and east of the existing Fry's upper parking lot driveway. This intersection was analyzed as both a signalized and an unsignalized intersection. The MVSC driveway could potentially be directly aligned with the future Plaza El Segundo driveway. As part of the Plaza El Segundo development, the previously approved driveway on the north side of Rosecrans Avenue is proposed to be signalized by Plaza El Segundo. The proposed traffic signal at the Project driveway intersection with Rosecrans Avenue would improve future conditions and better facilitate access along Rosecrans Avenue for both MVSC and Plaza El Segundo. The proposed new traffic signal also has the potential to shift some entering/exiting traffic from Village Drive to the new signal. However, the traffic signal timing would be dictated by the heavier traffic levels in/out of the Plaza El Segundo expansion and the performance of a newly signalized intersection would not be adversely affected by MVSC traffic. Since the traffic signal has not yet been approved by the Cities of El Segundo or Manhattan Beach, the intersection was also analyzed as an un-signalized intersection.

Comment 15

We would like to know the timing of the traffic signal agreement between the Cities of El Segundo and Manhattan Beach, and how the signalization of these driveways would affect project traffic.

Response to Comment No. 2-15

A copy of the traffic signal agreement between the Cities of Manhattan Beach and El Segundo has been supplied to the Commentor and is attached herein as Appendix B. However, the City does not support the installation of a new traffic signal on Rosecrans Avenue between Sepulveda Boulevard and Village Drive. Plaza El Segundo has redesigned its access system to utilize the existing Rosecrans/Village signal.

Comment No. 2-16**Site Access****Driveways**

Component I and Component II would not change the location or operation of the existing driveways leading to and from MVSC; only Component III would make changes to the site's access driveways. With Component III, the Fry's in the northwest corner of the property would be demolished and new retail and restaurant structures would be built over the northwest corner of the property. At present, the Fry's building and adjacent parking are separated from the rest of the MVSC site by a railroad right-of-way that cuts through the site below grade. This condition effectively creates an individual parcel out of the Fry's site and prevents any direct vehicular interaction between the existing Fry's site and the rest of the shopping center. Component III would construct an at-grade deck across the railroad right-of-way, physically joining the current Fry's parcel to the rest of MVSC, and a two-way ramp from the railroad right-of-way, from below grade up to the shopping center. The westernmost driveway along Rosecrans Avenue would maintain access to the Project site in addition to the newly constructed parking deck at the southeast corner of Rosecrans Avenue & Sepulveda Boulevard. The Sepulveda Boulevard driveway would be relocated approximately 100 feet south but maintain access to the Project site and provide access to the newly constructed ground-level parking area. The easternmost driveway along Rosecrans Avenue would maintain access to the new below-grade parking area. Operations (i.e., turn movements in and out of the center) at each driveway would remain unchanged.

Rosecrans Avenue Deceleration Lane

The City of Manhattan Beach has requested an investigation into the necessity of a deceleration lane for the two Rosecrans Avenue driveways that currently provide access to the Fry's parking lot and to the railroad right-of-way parking aisles. For each roadway classification, right-turn volumes must exceed the value given for the posted speed to qualify for a right-turn deceleration lane. Rosecrans Avenue is classified as a major arterial with a posted speed limit of 45 mph. Therefore, the right-turn volumes along the Rosecrans driveways must exceed 25 vehicles during a weekday peak hour to meet the criteria for a right-turn deceleration lane. Based on the cumulative plus project traffic weekday PM peak hour volumes found in each of the expansion components, the driveway currently providing access to the parking lot adjacent to Fry's is a candidate for a right-turn deceleration lane. The driveway providing access to the existing railroad right-of-way driveway currently does not have sufficient PM peak hour right-turn entries to justify a deceleration lane. The number of right turns entering this second driveway would likely decrease greatly in the future when the railroad right-of-way parking aisles are covered by a parking deck, bridging the existing Fry's lot with the rest of the MVSC site and much of the lower level parking area would be reserved for MVSC employees.

Comment 16

Making the lower level parking area MVSC employee parking cannot be left to chance. There must be a condition of approval requiring employee parking in the lower level parking area.

Response to Comment No. 2-16

The comment calls for a Condition of Approval that requires the lower level parking in the Veterans Parkway area to be employee parking.

The Conditions of Approval already require a holiday parking program for employees that may include use of the lower lot, as needed, which will be reviewed and approved by the City. As the Shopping Center develops and connections between the lower level parking and the retail space on the ground level improves, the lower level parking may become more attractive for retail and restaurant customers and therefore it would be premature to require that this space be allocated to employees only.

Comment No. 2-17

The recommended width for deceleration lanes is typically the same as adjacent through lanes, in this case 12 feet. The typical length of the deceleration lane is dictated by the speed of adjacent traffic lanes. The posted speed limit on Rosecrans Avenue is 45 mph;

however, the report concludes that the realistic speed of vehicles entering the Project site is closer to 25 mph because the majority of entering vehicles turning at the intersection of Rosecrans Avenue & Sepulveda Boulevard are not traveling at the full design speed. A negligible number of vehicles are expected to arrive from the west. According to the report, a vehicle traveling 25 mph would require approximately 115 feet to slow down. An additional calculation was performed using the right-turn storage equation; the results indicate that another 10 feet of queue length would be necessary. A total of 125 feet would be required for deceleration and storage, and an additional 50-foot transition taper would be needed to ease traffic into the deceleration lane. A 175-foot deceleration lane is recommended for Driveway 1 along Rosecrans Avenue.

Comment 17

We disagree with the 25 mph speed estimated for vehicles entering at the intersection of Rosecrans Avenue and Sepulveda Boulevard. By assuming the lower speed limit, a distance of 115 feet is required to slow down with 10 feet of queue length (total 125 feet for the deceleration lane and storage). With the addition 50 feet transition taper, a 175-foot deceleration lane is recommend the driveway along Rosecrans A venue. Unless a 25-mph speed limit is posted, longer deceleration lane is necessary consistent with speeds faster than 25 mph.

Response to Comment No. 2-17

The comment asks for consideration of a higher speed limit in the design of the deceleration lane from eastbound Rosecrans Avenue into the Project site.

The deceleration lane was designed with the approaching traffic in mind. The vast majority of the traffic approaching the driveway will have just turned right from northbound Sepulveda Boulevard or left from southbound Sepulveda Boulevard. These trips will not have had much time/distance to go faster than 25 mph by the time they begin their right turn into the driveway. Therefore, the provision of a right turn lane based on a 25 mph approach speed is appropriate.

To provide a longer right turn lane would require street widening all the way westerly to the Sepulveda/Rosecrans intersection. This widening would eliminate landscaping and urban design treatments at the intersection and it would increase the walking distance for pedestrians crossing the east leg of the Sepulveda/Rosecrans intersection.

Comment No. 2-18**Vehicular Circulation****Component I (2013 or 2014)**

During the proposed Component I expansion, a new parking structure may be erected between the Wells Fargo Bank and the Macy's Men and Home store and/or between the Macy's Fashion Store and the Hacienda Building. In addition, new retail structures would be constructed across from the 33rd Street entrance, removing some surface parking aisles. In this component expansion, these developments do not cross existing circulation or "ring" roads inside the shopping center. Component I would also see a minor redesign of the existing ring road and the parking aisle directly across from the 30th Street driveway within the Project site. Specifically, the internal ring road would be restriped to include three lanes, one in each direction and a third lane that would act as a two-way left-turn lane that allows drivers to enter and exit parking aisles with fewer conflicts with through traffic. Additionally, to allow cars to more efficiently enter the Project site, direct access to the parking aisle across the ring road from the 30th Street driveway would be prevented. This would force drivers to utilize the ring road to access parking and eliminate backups entering the Project site at this location. These two improvements would be maintained through the remaining components of the Project.

Comment 18

The removal of surface parking aisles as part of the construction of new retail structures is of concern with the internal circulation for this development and the provision of adequate parking for this site. We would like to see a condition of approval specifically addressing this proposed configuration to ensure compliance and reduction of on-site parking.

Response to Comment No. 2-18

The comment asks for a Condition of Approval addressing the proposed internal circulation configuration. The comment also asks for "reduction of on-site parking."

We do not understand the request for a reduction of on-site parking since the Commentor asks in other places in the letter for increased on-site parking. Regardless, the minimum number of required parking spaces will be provided.

In terms of the on-site circulation proposal, the Draft and Final EIR describe the proposed changes to the internal circulation system that are intended to move traffic from

the adjacent street system into the site easier and with less interference with through traffic. The comment asks for a Condition of Approval ensuring this configuration. However, Condition 1 of Resolution PC-13-10 already requires that the Project be constructed in substantial conformance with the site plan that shows the proposed circulation system.

Comment No. 2-19

Component II (2018)

In the proposed Component II expansion, the existing cinema building and shops linked to the cinema building would be demolished. The existing Macy's Fashion store may be expanded and a parking deck may be constructed to the north of Macy's to the railroad right-of-way culvert. In Component II, the proposed parking deck would go over the existing connection between MVSC's main internal circulation road and Village Drive. The connector road between the west side of MVSC and Village Drive would be maintained under the raised parking deck. The east/west roadway under the parking deck would have adequate height to accommodate delivery trucks and fire equipment. In Component II, vehicular traffic would continue to operate as it does today around the shopping center.

Component III (2022)

In the proposed Component III expansion, circulation on the shopping center site would be very different because of the improvements that would have taken place. Presently, between the existing Fry's site in the northwest of the property and the remainder of the MVSC site, the existing internal circulation is dictated by the below-grade railroad right-of-way; circulation between the existing site and the remainder of the MVSC site is not physically possible. The internal site circulation would be aided by decking the below-grade railroad right-of-way and constructing an access ramp from below grade to the ground level parking area. In addition to construction of the below-grade access ramp, ground level improvements to internal circulation would include extensions of existing main drive aisles to the newly connected driveways along Rosecrans Avenue and Sepulveda Boulevard. The extended drive aisles would maintain the approximately 30-foot width of the existing main aisles. Ground-level ramp access would be aligned with the main north/south drive aisle and an existing east/west drive aisle accessing Village Drive. These alignments would allow virtually direct access from the street system to the below-grade parking area. Circulation in the parking aisles would be arranged so that disruption to inbound and outbound traffic is minimized. The Component II expansion would include a parking deck north of Macy's, and the Component III expansion would include ground level improvements improving circulation and resulting in a new surface parking area in the northwest corner of MVSC. The parking deck near Macy's could be constructed with another deck provided to the west, in the area of the Component III surface parking area. Given either design option, these areas are designated for parking and would not alter the

proposed vehicular access or circulation at the site. Therefore, these design options minimize impacts to vehicular access and circulation and allow the flexibility to locate the parking facilities where they would be most beneficial to the operation of the site.

Comment 19

It is anticipated that by the year 2022, Components I and II would have been developed and the assumptions in Component III would be valid. We would like to see an approved Development Agreement or Project construction schedule detailing the timing of development and improvements for Components I, II, and III.

Response to Comment No. 2-19

The current project construction schedule has been detailed in the EIR. The City cannot require the Applicant to enter a development agreement nor is a development agreement required to mitigate any significant impacts from the Project, as proposed. An unanticipated delay in construction would not alter the environmental analysis.

Comment No. 2-20

Sepulveda Bridge Widening

The Project would construct a deck across the below-grade railroad right-of-way, and a new retail pad would be constructed along the western edge of the Project site, directly adjacent to the Sepulveda Boulevard Bridge. Caltrans is currently exploring alternatives to widen the Sepulveda Boulevard Bridge. The newly constructed building at ground level and the below-grade parking structure would be set back approximately 40 feet from the existing right-of-way along Sepulveda Boulevard. According to Caltrans' preliminary design alternatives for the bridge widening, the most conservative scenario involves widening the existing right-of-way by approximately 21 feet.

Comment 20

Widening the Sepulveda bridge by Caltrans may adversely affect the proposed Project based on shifting Caltrans standards. We would like to see comments provided by Caltrans on this issue.

Response to Comment No. 2-20

The comment suggests that "shifting Caltrans standards" related to the Sepulveda Bridge widening may adversely affect the Project.

The Sepulveda Bridge widening design has been approved by Caltrans and construction has been scheduled. It is not likely that other Caltrans standards will affect the Project design. Caltrans reviewed and made comments on the Draft EIR during the review period and their comments have been addressed in the Final EIR

Comment No. 2-21

Service Dock

The addition of new retail locations to the MVSC site would necessitate individual service docks for each retail pad. A service dock would be located in the below-grade parking area and the three other loading docks would be located at grade with the remaining retail locations. The project would be designed in accordance with turning templates from the American Association of State Highway and Transportation officials (AASHTO) design vehicles: single unit and semi-trucks (where appropriate). The adequacy of the service dock design would be reviewed by the City of Manhattan Beach prior to project approval.

Parking Analysis

The proposed parking supply to be provided on the Project site is compared to the amount of spaces required by the MUP. The existing onsite parking utilized by MVSC is spread over several lots surrounding the MVSC building sites. At present, MVSC provides a total of 2,393 parking spaces for visitors and employees. Applying the MUP's parking ratio of 4.1 spaces/ksf for the main MVSC shopping center and 170 parking stalls for the existing Fry's, MVSC and the Fry's are required to provide a minimum of 2,330 spaces. MVSC currently has a surplus of 63 parking stalls. None of the parking numbers provided includes the leased 21 O-space parking lot that abuts the eastern edge of the MVSC site, east of Village Drive and south of Parkview Avenue. In 2001, a shared parking analysis (*Renovation of the Manhattan Village Shopping Center Traffic and Parking Analysis* [Kaku Associates, Inc., 2001]) was conducted to measure the peak parking demand during the 20th highest hour of the year in order to identify the parking ratio that should be used to plan shopping center parking ratios as recommended by the Urban Land Institute (ULI) and International Council of Shopping Centers (ICSC). *Shared Parking, 2nd Edition* (ULI and ICSC, 2005) adopted an approach that took into account different daily, hourly, and seasonal parking patterns by different land uses (e.g., office uses and a cinema). Utilizing the ULI shared parking model with Project specific data including parking occupancy counts obtained at the site and on-site existing and proposed land uses, a parking ratio of 4.1 spaces per 1,000 sf of mixed-use development would fully serve MVSC during the peak hour of the peak hour of the peak Saturday of the year.

Comment 21

As stated earlier, we contend that the 4.1 spaces per 1,000 sf of mixed-use development is inadequate to meet parking requirements for the proposed Project. Specifically, the proposal for a restaurant at the site in conjunction with future proposed land uses not [sic] already identified could result in a negative parking scenario. Realistically, a parking ratio of 5 spaces per 1,000 square feet of floor area is recommended. Proposed Parking

Response to Comment No. 2-21

Refer to Response to Comment No. 2-1.

Comment No. 2-22

Concurrent with each of the Component expansions of retail space, additional parking spaces would be provided for the MVSC site. At completion of the Project, a parking ratio between a minimum of 4.1 spaces/ksf and maximum of 4.28 spaces/ksf would be provided on site. Parking for the proposed uses would be provided in surface parking areas and low-rise parking structures, and several parking areas would be reconfigured. Upon completion of the Project, a total of approximately 2,915 parking spaces would be provided on site, depending on the Project's final design, resulting in a net surplus of spaces, excluding the 210 parking spaces in the City-owned lot leased by MVSC for overflow parking. Upon completion of the Project, parking would be provided at a minimum rate of 4.1 spaces/ksf to accommodate the new uses.

Comment 22

See comment 21.

Response to Comment No. 2-22

Refer to Response to Comment No. 2-21.

Comment No. 2-23

Two parking decks are anticipated to be located to the immediate north and south of the Village Shops. Alternatively, three parking decks may be consolidated into one parking deck located north of the Village Shops. A parking facility with up to three above-grade levels may be provided to the north of the Macy's Fashion store and may consist of two levels above grade at another parking deck provided to the west of Macy's. As part of the possible improvements within the northwest corner of the Project site, the former railroad

right of -way currently used for lower level surface parking may be bridged over and would provide parking spaces at the existing grade level along with an underground pedestrian and bike pathway from Veteran's Parkway through the Project site to Rosecrans Boulevard. The proposed parking described above is an example of a parking scenario that would meet parking requirements at the completion of construction of each Component and at completion of the Project. Flexibility in the exact location of parking decks and number of spaces in each deck might result in a slightly different parking scenario, but would fall within the building envelopes described herein and would meet MUP parking requirements at the completion of construction of each Component and at completion of the Project.

Component I

In Component I, 60,000 sf would be added to the MVSC site, requiring an additional 246 parking stalls according to the MUP 4.1 spaces/ksf ratio. In addition to the construction of new retail structures, one or two multi-level parking areas are anticipated. The north deck would be between the Macy's Fashion store and the Hacienda Building, and/or the south deck would be between the Macy's Men and Home store and Wells Fargo Bank. During Component I, 1,900 parking stalls would be removed and 1,126 parking stalls would be added, resulting in a net gain of 226 parking stalls. After the addition of the new spaces and subtraction of those spaces to be removed, the total MVSC parking supply would be 2,619 parking stalls. MVSC would be required, per the MUP, to provide 2,575 parking spaces at the MVSC site following the Component I expansion. MVSC would provide enough parking spaces to exceed the peak December demand of 2,507 by 112 parking spaces. Following the completion of the proposed Component I expansion, MVSC would provide a sufficient number of parking spaces for its retail and restaurant needs.

Component II

In Component II, a total of 29,872 net new sf would be added to the MVSC site, requiring an additional 123 parking stalls according to the 4.1 spaces/ksf ratio. When the shopping area is expanded, the existing cinema building is demolished and a parking deck is constructed north of the existing Macy's Fashion store, 167 surface parking stalls would be replaced. The proposed parking deck would provide 285 parking stalls, resulting in a net gain of 118 parking stalls. After the addition of the new spaces and subtraction of those spaces to be removed, the total MVSC parking supply would be 2,737 parking stalls. MVSC would be required, per the MUP, to provide 2,698 parking spaces; MVSC would provide enough parking spaces to exceed peak December demand of 2,605 by 132 parking spaces. Following the completion of Components I and II, MVSC would provide a sufficient number of parking spaces for its retail and restaurant needs.

Comment 23

Using the 5.0 parking ratio, the Component II addition of approximately 30,000 square feet would require 150 parking spaces rather than the 123 proposed. This results in a shortfall of 27 parking spaces.

Response to Comment No. 2-23

The comment suggests that Component II of the Project would be 27 parking spaces short, based on a 5.0 sp/1,000 GLA parking ratio. The existing parking counts and ratio do not support nor suggest the need to raise the ratio to 5.0 sp/1,000 sf GLA. Refer to Response to Comment No. 2-1.

Comment No. 2-24**Component III**

In Component III, a net total of 33,800 sf would be added to the MVSC site, requiring an additional 139 parking stalls according to the 4.1 spaces/ksf ratio. In addition to the construction of a new retail structure over the existing Fry's site, a parking deck would be constructed over the existing railroad right-of-way culvert. Parking would still be available in the culvert lower level and accessed by either the existing driveway along Rosecrans Avenue or from a ramp leading down from grade level to the culvert parking level. During Component 111,310 parking stalls would be removed and 508 parking stalls would be provided, resulting in a net gain of 198 parking stalls. After the addition of all of the added spaces and subtraction of those spaces to be removed, the total MVSC parking supply would be 2,915 parking stalls. MVSC would provide enough parking spaces to exceed peak December demand of 2,752 by 163 parking spaces. Following the completion of the proposed expansion, MVSC would provide a sufficient number of parking spaces for its retail and restaurant needs.

Land Use Sensitivity Test

The developer of MVSC asked that tests be performed to determine the maximum amount of restaurant space that could be supported within the development from a traffic and parking standpoint. Since the overall size of the development would not change, the overall trip generation of the Project would not change as long as the amount of non-retail (i.e., office and restaurant) space remains at less than 20% of the total development, according to Shared Parking, Second Edition. The parking demand of the Project, however, could change as the amount of non-retail space increased. Restaurant and cinema space, for example, have higher parking demand rates than retail (on a per sf basis) and, therefore, the addition of floor area in either of these land uses would increase

the parking demand for the Project. Since the Project is removing cinema space, it does not seem likely that a new cinema would be added back into the Project. Restaurant space, however, could be added to the Project beyond the level tested in the Project description. Retail space was “traded” for restaurant space and the shared parking model was run to determine the adequacy of the parking supply. When the total amount of restaurant space in the development exceeded 89,000 sf, the overall parking demand at the center exceeded 95% occupancy (assuming the provision of the proposed 2,915 spaces). While this would only occur during the peak month of the year, a parking occupancy exceeding 95% would result in vehicles having to conduct long searches to find the last remaining spaces. Therefore, the 95% occupancy level has been used as a target rate for this Project. The land use sensitivity tests indicate that the MVSC’s total proposed traffic and parking systems could support up to 89,000 sf of restaurant space within the MVSC site.

Comment 24

It is alarming that 89,000 square feet of restaurant space could be developed on the project site based on the scenario described above. An 89,000 square foot stand alone restaurant would require 890 parking spaces. In a mixed use setting, about 495 parking spaces should be required. The number of parking spaces considered to be “extra” is short of the 495 spaces required. Therefore, a limit must be placed on the total number of restaurant square-foot addition to ensure that adequate parking is provided, or more parking spaces would need to be provided. We recommend that prior to the addition of any future restaurant space, a parking analysis must be conducted to determine parking availability.

Response to Comment No. 2-24

The comment suggests that 89,000 sf of new stand alone restaurant space would require 890 parking spaces while the same amount of restaurant space developed as part of a mixed-use development would require 495 spaces. These parking ratios equate to 10 sp/1,000 sf GLA for the stand alone restaurants and 5.56 sp/1,000 sf for restaurants in a mixed-use development.

As stated earlier, the ULI and the ICSC studied literally hundreds of shopping centers across the United States and they found that a parking ratio of 4.5 sp/1,000 sf GLA was the appropriate parking ratio for shopping centers with less than 20 percent non-retail uses. This shopping center meets that definition and furthermore has a parking ratio based on actual parking occupancy counts at the center. An entire series of shared parking analyses were conducted to make sure that the project with 89,000 or with 109,000 sf GLA of restaurant space will have enough parking. These analyses lead to the condition that restaurant space above the 89,000 sf limit provide additional parking.

The comment calls for a limit on the amount of restaurant space that can be built. The Project already has a limit on the amount of restaurant square footage that can be built. The Applicant has asked for a revision to this Condition to not exceed the 109,000 sf of GLA as analyzed in the Draft EIR with the amount of restaurant space limited by the Equivalency Program.

Comment No. 2-25

Larger Restaurant Element

The Applicant is proposing a “restaurant conversion option” to potentially convert up to 20,000 sf of retail space into restaurant space. Based on discussions with City staff, a land use sensitivity test was conducted to assess the effect, from a traffic and parking standpoint, of increasing the maximum amount of restaurant space from 89,000 sf as described above to 109,000 sf. Since the overall size of the development would not change (retail space could be converted to restaurant space), the overall trip generation of the Project would not change as long as the amount of non-retail (i.e., restaurant) space remains at less than 20% of the total development, according to *Shared Parking, 2nd Edition* (ULI, 2005). Thus, the increase in the maximum amount of restaurant space would not affect the traffic analysis and associated impacts. The parking demand of the Project, however, may change as the amount of restaurant or nonretail space increases and retail space correspondingly decreases. As an example, restaurant and cinema space have higher parking demand rates than retail and, therefore, addition of floor area in either of these land uses would increase the parking demand for the Project. A shared parking analysis that reflects 109,000 sf of restaurant space shows the parking demand during the peak day and month of the year to be 2,739 spaces during a weekday and 2,820 spaces on a weekend day. With a parking supply of 2,915 spaces, the proposed parking supply would be sufficient to meet the parking demands of the site. A target parking occupancy level of 95 percent was identified for the Project. This target correlated to up to 89,000 sf of restaurant space within the shopping center site. An increase in restaurant space to 109,000 sf would result in a parking occupancy of approximately 96%, which exceeds the 95% occupancy target. To maintain the target parking occupancy level of 95%, the converted restaurant space in excess of 89,000 sf (i.e., maximum restaurant space identified above) would require additional parking spaces be provided at a rate of 2.6 spaces per 1,000 sf. Thus, the increase in the maximum amount of restaurant space at the site by 20,000 sf (i.e., 89,000 to 109,000 sf of restaurant space and the resulting decrease of retail space) would result in the need for approximately 62 additional spaces to be provided beyond the proposed parking supply of 2,915 spaces.

Comment 25

The most recent shared parking analysis published by the ULI was in 2005. It is recommended that a condition of approval be included to limit the total square footage for non-retail uses, especially restaurants, to a not-to-exceed target of 95% of occupancy.

Response to Comment No. 2-25

The comment calls for a Condition of Approval that would limit the total non-retail square footage to a not-to-exceed target of 95 percent parking occupancy.

This target matches the Draft EIR parking analysis. A Condition of Approval is not necessary because the Draft EIR analysis already takes this target occupancy into account.

Comment No. 2-26**Errata and Clarifications to the Draft EIR**

In response to comments and additional information from the Applicant, the Draft EIR has been revised accordingly to reflect the following general changes.

1. Development Area Boundary

Based on further examination of the property lines in the vicinity of the Hacienda Building, the Development Area has been revised to remove approximately 2,600 square feet of land area comprised of a slope located to the north of the Hacienda Building. This modification does not change any of the impact conclusions reached in the Draft EIR.

Comment 26

This may not change any of the impact conclusions reached in the Draft EIR but changes the configuration of the site plan and some of the assumptions made based on such plan. We would like to see a condition of approval stipulating that current approval of the project is based on the plan submitted for the approval at this stage. Any significant changes or deviations to the submitted plans must be reviewed and approved by the same approval bodies that reviewed and approved the original concept and must be presented for public comment.

Response to Comment No. 2-26

As discussed in the Final EIR, the modifications to the site boundary do not change the impact conclusions reached in the Draft EIR or the intent of the site plan as set forth in the Draft EIR. In addition, the suggested Condition of Approval proposed in this comment is not required or necessary. Rather, as set forth in Condition 1 of Resolution PC-13-10, "Any substantial deviation from the Approved Plans, application material, project descriptions set forth in the Master Land Use Application and the Final EIR, except as provided in this Resolution, shall require review by the Director of Community Development and a determination if Planning Commission review and an amendment to the Master Land Use Permit or other approvals are required." Thus, the City has already based approval of the Project on the plans that have been submitted and has established a process should deviations from the plan occur.

Comment No. 2-27**2. Development Area Envelope and Concept Plan**

The Draft EIR bases the environmental impacts of the proposed Project on the Development Area Envelopes and Maximum Heights. This figure has been modified to remove approximately 2,600 square feet of land area. In addition, this figure has been modified to provide for a building of up to 32 feet in height and/or a parking deck up to 26 feet in height further to the south in the Village Shops component of the Development Area as well as to include minor clarifications regarding the possible placement of a one-level retail building over a parking deck in the Village Shops component of the Development Area and the Northwest Corner component of the Development Area. These minor modifications do not change any of the impact conclusions reached in the Draft EIR. The Draft EIR includes a Concept Plan that illustrates proposed access as well as possible locations of buildings that may be developed within the established Development Area Envelope. The Draft EIR specifically notes that the Concept Plan represents just one of the possible ways the Development Area within the Shopping Center may be developed. The ultimate configuration of building locations will be based on market demands and future tenant expansions and contractions. However, the buildings to be developed would comply with the development envelopes established as revised. In addition to the boundary modification described above, subsequent to the release of the Draft EIR, the Applicant revised the Concept Plan to provide for a new building and parking structure configuration within the Northwest Corner of the Shopping Center and to change the location of or eliminate the Sepulveda Driveway within the Northwest Corner.

Comment 27

We totally disagree with the cavalier reference to the importance of a Concept Plan. Bear in mind that important analyses and approvals are conducted based a site plan concept. If the final product is significantly different from what is proposed in a concept Plan, additional time be necessary to study the “new” plan and its possible impacts on the environment. We do empathize with market demands and future tenant expansions. However, adequate time must be given to members of the public and other concerned parties to review and comment on such changes. Also, attention needs to be placed on the extent to which such changes alter the definition of the project under CEQA and thus the validity of the analyses provided. Specifically, in the Concept Plan included in the Draft EIR, the parking facility in the Northwest Corner component of the Development Area was located at the intersection of Sepulveda Boulevard and Rosecrans Avenue and the new Shopping Center buildings were located immediately south of the parking facility. Subsequent to the release of the Draft EIR, in response to concerns from the community and comments from Caltrans, the Applicant has agreed to revise the northwest corner of the Concept Plan to relocate the proposed parking facility further south and to relocate the new Shopping Center buildings further north adjacent to the corner of Sepulveda Boulevard and Rosecrans Avenue. As a result, the driveway on Rosecrans Avenue that currently serves Fry’s would be relocated to become the Cedar Way driveway/intersection. In addition, the easternmost driveway on Rosecrans A venue would connect with the former railroad right-of-way (culvert) parking aisles. The revisions to the location of buildings and the proposed parking facility resulted in modifications to various figures and text throughout the Draft EIR, and could have changes some of the impact conclusions reached in the Draft EIR. See comment 34.

Response to Comment No. 2-27

The comment objects to the “cavalier reference to the importance of a Concept Plan.” The Final EIR does not imply that the Concept Plan is not an important document. It is however, just that—it is a concept. As is contemplated by the CEQA process, the Applicant adjusted the Concept Plan between the production of the Draft EIR and the Final EIR based on input from the community, the Planning Commission, City staff, other agencies, and the Project tenants. The Final EIR analysis demonstrates that these adjustments were still in conformance with the overall scope and analysis presented in the Draft EIR.

The driveway adjustments cited in the comment did not change the conclusions of the Draft EIR. The northerly Sepulveda Boulevard driveway moved slightly north to

accommodate Caltrans' comments about transition lengths. The Veterans Parkway driveway did not change between the original and the revised Concept Plans.

As discussed in Response to Comment No. 4-26, to the extent that there are changes to the Concept Plan as implementation of the Project progresses, City staff must review those changes and determine if Planning Commission review and an amendment to the Master Land use Permit or other approvals are required. The changes between the Draft EIR and the Final EIR have been reviewed and analyzed and a determination has been made that the revised Project would not result in greater impacts than those that were identified for the Project as originally analyzed in the Draft EIR. None of the modifications to the Project were determined to result in any new or greater impacts than those identified in the Draft EIR. Thus, no new impacts have been identified and no new mitigation measures are required for implementation of the revised Project. Any substantial changes would result in a review by the Planning Commission and could even require subsequent environmental analysis in accordance with CEQA.

Comment No. 2-28

In addition, in the Concept Plan analyzed in the Draft EIR, the northernmost Sepulveda Boulevard driveway was to be relocated approximately 70 feet to the south. Subsequent to the release of the Draft EIR and in response to the concerns of Caltrans, the Applicant has agreed to revise the Concept Plan to relocate the proposed driveway approximately 150 feet south of Rosecrans Avenue, which would provide sufficient room to meet the Caltrans design criteria for the required storage length and taper into the right turn lane. The new driveway is proposed to be right-turn in only. Right turns out of the driveway would be prohibited due to the proximity of the driveway to the Rosecrans Avenue intersection. If the proposed Project is approved by the City Council, the Applicant would be required to go through the encroachment permit process to get the approval of Caltrans to relocate the driveway. Alternatively, this driveway may be eliminated based on input from Caltrans. The revisions to the relocation of the northernmost Sepulveda Boulevard driveway resulted in revisions to various figures and text throughout the Draft EIR, but do not change any of the impact conclusions reached in the Draft EIR. In addition, due to the small amount of traffic that would be expected to utilize this driveway, its possible elimination would not change any of the traffic or access conclusions reached in the Draft EIR.

Comment 28

A condition of approval and/or mitigation measure is required to ensure that any changes to the site plan after approval of the Final EIR must be done in conjunction with the California Environmental Quality Act requirements to determine the appropriate method of addressing such changes. See comments 26 and 27.

Response to Comment No. 2-28

As discussed in Response to Comment No. 4-26, the Director of Community Development has the responsibility to review all changes to the site plan. The Project is already conditioned to deliver a Project that is consistent with the site plan presented in the Final EIR. Any substantial changes to that site plan would require review by the Planning Commission and potentially, subsequent environmental analysis consistent with CEQA.

Comment No. 2-29**Neighborhood Intrusion**

Neither the City of Manhattan Beach nor the Los Angeles County Department of Public Works has adopted a specific set of criteria for defining a significant impact of project-related traffic on local neighborhood streets. The most commonly used set of significant impact criteria has been developed and used by the City of Los Angeles Department of Transportation (LADOT). The *L.A. CEQA Thresholds Guide: Your Resource for Preparing CEQA Analyses in Los Angeles* (City of Los Angeles, 2006) provides the following recommended thresholds for neighborhood intrusion impacts based on the addition of project-related traffic on the future traffic conditions of neighborhood streets: A project would normally have a significant neighborhood intrusion impact if project-related traffic would increase the average daily traffic (ADT) volume on a local residential street in an amount equal to or greater than the following:

- * ADT increase > 16 percent trips if final ADT < 1,000;
- * ADT increase > 12 percent if final ADT > 1,000 and < 2,000;
- * ADT increase > 10 percent if final ADT > 2,000 and < 3,000; or
- * ADT increase > 8 percent if final ADT > 3,000.

Given the length of the neighborhood streets west of Sepulveda and the fact that the residents of this neighborhood stated that there is already “cut-through” traffic using residential streets, it is unlikely that the current ADT levels are less than 1,000 vehicles per day. Therefore, the next most conservative traffic level would assume that the residential streets west of the Shopping Center site experience between 1,000 and 2,000 trips per day. An increase of 12 percent of 1,000 trips/day (the lower end of that range) would indicate that an increase of 120 project-related trips per day (12 percent of 1,000 ADT = 120 trips/day) would constitute a significant impact on the residential street. That is, for any neighborhood street in which traffic levels would be increased by 120 trips per day or more

as a result of project-related trips, a potentially significant impact by the proposed Project, prior to mitigation, was identified.

Comment 29

It is yet to be seen if the City of Manhattan Beach would adopt standards similar to the standards adopted by the City of Los Angeles as stated above. Alternatively, does the City of El Segundo, an adjacent city that may be impacted by this development, have different or stricter standards than Los Angeles that could be utilized for analysis? Also, it was not clear if the Project adopted the Los Angeles standards for the proposed development. It is also anticipated that upon completion of the Project between approximately 2,856 and 3,412 parking spaces would be provided on-site, depending on the Project's final design. This number is different from the 2,915 declared prior to distribution of the Draft EIR, but includes a range higher than 2,915 spaces. Under what conditions would parking demand reach 3,412 spaces?

Response to Comment No. 2-29

The City of Manhattan Beach, like many other Southern California cities, has not adopted specific quantitative criteria to define the level of traffic increase that constitutes a Project's significant impact on local residential streets. Given the lack of a local set of criteria, the most widely used set of criteria in Southern California is that established by the City of Los Angeles and was applied to this Project to determine if potential neighborhood traffic impacts should be analyzed in more detail. The use of this criteria was approved by City staff as representing a standard that has been used successfully throughout the metropolitan area and as an appropriate threshold of significance at this time.

The comment also asked about the maximum amount of parking that might be provided by the Project. The Draft EIR shows that up to 3,142 parking spaces may be provided on-site. Because the Project is developing parking structures to supply a portion of the parking supply, it is difficult to design to a specific number of spaces. It is, for example, sometimes not possible to build a partial floor of a parking garage and still provide the Code-required pedestrian access to stairways. Therefore, the Applicant has asked for the flexibility to exceed the 4.1 sp/1,000 sf GLA parking ratio by 5 percent. In addition, the Draft EIR tests the addition of up to 109,000 sf of restaurant space, which would require an increase in the on-site parking supply. Therefore, the Project could provide a range of parking between 2,856 and 3,142 spaces depending on the final configuration of the parking garages and the final allocation of on-site land uses.

Comment No. 2-30

Additionally, as part of the Project, a 175-foot deceleration lane on the south edge of Rosecrans Avenue would be constructed for the westerly driveway. Design of the deceleration lane would be based on the current edition of the Caltrans Highway Design Manual and shall be subject to final approval by the City of Manhattan Beach Public Works Department. In addition, the northernmost Sepulveda Boulevard driveway, adjacent to the Fry's Electronics building, would be relocated approximately 70 feet to the south and would maintain access to the Shopping Center site through a new east-west private travel way (Fashion Boulevard) connecting Rosecrans Avenue to Village Drive, while also providing access to the newly constructed ground-level and below grade deck parking area to a point closer to Rosecrans Avenue. The relocated driveway would separate the retail building on the immediate southeast corner of the Sepulveda/Rosecrans intersection and the parking structure immediately north of the Veterans Parkway corridor. The relocated driveway would be constructed approximately 150 feet south of Rosecrans Avenue. Alternatively, this driveway may be eliminated based on input from Caltrans.

Comment 30

Some of our concerns are being addressed through comments received as part of the Draft EIR review process. Our concern here is that the project would go through significant modifications and those modifications would be dismissed as insignificant or not requiring public approval and/or comment. We would like to reiterate that modifications to the project, including location of building, driveways, traffic signals, etc. be circulated for public review and go through adequate approval process for reasons stated earlier under other comments.

Response to Comment No. 2-30

See Responses to Comment Nos. 4-26 through 4-28 for a discussion of the evaluation of changes to the proposed site plan.

Comment No. 2-31

The westernmost driveway along Rosecrans Avenue would maintain access to the Shopping Center site in addition to the newly constructed ground-level parking area be relocated to become the Cedar Way driveway/ intersection. In addition, though the Sepulveda Boulevard driveway is proposed to be relocated approximately 150 feet, it would be located south of Rosecrans Avenue to maintain access to the Project site and provide access to the newly constructed ground-level parking area, as a right-in only access. This access is subject to Caltrans review and approval and may also be eliminated based on input from Caltrans. The easternmost driveway along Rosecrans Avenue would maintain

access to the new below-grade parking area. Operations (i.e., turn movements in and out of the center) at each driveway would remain unchanged to the former railroad right-of-way (culvert) parking aisles. Therefore, to further separate vehicles turning right into the Shopping Center site from the eastbound Rosecrans Avenue through traffic, the Project includes the development of a 175-foot deceleration lane for the driveway that currently provides access to the parking lot adjacent to the Fry's Electronics Store along Rosecrans Avenue.

Comment 31

The issue with the deceleration lane has been addressed earlier in this report.

Response to Comment No. 2-31

See response to Comment No. 2-17 for a discussion of the Rosecrans Avenue deceleration lane.

Comment No. 2-32

Neighborhood Intrusion

(i) Criterion 1—Arterial Congestion

To meet Criterion 1 above, a corridor must contain intersections operating at levels of service (LOS) E or F such that traffic on the corridor would find it faster to divert to the parallel residential streets. This condition exists along Sepulveda Boulevard at the intersections of El Segundo Boulevard, Rosecrans Avenue, Marine Avenue, and Manhattan Beach Boulevard. Thus, there is the potential that the proposed Project could result in a potentially significant impact under Criterion 1, as diversion to residential streets would have the potential to occur along parallel and continuous north-south residential streets between El Segundo Boulevard and Manhattan Beach Boulevard. North and south of the Sepulveda Boulevard Corridor, the cross street traffic is lower and the intersections would operate better than LOS E or F and, therefore, there is no potential for a significant impact under Criterion 1 along these street sections.

(ii) Criterion 2—Added Project Traffic

To meet Criterion 2 above, corridors to which the proposed Project might add 1,200 or more daily trips were examined. The full build-out of the proposed Project would generate 463 net new daily trips on the street system. The highest accumulation of Project traffic is 23 percent, both north and south of the Shopping Center site on Sepulveda, and east of the

site on Rosecrans. The largest accumulation of Project traffic would, therefore, be 23 percent of 463 daily trips, or a maximum of 107 trips/day on any given street approaching the site. Therefore, the proposed Project would not increase the traffic volumes on any section of the Sepulveda Boulevard Corridor by 1,200 daily trips. In fact, even if all of the project-related trips diverted from the arterial street and used local residential streets (a condition very unlikely to occur) the 120 vehicle per day criterion would not be met. Thus, the proposed Project would not result in a potentially significant impact under Criterion 2.

(iii) Criterion 3—Parallel Routes Available

Criterion 3 above states that there must be parallel residential streets adjacent to the congested corridor that could be used as a short-cut for through traffic. In the case of the proposed Project, there are continuous residential streets that run parallel to Sepulveda Boulevard. Specifically, Oak Avenue, Elm Avenue, Pine Avenue, and Valley Drive on the west side of Sepulveda Boulevard and 22nd Street/Magnolia Avenue and N. Meadows Avenue on the east side of Sepulveda Boulevard would offer the most likely cut-through routes. Therefore, there is the potential that the proposed Project would result in a potentially significant impact under Criterion 3.

(iv) Component I Conditions

After the completion of Component I of the proposed Project, the conditions for Criteria 1 and 3 would be met, and there is the potential that the proposed Project could result in a potentially significant impact to local streets in the neighborhood. There is congestion along Sepulveda Boulevard and there are parallel residential streets that offer cut-through opportunities. However, Component I of the proposed Project would not add enough traffic to the Sepulveda Boulevard Corridor that sufficient traffic volumes would divert to these local streets to reach the level of a significant impact.

Comment 32

According to the Draft EIR, Component I of the proposed Project would generate 1,469 daily trips). The maximum accumulation of Component I of the proposed Project traffic would be 378 trips to/from the Shopping Center site along Sepulveda Boulevard north and south of the Shopping Center site and along Rosecrans Boulevard east of the Shopping Center site. Even if the 10 percent diversion estimate was exceeded, over 35 percent of Project traffic would have to divert from Sepulveda Boulevard and use a single residential street to reach the level of a significant impact. During the afternoon peak commute hour, the Component I Project trips would add 40 vehicles to the sections of Sepulveda north and south of the Project site. All 40 of the Project trips during the peak hour and an additional 80

trips during the other hours of the day (when the Sepulveda corridor is less congested and the reason for diversion is less) would have to divert to the same residential street. According to the neighborhood traffic impact policy guidelines described above, Component I of the proposed Project would not have a significant intrusion impact on residential streets because it would not meet Criterion 2 and, therefore, it would not meet all three conditions discussed above.

Response to Comment No. 2-32

This comment merely repeats the conclusion of the Draft EIR. No response is necessary.

Comment No. 2-33

(v) Component I and II Conditions

After the completion of Components I and II of the proposed Project, the conditions for Criteria 1 and 3 would be met, and, therefore, there is the potential that the proposed Project could result in a potentially significant impact to local streets in the neighborhood. There is congestion along Sepulveda Boulevard and there are parallel residential streets that offer cut-through opportunities. However, Components I and II of the proposed Project would not add enough traffic to the Sepulveda Boulevard Corridor that sufficient traffic volumes would divert to these local streets to reach the level of a significant impact. Components I and II would generate 715 daily trips. Components I and II would generate fewer than the target 1,200 trips per day and, therefore, this condition would not generate sufficient additional traffic to the Sepulveda Boulevard Corridor to divert enough cut-through traffic to create a significant impact. Based on the distribution of Project trips, the highest concentration of Project trips would be 165 trips per day on Sepulveda Boulevard, both north and south of the Project site, and along Rosecrans east of the site. Even if the 10 percent diversion estimate was exceeded, the diversion would have to be over 70 percent of Project traffic using one residential street to reach the level of a significant impact. This situation is not likely to occur. Similar to the discussion above, based on the distribution of Component I Project trips, the highest concentration of Project trips would be 338 trips per day on Sepulveda Boulevard both north and south of the Project site and along Rosecrans east of the site.

(vi) Components I and II and III Conditions

As described above, at the full completion of the proposed Project, the conditions for Criteria 1 and 3 would be met, and, therefore, there is the potential that the proposed Project could result in a potentially significant impact to local streets in the neighborhood. There is congestion along Sepulveda Boulevard and there are parallel residential streets

that offer cut-through opportunities. However, Components I through III of the proposed Project would only generate a net total of 463 daily trips on the area street system. Thus, the full build-out of the proposed Project would not add enough traffic to any single corridor in the study area that sufficient traffic volumes would divert to the local streets to reach the level of a significant impact.

Comment 33

The issue of neighborhood intrusion is an important one for those neighborhoods within vicinity of the development that currently experience cut-through traffic, and are concerned with the addition of significant buildable areas and land uses that generate traffic and parking beyond what is currently being experienced. What this report has done is conclude that no significant impacts, as part of project implementation, would occur at all component levels (I, II, and III). However, what we have not seen, and what those residential neighborhoods are seeking, is any requirement or obligation on the part of the applicant, that if the assumptions in the four criteria described above turn out not to be true, what the fall back position would be. With that in mind, we could like to recommend a project condition of approval that should neighborhood intrusion occur as part of this development, the city is obligated to bring the project up for public hearing and discussion. This development has the potential to destroy the peace, life style, and property values of the surrounding neighborhoods without any recourse. We would like to put the City and the developer on the spot, and make them shoulder the responsibility of this occurrence. Without a condition of approval or other form of written, verifiable stipulation, this concern would not be adequately addressed.

Response to Comment No. 2-33

The comment asks for a stipulation that would require the City and the Project to retroactively implement neighborhood protection measures if neighborhood intrusion occurs as part of this development.

In this case, a specific set of evaluation criteria was applied to the neighborhood intrusion issue and it was found that the Project would not create a significant impact on the adjacent neighborhoods. Thus, no mitigation is required.

The City could consider a Condition of Approval on the MUP that would require the Applicant to fund a study of the adjacent neighborhoods to see what measures can be implemented that would address the existing cut-through traffic issues on the local streets.

The comment will be forwarded to the decisionmakers for their consideration

Comment No. 2-34

Mitigation Measure H-1: Prior to the start of construction, the Applicant shall devise a Construction Traffic Management Plan to be implemented during construction of the Project. The Construction Traffic Management Plan shall identify all traffic control measures and devices to be implemented by the construction contractor through the duration of demolition and construction activities associated with the Project. Construction traffic controls should be provided consistent with current California Manual of Uniform Traffic Control Devices standards and include provisions to provide and maintain ADA pedestrian mobility and access consistent with current California requirements. If lane closures are needed, the Construction Traffic Management Plan shall be submitted for review to Caltrans. The Construction Traffic Management Plan shall also be submitted for review to the City of El Segundo Public Works Department and the City of El Segundo Planning and Building Safety Department. The Construction Traffic Management Plan shall be subject to final approval by the City of Manhattan Beach Public Works Department, the City of Manhattan Beach Community Development Department, and the Manhattan Beach Police and Fire Departments. A final copy of the Construction Traffic Management Plan shall be submitted to the City of El Segundo.

Comment 34

This mitigation measure has been added to address the concerns about the ambiguity of construction traffic congestion and project construction parking. However, it falls short of identifying the level of review required for this plan. It appears the mitigation measure is calling for a staff level review because of the “temporary” nature of the construction process. However, our concern is that should be construction process not occur within the time-frame identified in the Draft EIR, that the project be taken back to the original approval bodies for thorough analysis. This could result in changes to certain assumptions in the project analysis and approval.

Response to Comment No. 2-34

The comment expresses concern about the staff review of the Construction Traffic Management Plan.

The comment states that the construction traffic and project construction parking analyses were ambiguous. To the contrary, the analyses projected both truck and construction parking demand during every quarter of the construction process. A month-by-month parking analysis that tracked shoppers, retail employees, and construction employees was conducted and is summarized in the Draft EIR. Two separate construction schedules were tested including one that finished each construction stage in 11 months in

order to avoid the holiday shopping periods and another that evaluated a 14-month construction period.

The comment calls for the analysis of the construction impacts that would occur if the 11-month time period is not met. This analysis has already been completed and included in the Draft EIR. In addition, the construction analysis in the Draft EIR was more detailed than one typically prepared for a project of this size.

The comment calls for Planning Commission and City Council review of the Project should “the construction process not occur within the time frame identified in the Draft EIR.” It is standard practice for City staff to review the construction management plans and for staff to monitor the progress of construction and the adherence to the management plans. In addition, as discussed in Response to Comment No. 4-26, City Staff would return the Project to the Planning Commission or City Council if the Project substantially changes.

Comment No. 2-35

Mitigation Measure H-2: The Applicant shall submit a Construction Parking Management Plan to the City Community Development Department in October or earlier of each year that construction is planned between Thanksgiving through New Year’s. The initial October or earlier submittal shall estimate the number of parking spaces to be available during the upcoming holiday shopping period and the peak demand likely during that same period based on the shared parking analysis similar to the analyses performed in the Traffic Study for the Manhattan Village Shopping Center Improvement Project. In the event that a parking shortage is projected, the Construction Parking Management Plan shall include the following points:

- A determination of the need for the provision of off-site parking.
- An estimate of the number of weekday and weekend off-site parking spaces needed to meet demand.
- The identification of the location of an off-site parking location(s) with the appropriate number of available spaces.
- Signed agreements with the owners of the off-site parking supply allowing the shopping center to utilize the spaces during the needed time periods.
- A transportation plan identifying shuttle operations, frequency, and hours of operation for any off-site spaces beyond a reasonable walking distance.
- Modification or reduction in construction hours or days. The annual Construction Parking Management Plan shall be submitted to and approved by the Director of

Planning Community Development. A final copy of the Construction Parking Management Plan shall be submitted to the City of El Segundo.

Comment 35

Although we agree with the concept of a construction parking management plan, we disagree with some of the bullet points, especially bullet point #4 regarding signed agreements with the owners of the off-site parking locations to allow the shopping center to use the sites for parking during specified periods. Experience has shown that parking agreements are not legally binding nor are they enforceable unless recorded against the properties in question. Additionally, there is concern that the sites selected may not have “extra” parking to give to allow the project’s additional needs. Thirdly, there is an issue with additional traffic impacts if the selected sites are not located within the City of Manhattan Beach. Would these traffic impacts have been analyzed as part of the EIR or would an additional traffic study be needed. So, this mitigation measure raises more questions than it is intended to resolve and the language needs to be clarified to reflect the concerns expressed earlier.

[Attachment: Gabriel Elliott CV (3 pages)]

Response to Comment No. 2-35

The proposed mitigation measure will address holiday construction parking without creating any additional environmental impacts. The comment expresses concern about the enforceability of leases/agreements for off-site parking lots during the holiday shopping periods. However, agreements for parking are no different than other agreements and can be binding and enforceable.

In the case of the Manhattan Village Shopping Center, the lower lot adjacent to the Project is currently available as an off-site holiday parking lot and is owned by the City. Thus, there are no issues about alternate trip distribution traffic impacts or about pedestrian/vehicular impacts.

If the Applicant has to find other off-site lots, it is anticipated that an office building along Rosecrans Avenue would be utilized because Rosecrans Avenue office buildings would be the most efficient and cost effective choice. Office buildings on Rosecrans Avenue could make parking available without impact because the off-site parking would primarily be needed on evenings and weekends in December—time periods when office parking demand is low. This addresses the comment's concern about whether or not these off-site parking spaces are “extra” spaces for the donor land uses. The buildings are within

the City and sufficiently close to the Project site so that their utilization will not create secondary impacts not analyzed in the EIR.

The whole intent of preparing a plan each October is to assure the City that off-site parking is identified and will be available during the upcoming holiday period. This type of off-site holiday parking arrangement is active at numerous shopping centers in Los Angeles, Santa Monica, La Jolla, Newport Beach, Glendale, Arcadia, and numerous other cities and has been implemented without significant environmental impact.

Appendices

Appendix A

Late Comment Letters

Angela Soo

From: Mekaela Gladden <mekaela@briggslawcorp.com>
Sent: Tuesday, September 17, 2013 1:13 PM
To: Laurie B. Jester
Cc: Cory Briggs
Subject: Manhattan Village Mall- City Council Public hearing- Tuesday September 17th
Attachments: Gabriel Elliott's - resume August 2012.pdf; Revised_GE_FINAL.pdf; CC_Alternatives_Traffic_FINAL.pdf

Please see the attached documents, which should be distributed to the City Council and included in the administrative record for tonight's hearing.

Thank you.

Mekaela Gladden

Briggs Law Corporation

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**LATE ATTACHMENT 1
CC MTG 9-17-13**

BRIGGS LAW CORPORATION

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Please respond to: Inland Empire Office

BLC File(s): 1751.00

17 September 2013

Manhattan Beach City Council
City Council Chambers
1400 Highland Avenue
Manhattan Beach, CA 90266

Re: Item 12 on City Council Agenda for September 17, 2013 (Manhattan Village Shopping Center Enhancement Project)

Dear City Council:

I am writing this letter on behalf of 3500 Sepulveda, LLC, 13th & Crest Associates, LLC and 6220 Spring Associates, LLC. These entities appealed the decisions relating to the Manhattan Village Shopping Center Enhancement Project, including the certification of the environmental impact report and approval of the Master Use Permit, Variance, Sign Exception/Sign Program, and any other associated approvals. My clients believe that an alternative to the project as proposed is better for the community of Manhattan Beach. My clients have had planning and traffic expert Gabriel Elliott examine the impacts of the project, which has confirmed several of the concerns raised by several members of the public and raised several questions.

My clients believe that an alternative to the project as proposed will result in economic benefits to the community at a significantly reduced cost, particularly in terms of traffic impacts to the neighborhood. The environmental impact report ("EIR") does not analyze a reasonable range of alternatives. Alternatives that would reduce the environmental impacts have not been analyzed in the EIR. If there are environmentally superior alternatives, you cannot certify the EIR under the California Environmental Quality Act ("CEQA") without making findings under Public Resources Code Section 21081(a) and (b). All findings under CEQA must be supported by substantial evidence. You cannot make the findings based on the evidence before you.

While there are several impacts that have not been adequately analyzed and mitigated in the EIR, one of the most troublesome impact area for the community is traffic and transportation. Public participation is crucial to the CEQA process. *See Citizens of Goleta Valley v. Board of Supervisors*, 52 Cal. 3d 553, 564 (1990) (noting that informed decision-making and public participation are fundamental purposes of CEQA). Case law confirms that an EIR must enable the public to understand and consider meaningfully the issues raised by the proposal under review. *Laurel Heights, supra*, 47 Cal. 3d at 405. Consequently, an environmental impact report is not sufficient if it simply includes bare conclusions and opinions; it must contain facts and analysis. *Santiago County Water Dist. v. County of Orange*, 118 Cal. App. 3d 818 (1981); *see also Berkeley Keep Jets Over the Bay Comm. v. Board of Comm'rs*, 91 Cal. App. 4th 1344, 1370 (2001) ("*Berkeley Jets*")

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(finding EIR's approach of simply labeling effect "significant" without accompanying analysis of project's impacts on nearby residents' health does not meet CEQA's environmental assessment requirements). The EIR's traffic analysis is convoluted and difficult to understand. Thus, my client asked a planning and traffic expert to weigh in; his report is attached.

Although the planning and traffic expert's report highlights the problems with the mitigation proposed, there are problems with the mitigation measures proposed from a legal perspective as well. There is no substantial evidence demonstrating that the mitigation measure for construction traffic impacts will reduce the impact to a level of insignificance. Mitigation of construction-related impacts is improperly being deferred. There is no explanation for why the plan cannot be developed now. Furthermore, there is not substantial evidence that mitigation measure H-1 will reduce construction-related impacts to a level of insignificance. There is no way to evaluate the effectiveness of the mitigation measure without analysis of the impact. *See Stanislaus Natural Heritage Project v. County of Stanislaus*, 48 Cal. App. 4th 182, 195 (1996) (determining EIR was inadequate because it did not evaluate impact of supplying water to project, but instead included a mitigation measure that development would not proceed if adequate water was not available.). Furthermore, the mitigation measure does not even include a performance measure to ensure that the impact will in fact be reduced to a level of insignificance. There has to be some criterion for success. *See Communities for a Better Environment v. City of Richmond*, 184 Cal. App. 4th 70, 93 (2010) (rejecting mitigation plan because it lacked criteria for "success"). Here, there is insufficient analysis of the impact and no performance standard. For example, is the goal of the construction traffic management plan to reduce impacts to circulation on-site, circulation off-site, safety impacts, or some combination thereof? Without a performance standard articulated, there is no way to know which of these impacts may be reduced, if any.

The construction-related parking impact analysis and mitigation is also being improperly deferred. Mitigation measure H-2 does not include a performance standard. Furthermore, the implementation of the construction parking management plan is likely to lead to additional impacts that have not been analyzed. If off-site parking is required, then rather than the vehicle destination being the project site, the vehicle destination will be the off-site parking area. With a different destination, different roadways may be used and different intersections impacted. Furthermore, directing the traffic elsewhere will have different localized air quality, aesthetic and noise impacts than have been analyzed in the EIR. In addition, the safety impacts to pedestrians traveling from off-site parking spaces to the site have not been analyzed. For example, will there be sufficient signalized crossing areas between the off-site parking spaces and the project site? Will the off-site parking be located such that more pedestrians will need to travel through or near areas under construction? Thus, not only is the mitigation measure not certain to reduce the impact it is directed towards, but it also has the potential to cause a whole host of additional impacts that have not and cannot be addressed until the plan is developed.

Thank you for your consideration of these comments.

Sincerely,

BRIGGS LAW CORPORATION

Cory J. Briggs

Enclosures/Attachments



September 17, 2013

To: City of Manhattan Beach City Council
1400 Highland Avenue
Manhattan Beach, CA 90266

From: Gabriel Elliott

**RE: TRAFFIC STUDY FOR THE MANHATTAN VILLAGE SHOPPING CENTER (MVSC)
MANHATTAN BEACH, CA**

I have reviewed the Traffic Study, the Transportation and Circulation Element of the Environmental Impact Report (EIR) for the project, the revised traffic tables for the EIR, the project's Draft EIR technical appendices, and the Errata and Clarifications to the Draft EIR. For clarity, my comments are presented at the end headings, sub-headings, or sections identified in the traffic report and in the other documents reviewed and identified above. Comments provided are in **bold Arial font** and are *italicized* and numbered for easy reference.

The Project

The project consists of an assessment of the potential traffic and parking impacts associated with the proposed expansion of Manhattan Village Shopping Center (MVSC), located on the southeast corner of Sepulveda Boulevard & Rosecrans Avenue in the City of Manhattan Beach, California.

Description

The proposed expansion would increase the existing retail square footage as well as the existing parking supply in three components: (Village Shops, Northeast Corner, and Northwest Corner, Components I, II, and III, respectively), that could be developed sequentially or cumulatively (the Project). Upon completion, approximately 123,672 net square feet (sf) of retail and restaurant uses, for a total of approximately 696,509 sf of gross leasable area on the combined main shopping center parcel and the Fry's parcel in the northwest corner of the property, and provide an on-site parking supply of approximately 2,915 parking stalls. With the traffic equivalency program, up to 706,266 sf of GLA could be provided on the Project site.

Component I

Component I is anticipated to be accomplished in two stages that together would generate a net increase of approximately 60,000 sf of shops and restaurants to the shopping center. Approximately 33,400 sf of retail and restaurant space may be added in Stage 1 and the remainder in Stage 2. One or two parking decks providing additional parking are anticipated to be located to the immediate north and/or south of Component I. These decks, with approximately 790 combined spaces, plus an additional 291 surface spaces would replace approximately 740 surface parking stalls, for a net gain of 341 parking spaces. The proposed garages would be a combination of grade plus one or two above-grade levels in each location. Based on the City's Master Use Permit (MUP) for the site, the project should provide a parking ratio of 4.1 spaces per 1,000 sf of gross leasable area of development (spaces/ksf) in the shopping center plus 170 spaces for the Fry's site. The Applicant intends to meet that minimum requirement at the completion of each component. Because of the complexity of providing an exact number of parking spaces when parking is provided in a parking deck format (given the need to provide parking increments of full

floors of parking), the applicant is seeking to provide a minimum of 4.1 sp/ksf of development with a maximum of 10% above the minimum required parking supply. The Component I expansion could be completed as early as 2013 for Stage 1 and 2014 for Stage 2. The analysis in this report assumes the earliest possible opening for Component I, Stage 1 would be late 2013. The project assumes that if this opening were delayed by one or even a few years, the traffic and parking conclusions of this report would not change. The existing uses may be replaced with an expansion of the existing Macy's Fashion store on the northeast portion of the site. Alternatively, all or a portion of the new square footage may be developed as other shopping center uses on site. The parking supply in this portion of the shopping center would be decreased by 115 parking stalls.

Comment 1

There is a concern with the use of the 4.1 parking spaces per 1,000 square feet based on the City's Master Use Permit (MUP) for the site. It is not clear when the MUP was approved, however, with the proposed addition of 20,000 square feet more (for a total of 109,00 square feet) of restaurant space, the 4.1 parking ration may be deficient in meeting the site's parking needs.

Component II

Component II improvements could be completed as early as 2018. The proposed Northeast Corner (Component II) expansion of the existing main shopping center would occur near the existing Macy's Fashion store. Component II anticipates an approximate 50,000 sf expansion of shopping center uses and the demolition of approximately 20,000 sf of retail and cinema space, resulting in the net addition of approximately 30,000 sf of net new retail space. The existing uses may be replaced with an expansion of the existing Macy's Fashion store on the northeast portion of the site. The parking supply in this portion of the shopping center would be increased by 100 parking stalls with the addition of a new parking structure north of the Macy's Fashion store (maximum grade plus three levels of parking) and the addition of spaces to the west or northwest of the store.

Component III

The analysis reviewed assumes that the proposed Component III expansion would involve the removal of the existing Fry's building on the northwest corner of the property closest to the intersection of Sepulveda Boulevard & Rosecrans Avenue. Component III would replace the existing 46,200 sf Fry's building with 80,000 sf of new retail space, providing a net increase of approximately 33,800 sf for the shopping center. Additional parking would be provided in this component by bridging over the former railroad right-of-way currently used for below-grade surface parking. An underground pedestrian pathway would be maintained from Veterans Parkway through the Project site to Rosecrans Avenue. Together, the Component III development would eliminate 310 surface parking spaces and then add 508 spaces in surface and structured facilities, for a net increase of 198 parking stalls in the Component III expansion. The Component III expansion will include a parking deck (maximum grade plus two levels of parking) in the northwest area of MVSC. This third component could be completed by 2022.

Parking Distribution

There will be times during the construction of the various components that the on-site parking supply will not meet the City Code. The anticipated construction schedule shows that the on-site supply would be adequate to meet the parking demand during every month of the year because, while the construction of parking garages would result in the loss of spaces during the January-November time frame, the parking would increase for the holiday shopping period with the opening of the new garage at the end of each Component. When each Component of construction is

complete, the required parking ratio would be provided and the parking would actually be located closer to the stores than it is today due to the construction of the parking structures.

Comment 2

As good as this may sound, I have yet to come across any documents detailing construction schedules or mandating that construction commences and ends during the January – November time frame. An approved project condition of approval mandating construction for this time period, only because it is tied to parking availability, is necessary.

Study Scope

The scope of work for this study was developed based on field review and input from the City of Manhattan Beach. The study analyzes the potential Project-generated traffic impacts on the adjacent street system. This study makes a conservative assumption that each of these Project components and stages would be built sequentially. The analysis of future year traffic forecasts is based on projected conditions in the Years 2013, 2014, 2018 and 2022 both with and without the addition of the Project traffic. The traffic analysis examined existing conditions, cumulative base (2013, 2014, 2018, and 2022 conditions, and cumulative (2013, 2014, 2018, and 2022) plus Project conditions. The traffic analysis also evaluated 13 intersections as part of the scope of work based on consultation with the City of Manhattan Beach. They are:

1. Sepulveda Boulevard & Rosecrans Avenue
2. Project Driveway 1 (Fry's) & Rosecrans Avenue
3. Project Driveway 2 (railroad right-of-way) & Rosecrans Avenue
4. Village Drive & Rosecrans Avenue
5. Sepulveda Boulevard & Valley Drive
6. Sepulveda Boulevard & 33rd Street
7. Sepulveda Boulevard & 30th Street
8. Sepulveda Boulevard & 27th Street
9. Sepulveda Boulevard & Marine Avenue
10. Cedar Avenue & Marine Avenue
11. Sepulveda Boulevard & El Segundo Boulevard
12. Sepulveda Boulevard & Hughes Way
13. Sepulveda Boulevard & Manhattan Beach Boulevard

Comment 3

Given Rosecrans Avenue's importance as the shortest arterial connector street between Manhattan Beach and the 405 freeway, additional intersections on Rosecrans Avenue at Nash Street, Redondo Avenue and Aviation should be studied in the traffic report.

Existing Levels of Service

The morning peak commute hour was not analyzed in this report because the Project is not expected to have an impact on morning peak traffic conditions because it is assumed that retail projects are not typically open during the traditional morning peak hour commute.

Comment 4

Fast-food restaurants with drive-through windows and coffee shops are destinations for morning commuters and as such, may impact morning commute traffic. Without a concise list of tenants, it is unsafe to assume that morning peak traffic will not be impacted. Alternatively, because of the limited parking analysis, certain types of uses must be prohibited to validate the parking analysis.

Project Traffic Generation

The report concludes that the proposed Stage 1 of Component I would generate approximately 71 PM and 90 Saturday midday peak hour trips. The new land uses developed for the proposed Stage 2 of Component I is expected to generate approximately 76 PM and 96 Saturday midday peak hour trips. The resulting total trip generation for Component I of the Project is 147 PM and 186 Saturday midday peak hour trips.

Component II would result in an increase of 47 Saturday midday peak hour trips. During the weekday evening peak hour, Component II is expected to generate 29 additional trips than would be generated following the completion of Component I. The resulting total trip generation for combined Components I and II is 176 PM and 233 Saturday midday peak hour trips.

Integral to the proposed Component III expansion is the demolition of the existing Fry's retail space (approximately 46,000 sf). The trips generated by this land use would be removed from the street system and credited to the Project. Based on the traffic counts conducted at the driveways serving the site, the existing Fry's generates 78 AM, 375 PM, and 433 Saturday midday peak hour trips. These trips would be deducted from the total project trip generation when the Fry's closes and Component III is developed. Because the new land uses in Component III would generate fewer trips than the existing Fry's, the trip generation of Component III represents a reduction in total site trip generation.

The report concludes that MVSC would generate fewer vehicle trips with Component III alone than would be generated by the site at the completion of the Component I and/or Component II, resulting in 192 fewer weekday PM peak hour trips and 202 fewer Saturday midday peak hour trips. With all three Components, the Project is expected to generate slightly fewer PM peak hour trips and slightly more Saturday midday peak hour vehicles trips than the existing uses at MVSC: 4 more AM peak hour trips, 16 fewer PM peak hour trips, and 31 more Saturday midday peak trips.

Comment 5

I disagree with this conclusion because it has not factored in the possible construction of more than 89,000 square feet of restaurant space (an additional 20,000 square foot restaurant is proposed) in the project site. Restaurants generate higher parking and trips than retail uses (about 2.5 times more).

Component II Only

The existing plus project peak hour traffic volumes were analyzed to determine the existing plus project operating conditions with the addition of traffic generated by Component II. Upon completion of Components II, all 13 intersections would maintain the same LOS when compared to existing conditions during the weekday PM and Saturday midday peak hours. No intersection exceeds the significant impact thresholds set by the City of Manhattan Beach, and, therefore, Component II does not result in any significant impacts on the street system under either weekday or Saturday peak hour conditions.

Component III Only

The existing plus project peak hour traffic volumes were analyzed to determine the existing plus project operating conditions with the addition of traffic generated by Component III. This analysis assumes Intersection #2 would be signalized with full access. Due to the fact that the traffic projection of Component III predicts a reduction in traffic generation, any configuration of Intersection #2 would result in an improvement of delay/ICU/LOS. As such, only the full access configuration would be analyzed under the Component III-only analysis. Upon completion of the proposed Components III expansion, 12 of the 13 intersections would maintain the same LOS when compared to existing conditions during the weekday PM peak hour. The one intersection with an LOS change, Sepulveda Boulevard & El Segundo Boulevard, actually improves from LOS F to LOS E. Under Saturday midday existing plus project conditions, nine of the 13 study intersections would maintain the same LOS when compared to the existing conditions, the remaining four intersections actually see an improvement in LOS. Due to the limited net increase in retail square footage in this expansion component and the demolition of the existing Fry's, during the weekday PM peak hour and Saturday midday peak hour, all of the 13 study intersections are projected to show a small improvement over existing conditions. No intersection exceeds the significant impact thresholds set by the City of Manhattan Beach, and, therefore, Component III does not result in any significant impacts on the street system under either weekday or Saturday peak hour conditions.

Comment 6

The analysis utilized a land use equivalency table to determine the mix of uses on the project site. According to the significant impact criteria established by the City of Manhattan Beach, the Project would not create significant impacts at any of the 13 study intersections under any of the development scenarios because the Project did not significantly affect the existing LOS at all 13 intersections. In certain instances, the report found that signalization reduces LOS at certain intersection. This conclusion allows the City and the Project developer to not provide direct project mitigation.

Summary Of Project Impacts

Sepulveda Boulevard Bridge Widening

There have been discussions regarding the dedication of right-of-way by MVSC and the Hacienda Building for the purposes of expanding the Sepulveda Boulevard Bridge, approximately 500 feet south of Rosecrans Boulevard. MVSC and the Hacienda Building have agreed to dedicate the necessary right-of-way to the City of Manhattan Beach for the desired expansion of Sepulveda Boulevard. The Sepulveda Boulevard bridge widening is a project proposed by Caltrans that would help improve vehicular circulation locally by providing additional capacity on Sepulveda Boulevard.

Metro's 2010 Congestion Management Program for Los Angeles County (CMP) indicates that a CMP traffic analysis must be conducted for all CMP monitored intersections that experience at least 50 net new trips generated by the project traveling through the intersection. The intersection of Sepulveda Boulevard and Rosecrans Avenue would absorb 54 project-related trips during the Saturday mid-day peak hour during the proposed Component I and II expansion. Even with the added trips from the MVSC expansion during this first and second expansion component, the intersection would not be impacted because of the increased volume. Therefore, there is no CMP impact at this intersection. For all other CMP monitoring intersections during the proposed Component I expansion and for all CMP monitoring intersections during Components I, II, and III, the negligible traffic increase from MVSC does not generate enough project traffic to meet the criteria for CMP analysis. Likewise, the Project would not generate enough freeway traffic nor transit ridership to result in a significant impact on these other components of the CMP system.

Caltrans Analysis

Caltrans requires traffic analysis be performed on all study intersections along state highways using the Highway Congestion Management (HCM) methodology. The section of Sepulveda Boulevard directly west of the Project site is under the jurisdiction of Caltrans as State Highway 1. The Sepulveda Boulevard intersections would experience a slight increase in delay or V/C numbers during the weekday PM peak hour and Saturday midday peak hour. With Components I and II and the existing cinema removed, the intersections along Sepulveda Boulevard would experience slight increases in delay or V/C operations during the weekday PM peak hour and Saturday midday peak hour. With Components I and II when the existing cinema remains and the Fry's is removed, the intersections along Sepulveda Boulevard would experience slight decreases in delay or V/C operations during the weekday PM peak hour and Saturday midday peak hour. With Components I, II, and III, three of the study intersections along Sepulveda Boulevard would experience improvement, with decreases in delay and V/C operations when compared to the without project 2022 conditions. In all cases, the increases in intersection delay are less than one second when Project traffic is added to the Sepulveda corridor. This represents an insignificant increase in intersection delay.

Comment 7

While the Project does not have any significant impacts on any Caltrans facility, the Project has offered to dedicate right-of-way along Sepulveda Boulevard so that the Sepulveda Boulevard bridge over the railroad right-of-way south of Rosecrans Avenue could be widened. For previous versions of the MVSC expansion projects, Caltrans has accepted this voluntary mitigation as payment for the Project's "fair-share contribution" to improvements on State facilities. However, new information in the errata provides an insight into Caltrans' actions regarding this matter.

Construction Impact Analysis

Two construction traffic impacts at MVSC were analyzed in the report. The first investigated the potential traffic and parking impacts of the construction schedule that is currently being pursued by the Applicant. In this construction phasing, each construction component would begin activity immediately after the Christmas holiday shopping period and the construction would finish (with new stores and new parking supplies open and operating) by the following Thanksgiving. In a second analysis, the potential impacts are measured if the construction schedule for any Component extends beyond the Christmas shopping period. The report shows that Component I

would see 100 to 107 construction workers per day during peak activity periods. These same activity periods (when the stores are being finished and outfitted with merchandise) would see 41 to 43 trucks per day. Components II and III would see the maximum number of workers on site increasing to 114 and 122, respectively, with the trucks peaking at 46 and 50 per day. While the total square footage developed is greater in Component I, a greater number of workers and trucks are associated with Components II and III due to a larger demolition effort. It is anticipated that the construction activity would not occur between Thanksgiving and December, the peak shopping season.

Comment 8

This section is of concern because of the conservative estimates of the anticipated number of trucks per day and the number of construction workers. Unfortunately, there are no stipulations to hold construction activity to this level. As with every construction project, one thing or another does not always proceed as planned and there are not enough safeguards in terms of conditions of approval or mitigation measures to ensure that construction activity proceed as anticipated. I would be much happier with conditions of approvals or construction plans that detail construction activities at the site and provides a safeguard for the members of the community who may have concerns with construction noise emissions and vibrations.

Construction Trucks

Depending upon the specific nature of the construction activity (e.g., demolition, excavation, finish construction, landscaping), it is assumed that the majority of truck traffic would be distributed evenly across the non-commuter peak hours of a workday (i.e., 9:00 AM to 4:00 PM). It is anticipated that during peak excavation periods, project construction would generate up to 52 daily haul trips for 26 loads (i.e., average of seven haul trips per hour from 9:00 AM to 4:00 PM). During the store finishing portion of the construction project, up to 50 daily trucks would produce 100 truck trips (14 truck trips per hour from 9:00 AM to 4:00 PM). Construction activity would be severely curtailed during the month of December in order to avoid conflicts with the peak shopping season.

Comment 9

The City of Manhattan Beach Public Works Department would require approval of a construction traffic management plan prior to commencement of construction. Proposed haul routes for dump trucks, semi-trailers, and truck and trailers in the removal of construction debris and excavated soils and delivery of heavy equipment would occur via one of the following routes: (1) Sepulveda Boulevard north to Rosecrans Boulevard, and Rosecrans Boulevard east to Interstate 405, (2) Village Drive north to Rosecrans Boulevard, and Rosecrans Boulevard east to Interstate 405, and (3) Rosecrans Boulevard east to Interstate 405. Since Village Drive is a narrow street with curb parking along the east side of the street, temporary parking restrictions could be implemented along the east side of Village Drive along the truck haul route in order to accommodate the haul and construction trucks. These parking restrictions, if necessary, would be temporary in nature and would likely occur only during haul days in the first three months of the construction Components that affect the north side of the site (Component I, Stage 2 and Component II). The primary destination for construction debris and excavated soils is Chandler's Pit in Rancho Palos Verdes, although other recycling areas needing the excavation fill may be selected, as appropriate. Again, submittal of, and approval of a construction traffic management plan is critical. It would also be beneficial if the public is granted access to the construction

traffic management plan, or if a notice is required to be sent to all that have commented on this project.

Construction Parking Impacts

Parking for the proposed uses would be provided in surface parking areas and low-rise parking structures and several existing parking areas would be reconfigured. Upon completion of each phase, MVSC would comply with the required MUP parking ratio of 4.1 spaces/1,000 sf GLA to accommodate the new uses. However, during construction, some spaces may be taken out of service to accommodate the construction of new building pads, staging areas, or the construction of new parking facilities. Each Project construction phase will replace any accessible parking spaces lost, if needed to maintain the required number of accessible parking spaces.

Parking Supply vs. MUP Requirements

The construction schedule for each Component assumes a one-year time period for construction with construction of each Component completed by Thanksgiving of each year. This analysis includes the Project's visitors, employees, and construction workers. For each of the Components, the beginning parking supply is shown along with the number of spaces that would be taken out of service for that construction activity. The remaining parking supply represents the number of spaces available to serve the remainder of the project during that construction component. The available parking supply compared to MUP requirements would be as follows:

- * The available supply would dip below the MUP required parking supply during construction of all scenarios except Component I, Stage 2.
- * Component I, Stage 1 would fall 242 spaces short of meeting MUP requirements during the initial phase of construction when the first parking garage is being built. Even with the use of the 210-space lower lot, this Component would be short of meeting MUP requirements until the new parking supply for this Component opens.
- * During the remainder of Component I, Stage 1 and the construction of Component II and Component III construction, the amount of shortfall is less than the number of spaces available in the lower lot abutting the eastern edge of the MVSC site leased by the Applicant from the City. Thus, the MUP required parking supply can be maintained by shifting employees to the lower parking lot during these construction Components. With use of the lower parking lot, MVSC would meet the amount of parking required by the MUP except for the initial construction period for Component I, Stage 1.

Comment 10

We have commented earlier that the MUP parking requirement of 4.1 spaces per 1,000 square feet is insufficient for the proposed development. However, the MUP has been entitled and the Project Applicant is complying with the parking requirements. The MUP parking requirements are based on the amount of parking demand that is expected in December of each year. Like any zoning code requirement, the amount of required parking for a particular land use is intended to make sure that the land use has enough on-site parking supply to meet its peak demand. Since an office building parking demand does not vary much from weekday to weekday or from week to week throughout the year, the required parking as cited by the City Code is essentially needed every weekday of the year. A retail center experiences its peak parking demands during the six-week period between Thanksgiving and New Year's Day. During the remainder of the year, it is not uncommon

to see available parking in a shopping center parking lot. However, the site must be provided with parking consistent with the peak demand period.

Summary

At some points during construction, the parking provided on site would dip below the parking requirements set forth per the MUP. Analysis of the proposed parking demand based on active land uses, customers, employees, and construction employees, shows that the parking supply would be adequate to meet the peak monthly parking demand at MVSC, even during those construction periods when the amount of parking provided temporarily dips below the amount of parking needed to meet the MUP. The Project would have enough parking at all times during construction to accommodate visitors, employees, and construction workers, assuming that each of the four distinct Components can begin in January and finish by mid-November of the same year.

As for the peak December parking demand vs. supply, the proposed parking supply meets the MUP requirements and provides enough parking to meet expected peak demands on the busiest day of the year upon completion of each Component. While all the construction phases will provide adequate parking to accommodate the shopping center's parking demand, during certain periods of construction the parking supply will not be evenly distributed throughout the shopping center, which could force some customers to walk further to reach their destination than they do today. Upon completion of the Project, adequate parking for each section of the shopping center will be provided and, in fact, the provision of parking structures will put more parking closer to the stores than exists in the current shopping center configuration.

Effects Of Extended Construction

Each of the Components described above has been sized to enable construction to begin immediately after the first of the year and to be completed by Thanksgiving of that year. The analysis above shows that if this schedule is met, construction traffic impacts would not be significant, and the on-site parking would be sufficient to meet the anticipated parking demand throughout the construction period. If a particular construction Component starts late or unforeseen complications result in a longer than anticipated construction schedule, the construction activity could last through the holiday shopping period. The Applicant has stated that no substantial construction activity would take place between Thanksgiving and Christmas. However, the construction activity outlined assumes that the new parking supplies and the new stores for each Component would be open and available for the next Christmas shopping period. In the event that the construction period extended beyond Thanksgiving, the new stores may not yet be open, but the new parking could also be delayed.

Traffic Impacts

The report claims that the conclusions regarding the construction traffic (construction worker vehicles and construction trucks) remain valid even if the construction activity period is extended. The number of worker vehicles and truck trips would still not be large enough to cause a significant impact and the off-peak nature of the travel would still be expected to be the case even if the construction period was extended. This conclusion is based on the fact that little or no construction activity would take place in December so that construction traffic interference with peak shopping traffic does not occur.

Comment 11

There needs to be a condition of approval or mitigation measure that more accurately controls the construction schedule. So far, it has been left to the Applicant to determine but the parking and traffic analyses have been determined based on construction occurring between the first of the year and Thanksgiving.

Parking Impacts

If each construction Component took approximately 14 months instead of 11 months, the report indicates there would be holiday shopping periods that would not have sufficient on-site parking supplies to meet the Christmas parking demand. Specifically, Component II would be short of parking in December if the construction activity were not complete by Thanksgiving. If the new Component II parking supply were not open by Thanksgiving, even if the new stores were not yet open, the parking supply would be short by 64 spaces on a busy December weekend. Shortfalls projected for Component III construction conditions would be 100 spaces on a busy December weekend. The Component II and III weekend shortfalls fall within the capacity of the leased lower lot and, therefore, the shortfall could be made up by moving employees to the lower lot. A limited amount of December weekend employee parking (approximately 64 spaces) would have to be moved off-site in order to meet customer demand on-site during Component II. There would also be a slight shortage on a December weekend during Component III construction if the construction activity did not finish by the Thanksgiving deadline. The projected shortage of 100 spaces could be made up by using the lower lot.

Comment 12

A 64 parking space shortage for Component II and 100 parking space shortage for Component III are significant and CANNOT be left to chance. The report indicates the shortfall would be transferred to the leased lower lot. The questions are: what is the status of that lease? What if the lease does not go through? What is the current condition of that parking area? What other alternatives are there should there be a hitch with this arrangement? For anyone who has managed a large project or development, unforeseen problems arise and being prepared for any contingencies is necessary and prudent for a project of this magnitude. While the report shows that the on-site parking supply (in combination with the leased lower lot) would always be able to accommodate the projected parking demand, the uncertainty of construction schedules could result in a temporary condition when a parking shortage would occur. Because of this uncertainty, a Construction Parking Management Plan (CMP) is being proposed for those holiday periods when construction activity is anticipated. Unfortunately, the Construction Management Plan is proposed for a future time just prior to the commencement of construction. I would recommend that the public and all those who have expressed an interest in the project be allowed to review the CMP prior to approval.

Project Access And Circulation Improvements

Veterans Parkway

As part of the project access and circulation improvements, the lower surface parking lot (adjacent to Fry's) would be restriped to provide a separate bicycle and pedestrian connection along Veterans Parkway. Detailed plans highlighting the parking lot configuration and bicycle and pedestrian connections in the interim condition (i.e., prior to development of the Project) would be required to

be provided to the City for review and approval prior to issuance of building permits for the Project and constructed prior to obtaining the first Certificate of Occupancy for Component I of the Project. Further refinement to the lower surface parking lot area and bicycle/pedestrian connections would be required with the development of Component III of the Project, which includes decking the below-grade railroad right-of-way and construction of an access ramp from below grade to the ground level parking area. Detailed plans highlighting the parking lot configuration and bicycle and pedestrian connections with the development of Component III would be required to be provided to the City for review and approval prior to issuance of building permits and constructed prior to Certificate of Occupancy for Component III of the Project.

Comment 13

This is a critical requirement because of the importance of this improvement to the overall project. It is not unusual to use the issuance of building permits and certificate of occupancy as thresholds for satisfying an important project/development improvement. This stipulation must be included as a project condition of approval or mitigation measure. However, the Errata submitted in conjunction with the Draft EIR has modified this condition to require improvements to be done and completed within Component I timeframe.

Easterly Rosecrans Avenue Driveway

The City requested further review of the easterly Rosecrans Avenue Project driveway to assess the feasibility of shifting it westerly to provide greater separation from the Village Drive & Rosecrans Avenue signalized intersection, as well as to modify its design to provide better alignment with Rosecrans Avenue. The easterly Rosecrans Avenue driveway is un-signalized and accommodates right-turn-in and right-turn-out-only turning movements between the lower level parking and Rosecrans Avenue. With the proposed modifications (i.e., shifting its location further to the west and realignment with Rosecrans Avenue), this driveway would remain un-signalized with stop sign control provided for the right-turns out of the driveway. As the driveway modification would maintain the current lane configuration and access controls, the operational analysis for this intersection would be the same.

Comment 14

We agree with the shifting of the easterly Rosecrans Avenue Project driveway and its modification to provide better alignment and greater separation from the Village Drive & Rosecrans Avenue signalized intersections. However, we would like to see a warrant conducted to determine whether or not by realigning it with Rosecrans Avenue, the driveway would remain un-signalized.

Rosecrans Avenue Plaza El Segundo Signal

Portions of the Plaza El Segundo project have been completed and a further expansion of that previously entitled site is being proposed. There have been ongoing discussions between the Cities of Manhattan Beach and El Segundo, as well as the MVSC and Plaza El Segundo project teams regarding the configuration of the driveways of the two projects. As presently proposed, the new MVSC Rosecrans Avenue driveway is located west of Village Drive and east of the existing Fry's upper parking lot driveway. This intersection was analyzed as both a signalized and an un-signalized intersection. The MVSC driveway could potentially be directly aligned with the future Plaza El Segundo driveway. As part of the Plaza El Segundo development, the previously approved

driveway on the north side of Rosecrans Avenue is proposed to be signalized by Plaza El Segundo. The proposed traffic signal at the Project driveway intersection with Rosecrans Avenue would improve future conditions and better facilitate access along Rosecrans Avenue for both MVSC and Plaza El Segundo. The proposed new traffic signal also has the potential to shift some entering/exiting traffic from Village Drive to the new signal. However, the traffic signal timing would be dictated by the heavier traffic levels in/out of the Plaza El Segundo expansion and the performance of a newly signalized intersection would not be adversely affected by MVSC traffic. Since the traffic signal has not yet been approved by the Cities of El Segundo or Manhattan Beach, the intersection was also analyzed as an un-signalized intersection.

Comment 15

We would like to know the timing of the traffic signal agreement between the Cities of El Segundo and Manhattan Beach, and how the signalization of these driveways would affect project traffic.

Site Access

Driveways

Component I and Component II would not change the location or operation of the existing driveways leading to and from MVSC; only Component III would make changes to the site's access driveways. With Component III, the Fry's in the northwest corner of the property would be demolished and new retail and restaurant structures would be built over the northwest corner of the property. At present, the Fry's building and adjacent parking are separated from the rest of the MVSC site by a railroad right-of-way that cuts through the site below grade. This condition effectively creates an individual parcel out of the Fry's site and prevents any direct vehicular interaction between the existing Fry's site and the rest of the shopping center. Component III would construct an at-grade deck across the railroad right-of-way, physically joining the current Fry's parcel to the rest of MVSC, and a two-way ramp from the railroad right-of-way, from below grade up to the shopping center. The westernmost driveway along Rosecrans Avenue would maintain access to the Project site in addition to the newly constructed parking deck at the southeast corner of Rosecrans Avenue & Sepulveda Boulevard. The Sepulveda Boulevard driveway would be relocated approximately 100 feet south but maintain access to the Project site and provide access to the newly constructed ground-level parking area. The easternmost driveway along Rosecrans Avenue would maintain access to the new below-grade parking area. Operations (i.e., turn movements in and out of the center) at each driveway would remain unchanged.

Rosecrans Avenue Deceleration Lane

The City of Manhattan Beach has requested an investigation into the necessity of a deceleration lane for the two Rosecrans Avenue driveways that currently provide access to the Fry's parking lot and to the railroad right-of-way parking aisles. For each roadway classification, right-turn volumes must exceed the value given for the posted speed to qualify for a right-turn deceleration lane. Rosecrans Avenue is classified as a major arterial with a posted speed limit of 45 mph. Therefore, the right-turn volumes along the Rosecrans driveways must exceed 25 vehicles during a weekday peak hour to meet the criteria for a right-turn deceleration lane. Based on the cumulative plus project traffic weekday PM peak hour volumes found in each of the expansion components, the driveway currently providing access to the parking lot adjacent to Fry's is a candidate for a right-turn deceleration lane. The driveway providing access to the existing railroad right-of-way driveway currently does not have sufficient PM peak hour right-turn entries to justify a deceleration lane. The

number of right turns entering this second driveway would likely decrease greatly in the future when the railroad right-of-way parking aisles are covered by a parking deck, bridging the existing Fry's lot with the rest of the MVSC site and much of the lower level parking area would be reserved for MVSC employees.

Comment 16

Making the lower level parking area MVSC employee parking cannot be left to chance. There must be a condition of approval requiring employee parking in the lower level parking area.

The recommended width for deceleration lanes is typically the same as adjacent through lanes, in this case 12 feet. The typical length of the deceleration lane is dictated by the speed of adjacent traffic lanes. The posted speed limit on Rosecrans Avenue is 45 mph; however, the report concludes that the realistic speed of vehicles entering the Project site is closer to 25 mph because the majority of entering vehicles turning at the intersection of Rosecrans Avenue & Sepulveda Boulevard are not traveling at the full design speed. A negligible number of vehicles are expected to arrive from the west. According to the report, a vehicle traveling 25 mph would require approximately 115 feet to slow down. An additional calculation was performed using the right-turn storage equation; the results indicate that another 10 feet of queue length would be necessary. A total of 125 feet would be required for deceleration and storage, and an additional 50-foot transition taper would be needed to ease traffic into the deceleration lane. A 175-foot deceleration lane is recommended for Driveway 1 along Rosecrans Avenue.

Comment 17

We disagree with the 25 mph speed estimated for vehicles entering at the intersection of Rosecrans Avenue and Sepulveda Boulevard. By assuming the lower speed limit, a distance of 115 feet is required to slow down with 10 feet of queue length (total 125 feet for the deceleration lane and storage). With the addition 50 feet transition taper, a 175-foot deceleration lane is recommend the driveway along Rosecrans Avenue. Unless a 25-mph speed limit is posted, longer deceleration lane is necessary consistent with speeds faster than 25 mph.

Vehicular Circulation

Component I (2013 or 2014)

During the proposed Component I expansion, a new parking structure may be erected between the Wells Fargo Bank and the Macy's Men and Home store and/or between the Macy's Fashion Store and the Hacienda Building. In addition, new retail structures would be constructed across from the 33rd Street entrance, removing some surface parking aisles. In this component expansion, these developments do not cross existing circulation or "ring" roads inside the shopping center. Component I would also see a minor redesign of the existing ring road and the parking aisle directly across from the 30th Street driveway within the Project site. Specifically, the internal ring road would be restriped to include three lanes, one in each direction and a third lane that would act as a two-way left-turn lane that allows drivers to enter and exit parking aisles with fewer conflicts with through traffic. Additionally, to allow cars to more efficiently enter the Project site, direct access to the parking aisle across the ring road from the 30th Street driveway would be prevented. This would force drivers to utilize the ring road to access parking and eliminate backups entering the Project site at this location. These two improvements would be maintained through the remaining components of the Project.

Comment 18

The removal of surface parking aisles as part of the construction of new retail structures is of concern with the internal circulation for this development and the provision of adequate parking for this site. We would like to see a condition of approval specifically addressing this proposed configuration to ensure compliance and reduction of on-site parking.

Component II (2018)

In the proposed Component II expansion, the existing cinema building and shops linked to the cinema building would be demolished. The existing Macy's Fashion store may be expanded and a parking deck may be constructed to the north of Macy's to the railroad right-of-way culvert. In Component II, the proposed parking deck would go over the existing connection between MVSC's main internal circulation road and Village Drive. The connector road between the west side of MVSC and Village Drive would be maintained under the raised parking deck. The east/west roadway under the parking deck would have adequate height to accommodate delivery trucks and fire equipment. In Component II, vehicular traffic would continue to operate as it does today around the shopping center.

Component III (2022)

In the proposed Component III expansion, circulation on the shopping center site would be very different because of the improvements that would have taken place. Presently, between the existing Fry's site in the northwest of the property and the remainder of the MVSC site, the existing internal circulation is dictated by the below-grade railroad right-of-way; circulation between the existing site and the remainder of the MVSC site is not physically possible. The internal site circulation would be aided by decking the below-grade railroad right-of-way and constructing an access ramp from below grade to the ground level parking area. In addition to construction of the below-grade access ramp, ground level improvements to internal circulation would include extensions of existing main drive aisles to the newly connected driveways along Rosecrans Avenue and Sepulveda Boulevard. The extended drive aisles would maintain the approximately 30-foot width of the existing main aisles. Ground-level ramp access would be aligned with the main north/south drive aisle and an existing east/west drive aisle accessing Village Drive. These alignments would allow virtually direct access from the street system to the below-grade parking area. Circulation in the parking aisles would be arranged so that disruption to inbound and outbound traffic is minimized. The Component II expansion would include a parking deck north of Macy's, and the Component III expansion would include ground level improvements improving circulation and resulting in a new surface parking area in the northwest corner of MVSC. The parking deck near Macy's could be constructed with another deck provided to the west, in the area of the Component III surface parking area. Given either design option, these areas are designated for parking and would not alter the proposed vehicular access or circulation at the site. Therefore, these design options minimize impacts to vehicular access and circulation and allow the flexibility to locate the parking facilities where they would be most beneficial to the operation of the site.

Comment 19

It is anticipated that by the year 2022, Components I and II would have been developed and the assumptions in Component III would be valid. We would like to see an approved Development Agreement or Project construction schedule detailing the timing of development and improvements for Components I, II, and III.

Sepulveda Bridge Widening

The Project would construct a deck across the below-grade railroad right-of-way, and a new retail pad would be constructed along the western edge of the Project site, directly adjacent to the Sepulveda Boulevard Bridge. Caltrans is currently exploring alternatives to widen the Sepulveda Boulevard Bridge. The newly constructed building at ground level and the below-grade parking structure would be set back approximately 40 feet from the existing right-of-way along Sepulveda Boulevard. According to Caltrans' preliminary design alternatives for the bridge widening, the most conservative scenario involves widening the existing right-of-way by approximately 21 feet.

Comment 20

Widening the Sepulveda bridge by Caltrans may adversely affect the proposed Project based on shifting Caltrans standards. We would like to see comments provided by Caltrans on this issue.

Service Dock

The addition of new retail locations to the MVSC site would necessitate individual service docks for each retail pad. A service dock would be located in the below-grade parking area and the three other loading docks would be located at grade with the remaining retail locations. The project would be designed in accordance with turning templates from the American Association of State Highway and Transportation Officials (AASHTO) design vehicles: single unit and semi-trucks (where appropriate). The adequacy of the service dock design would be reviewed by the City of Manhattan Beach prior to project approval.

Parking Analysis

The proposed parking supply to be provided on the Project site is compared to the amount of spaces required by the MUP. The existing onsite parking utilized by MVSC is spread over several lots surrounding the MVSC building sites. At present, MVSC provides a total of 2,393 parking spaces for visitors and employees. Applying the MUP's parking ratio of 4.1 spaces/ksf for the main MVSC shopping center and 170 parking stalls for the existing Fry's, MVSC and the Fry's are required to provide a minimum of 2,330 spaces. MVSC currently has a surplus of 63 parking stalls. None of the parking numbers provided includes the leased 210-space parking lot that abuts the eastern edge of the MVSC site, east of Village Drive and south of Parkview Avenue. In 2001, a shared parking analysis (*Renovation of the Manhattan Village Shopping Center Traffic and Parking Analysis* [Kaku Associates, Inc., 2001]) was conducted to measure the peak parking demand during the 20th highest hour of the year in order to identify the parking ratio that should be used to plan shopping center parking ratios as recommended by the Urban Land Institute (ULI) and International Council of Shopping Centers (ICSC). *Shared Parking, 2nd Edition* (ULI and ICSC, 2005) adopted an approach that took into account different daily, hourly, and seasonal parking patterns by different land uses (e.g., office uses and a cinema). Utilizing the ULI shared parking model with Project specific data including parking occupancy counts obtained at the site and on-site existing and proposed land uses, a parking ratio of 4.1 spaces per 1,000 sf of mixed-use development would fully serve MVSC during the peak hour of the peak hour of the peak Saturday of the year.

Comment 21

As stated earlier, we contend that the 4.1 spaces per 1,000 sf of mixed-use development is inadequate to meet parking requirements for the proposed Project. Specifically, the proposal for a restaurant at the site in conjunction with future proposed land uses not already identified could result in a negative parking scenario. Realistically, a parking ratio of 5 spaces per 1,000 square feet of floor area is recommended.

Proposed Parking

Concurrent with each of the Component expansions of retail space, additional parking spaces would be provided for the MVSC site. At completion of the Project, a parking ratio between a minimum of 4.1 spaces/ksf and maximum of 4.28 spaces/ksf would be provided on site. Parking for the proposed uses would be provided in surface parking areas and low-rise parking structures, and several parking areas would be reconfigured. Upon completion of the Project, a total of approximately 2,915 parking spaces would be provided on site, depending on the Project's final design, resulting in a net surplus of spaces, excluding the 210 parking spaces in the City-owned lot leased by MVSC for overflow parking. Upon completion of the Project, parking would be provided at a minimum rate of 4.1 spaces/ksf to accommodate the new uses.

Comment 22

See comment 21.

Two parking decks are anticipated to be located to the immediate north and south of the Village Shops. Alternatively, three parking decks may be consolidated into one parking deck located north of the Village Shops. A parking facility with up to three above-grade levels may be provided to the north of the Macy's Fashion store and may consist of two levels above grade at another parking deck provided to the west of Macy's. As part of the possible improvements within the northwest corner of the Project site, the former railroad right of-way currently used for lower level surface parking may be bridged over and would provide parking spaces at the existing grade level along with an underground pedestrian and bike pathway from Veteran's Parkway through the Project site to Rosecrans Boulevard. The proposed parking described above is an example of a parking scenario that would meet parking requirements at the completion of construction of each Component and at completion of the Project. Flexibility in the exact location of parking decks and number of spaces in each deck might result in a slightly different parking scenario, but would fall within the building envelopes described herein and would meet MUP parking requirements at the completion of construction of each Component and at completion of the Project.

Component I

In Component I, 60,000 sf would be added to the MVSC site, requiring an additional 246 parking stalls according to the MUP 4.1 spaces/ksf ratio. In addition to the construction of new retail structures, one or two multi-level parking areas are anticipated. The north deck would be between the Macy's Fashion store and the Hacienda Building, and/or the south deck would be between the Macy's Men and Home store and Wells Fargo Bank. During Component I, 900 parking stalls would be removed and 1,126 parking stalls would be added, resulting in a net gain of 226 parking stalls. After the addition of the new spaces and subtraction of those spaces to be removed, the total MVSC parking supply would be 2,619 parking stalls. MVSC would be required, per the MUP, to provide 2,575 parking spaces at the MVSC site following the Component I expansion. MVSC would provide enough parking spaces to exceed the peak December demand of 2,507 by 112

parking spaces. Following the completion of the proposed Component I expansion, MVSC would provide a sufficient number of parking spaces for its retail and restaurant needs.

Component II

In Component II, a total of 29,872 net new sf would be added to the MVSC site, requiring an additional 123 parking stalls according to the 4.1 spaces/ksf ratio. When the shopping area is expanded, the existing cinema building is demolished and a parking deck is constructed north of the existing Macy's Fashion store, 167 surface parking stalls would be replaced. The proposed parking deck would provide 285 parking stalls, resulting in a net gain of 118 parking stalls. After the addition of the new spaces and subtraction of those spaces to be removed, the total MVSC parking supply would be 2,737 parking stalls. MVSC would be required, per the MUP, to provide 2,698 parking spaces; MVSC would provide enough parking spaces to exceed peak December demand of 2,605 by 132 parking spaces. Following the completion of Components I and II, MVSC would provide a sufficient number of parking spaces for its retail and restaurant needs.

Comment 23

Using the 5.0 parking ratio, the Component II addition of approximately 30,000 square feet would require 150 parking spaces rather than the 123 proposed. This results in a shortfall of 27 parking spaces.

Component III

In Component III, a net total of 33,800 sf would be added to the MVSC site, requiring an additional 139 parking stalls according to the 4.1 spaces/ksf ratio. In addition to the construction of a new retail structure over the existing Fry's site, a parking deck would be constructed over the existing railroad right-of-way culvert. Parking would still be available in the culvert lower level and accessed by either the existing driveway along Rosecrans Avenue or from a ramp leading down from grade level to the culvert parking level. During Component III, 310 parking stalls would be removed and 508 parking stalls would be provided, resulting in a net gain of 198 parking stalls. After the addition of all of the added spaces and subtraction of those spaces to be removed, the total MVSC parking supply would be 2,915 parking stalls. MVSC would provide enough parking spaces to exceed peak December demand of 2,752 by 163 parking spaces. Following the completion of the proposed expansion, MVSC would provide a sufficient number of parking spaces for its retail and restaurant needs.

Land Use Sensitivity Test

The developer of MVSC asked that tests be performed to determine the maximum amount of restaurant space that could be supported within the development from a traffic and parking standpoint. Since the overall size of the development would not change, the overall trip generation of the Project would not change as long as the amount of non-retail (i.e., office and restaurant) space remains at less than 20% of the total development, according to *Shared Parking, Second Edition*. The parking demand of the Project, however, could change as the amount of non-retail space increased. Restaurant and cinema space, for example, have higher parking demand rates than retail (on a per sf basis) and, therefore, the addition of floor area in either of these land uses would increase the parking demand for the Project. Since the Project is removing cinema space, it does not seem likely that a new cinema would be added back into the Project. Restaurant space, however, could be added to the Project beyond the level tested in the Project description. Retail space was "traded" for restaurant space and the shared parking model was run to determine the

adequacy of the parking supply. When the total amount of restaurant space in the development exceeded 89,000 sf, the overall parking demand at the center exceeded 95% occupancy (assuming the provision of the proposed 2,915 spaces). While this would only occur during the peak month of the year, a parking occupancy exceeding 95% would result in vehicles having to conduct long searches to find the last remaining spaces. Therefore, the 95% occupancy level has been used as a target rate for this Project. The land use sensitivity tests indicate that the MVSC's total proposed traffic and parking systems could support up to 89,000 sf of restaurant space within the MVSC site.

Comment 24

It is alarming that 89,000 square feet of restaurant space could be developed on the project site based on the scenario described above. An 89,000 square foot stand alone restaurant would require 890 parking spaces. In a mixed use setting, about 495 parking spaces should be required. The number of parking spaces considered to be "extra" is short of the 495 spaces required. Therefore, a limit must be placed on the total number of restaurant square-foot addition to ensure that adequate parking is provided, or more parking spaces would need to be provided. We recommend that prior to the addition of any future restaurant space, a parking analysis must be conducted to determine parking availability.

Larger Restaurant Element

The Applicant is proposing a "restaurant conversion option" to potentially convert up to 20,000 sf of retail space into restaurant space. Based on discussions with City staff, a land use sensitivity test was conducted to assess the effect, from a traffic and parking standpoint, of increasing the maximum amount of restaurant space from 89,000 sf as described above to 109,000 sf. Since the overall size of the development would not change (retail space could be converted to restaurant space), the overall trip generation of the Project would not change as long as the amount of non-retail (i.e., restaurant) space remains at less than 20% of the total development, according to *Shared Parking, 2nd Edition* (ULI, 2005). Thus, the increase in the maximum amount of restaurant space would not affect the traffic analysis and associated impacts. The parking demand of the Project, however, may change as the amount of restaurant or nonretail space increases and retail space correspondingly decreases. As an example, restaurant and cinema space have higher parking demand rates than retail and, therefore, addition of floor area in either of these land uses would increase the parking demand for the Project. A shared parking analysis that reflects 109,000 sf of restaurant space shows the parking demand during the peak day and month of the year to be 2,739 spaces during a weekday and 2,820 spaces on a weekend day. With a parking supply of 2,915 spaces, the proposed parking supply would be sufficient to meet the parking demands of the site. A target parking occupancy level of 95 percent was identified for the Project. This target correlated to up to 89,000 sf of restaurant space within the shopping center site. An increase in restaurant space to 109,000 sf would result in a parking occupancy of approximately 96%, which exceeds the 95% occupancy target. To maintain the target parking occupancy level of 95%, the converted restaurant space in excess of 89,000 sf (i.e., maximum restaurant space identified above) would require additional parking spaces be provided at a rate of 2.6 spaces per 1,000 sf. Thus, the increase in the maximum amount of restaurant space at the site by 20,000 sf (i.e., 89,000 to 109,000 sf of restaurant space and the resulting decrease of retail space) would result in the need for approximately 62 additional spaces to be provided beyond the proposed parking supply of 2,915 spaces.

Comment 25

The most recent shared parking analysis published by the ULI was in 2005. It is recommended that a condition of approval be included to limit the total square footage for non-retail uses, especially restaurants, to a not-to-exceed target of 95% of occupancy.

Errata and Clarifications to the Draft EIR

In response to comments and additional information from the Applicant, the Draft EIR has been revised accordingly to reflect the following general changes.

1. Development Area Boundary

Based on further examination of the property lines in the vicinity of the Hacienda Building, the Development Area has been revised to remove approximately 2,600 square feet of land area comprised of a slope located to the north of the Hacienda Building. This modification does not change any of the impact conclusions reached in the Draft EIR.

Comment 26

This may not change any of the impact conclusions reached in the Draft EIR but changes the configuration of the site plan and some of the assumptions made based on such plan. We would like to see a condition of approval stipulating that current approval of the project is based on the plan submitted for the approval at this stage. Any significant changes or deviations to the submitted plans must be reviewed and approved by the same approval bodies that reviewed and approved the original concept and must be presented for public comment.

2. Development Area Envelope and Concept Plan

The Draft EIR bases the environmental impacts of the proposed Project on the Development Area Envelopes and Maximum Heights. This figure has been modified to remove approximately 2,600 square feet of land area. In addition, this figure has been modified to provide for a building of up to 32 feet in height and/or a parking deck up to 26 feet in height further to the south in the Village Shops component of the Development Area as well as to include minor clarifications regarding the possible placement of a one-level retail building over a parking deck in the Village Shops component of the Development Area and the Northwest Corner component of the Development Area. These minor modifications do not change any of the impact conclusions reached in the Draft EIR. The Draft EIR includes a Concept Plan that illustrates proposed access as well as possible locations of buildings that may be developed within the established Development Area Envelope. The Draft EIR specifically notes that the Concept Plan represents just one of the possible ways the Development Area within the Shopping Center may be developed. The ultimate configuration of building locations will be based on market demands and future tenant expansions and contractions. However, the buildings to be developed would comply with the development envelopes established as revised. In addition to the boundary modification described above, subsequent to the release of the Draft EIR, the Applicant revised the Concept Plan to provide for a new building and parking structure configuration within the Northwest Corner of the Shopping Center and to change the location of or eliminate the Sepulveda Driveway within the Northwest Corner.

Comment 27

We totally disagree with the cavalier reference to the importance of a Concept Plan. Bear in mind that important analyses and approvals are conducted based a site plan concept. If the final product is significantly different from what is proposed in a concept Plan, additional time be necessary to study the “new” plan and its possible impacts on the environment. We do empathize with market demands and future tenant expansions. However, adequate time must be given to members of the public and other concerned parties to review and comment on such changes. Also, attention needs to be placed on the extent to which such changes alter the definition of the project under CEQA and thus the validity of the analyses provided. Specifically, in the Concept Plan included in the Draft EIR, the parking facility in the Northwest Corner component of the Development Area was located at the intersection of Sepulveda Boulevard and Rosecrans Avenue and the new Shopping Center buildings were located immediately south of the parking facility. Subsequent to the release of the Draft EIR, in response to concerns from the community and comments from Caltrans, the Applicant has agreed to revise the northwest corner of the Concept Plan to relocate the proposed parking facility further south and to relocate the new Shopping Center buildings further north adjacent to the corner of Sepulveda Boulevard and Rosecrans Avenue. As a result, the driveway on Rosecrans Avenue that currently serves Fry’s would be relocated to become the Cedar Way driveway/intersection. In addition, the easternmost driveway on Rosecrans Avenue would connect with the former railroad right-of-way (culvert) parking aisles. The revisions to the location of buildings and the proposed parking facility resulted in modifications to various figures and text throughout the Draft EIR, and could have changes some of the impact conclusions reached in the Draft EIR. See comment 34.

In addition, in the Concept Plan analyzed in the Draft EIR, the northernmost Sepulveda Boulevard driveway was to be relocated approximately 70 feet to the south. Subsequent to the release of the Draft EIR and in response to the concerns of Caltrans, the Applicant has agreed to revise the Concept Plan to relocate the proposed driveway approximately 150 feet south of Rosecrans Avenue, which would provide sufficient room to meet the Caltrans design criteria for the required storage length and taper into the right turn lane. The new driveway is proposed to be right-turn in only. Right turns out of the driveway would be prohibited due to the proximity of the driveway to the Rosecrans Avenue intersection. If the proposed Project is approved by the City Council, the Applicant would be required to go through the encroachment permit process to get the approval of Caltrans to relocate the driveway. Alternatively, this driveway may be eliminated based on input from Caltrans. The revisions to the relocation of the northernmost Sepulveda Boulevard driveway resulted in revisions to various figures and text throughout the Draft EIR, but do not change any of the impact conclusions reached in the Draft EIR. In addition, due to the small amount of traffic that would be expected to utilize this driveway, it is possible elimination would not change any of the traffic or access conclusions reached in the Draft EIR.

Comment 28

A condition of approval and/or mitigation measure is required to ensure that any changes to the site plan after approval of the Final EIR must be done in conjunction with the California Environmental Quality Act requirements to determine the appropriate method of addressing such changes. See comments 26 and 27.

Neighborhood Intrusion

Neither the City of Manhattan Beach nor the Los Angeles County Department of Public Works has adopted a specific set of criteria for defining a significant impact of project-related traffic on local neighborhood streets. The most commonly used set of significant impact criteria has been developed and used by the City of Los Angeles Department of Transportation (LADOT). The *L.A. CEQA Thresholds Guide: Your Resource for Preparing CEQA Analyses in Los Angeles* (City of Los Angeles, 2006) provides the following recommended thresholds for neighborhood intrusion impacts based on the addition of project-related traffic on the future traffic conditions of neighborhood streets: A project would normally have a significant neighborhood intrusion impact if project-related traffic would increase the average daily traffic (ADT) volume on a local residential street in an amount equal to or greater than the following:

- * ADT increase > 16 percent trips if final ADT < 1,000;
- * ADT increase > 12 percent if final ADT > 1,000 and < 2,000;
- * ADT increase > 10 percent if final ADT > 2,000 and < 3,000; or
- * ADT increase > 8 percent if final ADT > 3,000.

Given the length of the neighborhood streets west of Sepulveda and the fact that the residents of this neighborhood stated that there is already “cut-through” traffic using residential streets, it is unlikely that the current ADT levels are less than 1,000 vehicles per day. Therefore, the next most conservative traffic level would assume that the residential streets west of the Shopping Center site experience between 1,000 and 2,000 trips per day. An increase of 12 percent of 1,000 trips/day (the lower end of that range) would indicate that an increase of 120 project-related trips per day (12 percent of 1,000 ADT = 120 trips/day) would constitute a significant impact on the residential street. That is, for any neighborhood street in which traffic levels would be increased by 120 trips per day or more as a result of project-related trips, a potentially significant impact by the proposed Project, prior to mitigation, was identified.

Comment 29

It is yet to be seen if the City of Manhattan Beach would adopt standards similar to the standards adopted by the City of Los Angeles as stated above. Alternatively, does the City of El Segundo, an adjacent city that may be impacted by this development, have different or stricter standards than Los Angeles that could be utilized for analysis? Also, it was not clear if the Project adopted the Los Angeles standards for the proposed development. It is also anticipated that upon completion of the Project between approximately 2,856 and 3,412 parking spaces would be provided on-site, depending on the Project's final design. This number is different from the 2,915 declared prior to distribution of the Draft EIR, but includes a range higher than 2,915 spaces. Under what conditions would parking demand reach 3,412 spaces?

Additionally, as part of the Project, a 175-foot deceleration lane on the south edge of Rosecrans Avenue would be constructed for the westerly driveway. Design of the deceleration lane would be based on the current edition of the Caltrans Highway Design Manual and shall be subject to final approval by the City of Manhattan Beach Public Works Department. In addition, the northernmost Sepulveda Boulevard driveway, adjacent to the Fry's Electronics building, would be relocated approximately 70 feet to the south and would maintain access to the Shopping Center site through a new east-west private travel way (Fashion Boulevard) connecting Rosecrans Avenue to Village Drive, while also providing access to the newly constructed ground-level and below grade deck parking area to a point closer to Rosecrans Avenue. The relocated driveway would separate the retail building on the immediate southeast corner of the Sepulveda/Rosecrans intersection and the

parking structure immediately north of the Veterans Parkway corridor. The relocated driveway would be constructed approximately 150 feet south of Rosecrans Avenue. Alternatively, this driveway may be eliminated based on input from Caltrans.

Comment 30

Some of our concerns are being addressed through comments received as part of the Draft EIR review process. Our concern here is that the project would go through significant modifications and those modifications would be dismissed as insignificant or not requiring public approval and/or comment. We would like to reiterate that modifications to the project, including location of building, driveways, traffic signals, etc. be circulated for public review and go through adequate approval process for reasons stated earlier under other comments.

The westernmost driveway along Rosecrans Avenue would maintain access to the Shopping Center site in addition to the newly constructed ground-level parking area be relocated to become the Cedar Way driveway/ intersection. In addition, though the Sepulveda Boulevard driveway is proposed to be relocated approximately 150 feet, it would be located south of Rosecrans Avenue to maintain access to the Project site and provide access to the newly constructed ground-level parking area, as a right-in only access. This access is subject to Caltrans review and approval and may also be eliminated based on input from Caltrans. The easternmost driveway along Rosecrans Avenue would maintain access to the new below-grade parking area. Operations (i.e., turn movements in and out of the center) at each driveway would remain unchanged to the former railroad right-of-way (culvert) parking aisles. Therefore, to further separate vehicles turning right into the Shopping Center site from the eastbound Rosecrans Avenue through traffic, the Project includes the development of a 175-foot deceleration lane for the driveway that currently provides access to the parking lot adjacent to the Fry's Electronics Store along Rosecrans Avenue.

Comment 31

The issue with the deceleration lane has been addressed earlier in this report.

Neighborhood Intrusion

(i) Criterion 1—Arterial Congestion

To meet Criterion 1 above, a corridor must contain intersections operating at levels of service (LOS) E or F such that traffic on the corridor would find it faster to divert to the parallel residential streets. This condition exists along Sepulveda Boulevard at the intersections of El Segundo Boulevard, Rosecrans Avenue, Marine Avenue, and Manhattan Beach Boulevard. Thus, there is the potential that the proposed Project could result in a potentially significant impact under Criterion 1, as diversion to residential streets would have the potential to occur along parallel and continuous north-south residential streets between El Segundo Boulevard and Manhattan Beach Boulevard. North and south of the Sepulveda Boulevard Corridor, the cross street traffic is lower and the intersections would operate better than LOS E or F and, therefore, there is no potential for a significant impact under Criterion 1 along these street sections.

(ii) Criterion 2—Added Project Traffic

To meet Criterion 2 above, corridors to which the proposed Project might add 1,200 or more daily trips were examined. The full build-out of the proposed Project would generate 463 net new daily

trips on the street system. The highest accumulation of Project traffic is 23 percent, both north and south of the Shopping Center site on Sepulveda, and east of the site on Rosecrans. The largest accumulation of Project traffic would, therefore, be 23 percent of 463 daily trips, or a maximum of 107 trips/day on any given street approaching the site. Therefore, the proposed Project would not increase the traffic volumes on any section of the Sepulveda Boulevard Corridor by 1,200 daily trips. In fact, even if all of the project-related trips diverted from the arterial street and used local residential streets (a condition very unlikely to occur) the 120 vehicle per day criterion would not be met. Thus, the proposed Project would not result in a potentially significant impact under Criterion 2.

(iii) Criterion 3—Parallel Routes Available

Criterion 3 above states that there must be parallel residential streets adjacent to the congested corridor that could be used as a short-cut for through traffic. In the case of the proposed Project, there are continuous residential streets that run parallel to Sepulveda Boulevard. Specifically, Oak Avenue, Elm Avenue, Pine Avenue, and Valley Drive on the west side of Sepulveda Boulevard and 22nd Street/Magnolia Avenue and N. Meadows Avenue on the east side of Sepulveda Boulevard would offer the most likely cut-through routes. Therefore, there is the potential that the proposed Project would result in a potentially significant impact under Criterion 3.

(iv) Component I Conditions

After the completion of Component I of the proposed Project, the conditions for Criteria 1 and 3 would be met, and there is the potential that the proposed Project could result in a potentially significant impact to local streets in the neighborhood. There is congestion along Sepulveda Boulevard and there are parallel residential streets that offer cut-through opportunities. However, Component I of the proposed Project would not add enough traffic to the Sepulveda Boulevard Corridor that sufficient traffic volumes would divert to these local streets to reach the level of a significant impact.

Comment 32

According to the Draft EIR, Component I of the proposed Project would generate 1,469 daily trips). The maximum accumulation of Component I of the proposed Project traffic would be 378 trips to/from the Shopping Center site along Sepulveda Boulevard north and south of the Shopping Center site and along Rosecrans Boulevard east of the Shopping Center site. Even if the 10 percent diversion estimate was exceeded, over 35 percent of Project traffic would have to divert from Sepulveda Boulevard and use a single residential street to reach the level of a significant impact. During the afternoon peak commute hour, the Component I Project trips would add 40 vehicles to the sections of Sepulveda north and south of the Project site. All 40 of the Project trips during the peak hour and an additional 80 trips during the other hours of the day (when the Sepulveda corridor is less congested and the reason for diversion is less) would have to divert to the same residential street. According to the neighborhood traffic impact policy guidelines described above, Component I of the proposed Project would not have a significant intrusion impact on residential streets because it would not meet Criterion 2 and, therefore, it would not meet all three conditions discussed above.

(v) Component I and II Conditions

After the completion of Components I and II of the proposed Project, the conditions for Criteria 1 and 3 would be met, and, therefore, there is the potential that the proposed Project could result in a potentially significant impact to local streets in the neighborhood. There is congestion along Sepulveda Boulevard and there are parallel residential streets that offer cut-through opportunities. However, Components I and II of the proposed Project would not add enough traffic to the Sepulveda Boulevard Corridor that sufficient traffic volumes would divert to these local streets to reach the level of a significant impact. Components I and II would generate 715 daily trips. Components I and II would generate fewer than the target 1,200 trips per day and, therefore, this condition would not generate sufficient additional traffic to the Sepulveda Boulevard Corridor to divert enough cut-through traffic to create a significant impact. Based on the distribution of Project trips, the highest concentration of Project trips would be 165 trips per day on Sepulveda Boulevard, both north and south of the Project site, and along Rosecrans east of the site. Even if the 10 percent diversion estimate was exceeded, the diversion would have to be over 70 percent of Project traffic using one residential street to reach the level of a significant impact. This situation is not likely to occur. Similar to the discussion above, based on the distribution of Component I Project trips, the highest concentration of Project trips would be 338 trips per day on Sepulveda Boulevard both north and south of the Project site and along Rosecrans east of the site.

(vi) Components I and II and III Conditions

As described above, at the full completion of the proposed Project, the conditions for Criteria 1 and 3 would be met, and, therefore, there is the potential that the proposed Project could result in a potentially significant impact to local streets in the neighborhood. There is congestion along Sepulveda Boulevard and there are parallel residential streets that offer cut-through opportunities. However, Components I through III of the proposed Project would only generate a net total of 463 daily trips on the area street system. Thus, the full build-out of the proposed Project would not add enough traffic to any single corridor in the study area that sufficient traffic volumes would divert to the local streets to reach the level of a significant impact.

Comments 33

The issue of neighborhood intrusion is an important one for those neighborhoods within vicinity of the development that currently experience cut-through traffic, and are concerned with the addition of significant buildable areas and land uses that generate traffic and parking beyond what is currently being experienced. What this report has done is conclude that no significant impacts, as part of project implementation, would occur at all component levels (I, II, and III). However, what we have not seen, and what those residential neighborhoods are seeking, is any requirement or obligation on the part of the applicant, that if the assumptions in the four criteria described above turn out not to be true, what the fall back position would be. With that in mind, we could like to recommend a project condition of approval that should neighborhood intrusion occur as part of this development, the city is obligated to bring the project up for public hearing and discussion. This development has the potential to destroy the peace, life style, and property values of the surrounding neighborhoods without any recourse. We would like to put the City and the developer on the spot, and make them shoulder the responsibility of this occurrence. Without a condition of approval or other form of written, verifiable stipulation, this concern would not be adequately addressed.

Mitigation Measure H-1: Prior to the start of construction, the Applicant shall devise a Construction Traffic Management Plan to be implemented during construction of the Project. The Construction Traffic Management Plan shall identify all traffic control measures and devices to be implemented by the construction contractor through the duration of demolition and construction activities associated with the Project. Construction traffic controls should be provided consistent with current California Manual of Uniform Traffic Control Devices standards and include provisions to provide and maintain ADA pedestrian mobility and access consistent with current California requirements. If lane closures are needed, the Construction Traffic Management Plan shall be submitted for review to Caltrans. The Construction Traffic Management Plan shall also be submitted for review to the City of El Segundo Public Works Department and the City of El Segundo Planning and Building Safety Department. The Construction Traffic Management Plan shall be subject to final approval by the City of Manhattan Beach Public Works Department, the City of Manhattan Beach Community Development Department, and the Manhattan Beach Police and Fire Departments. A final copy of the Construction Traffic Management Plan shall be submitted to the City of El Segundo.

Comment 34

This mitigation measure has been added to address the concerns about the ambiguity of construction traffic congestion and project construction parking. However, it falls short of identifying the level of review required for this plan. It appears the mitigation measure is calling for a staff level review because of the "temporary" nature of the construction process. However, our concern is that should be construction process not occur within the time-frame identified in the Draft EIR, that the project be taken back to the original approval bodies for thorough analysis. This could result in changes to certain assumptions in the project analysis and approval.

Mitigation Measure H-2: The Applicant shall submit a Construction Parking Management Plan to the City Community Development Department in October or earlier of each year that construction is planned between Thanksgiving through New Year's. The initial October or earlier submittal shall estimate the number of parking spaces to be available during the upcoming holiday shopping period and the peak demand likely during that same period based on the shared parking analysis similar to the analyses performed in the Traffic Study for the Manhattan Village Shopping Center Improvement Project. In the event that a parking shortage is projected, the Construction Parking Management Plan shall include the following points:

- A determination of the need for the provision of off-site parking.
- An estimate of the number of weekday and weekend off-site parking spaces needed to meet demand.
- The identification of the location of an off-site parking location(s) with the appropriate number of available spaces.
- Signed agreements with the owners of the off-site parking supply allowing the shopping center to utilize the spaces during the needed time periods.
- A transportation plan identifying shuttle operations, frequency, and hours of operation for any off-site spaces beyond a reasonable walking distance.
- Modification or reduction in construction hours or days. The annual Construction Parking Management Plan shall be submitted to and approved by the Director of Planning Community Development. A final copy of the Construction Parking Management Plan shall be submitted to the City of El Segundo.

Comment 35

Although we agree with the concept of a construction parking management plan, we disagree with some of the bullet points, especially bullet point #4 regarding signed agreements with the owners of the off-site parking locations to allow the shopping center to use the sites for parking during specified periods. Experience has shown that parking agreements are not legally binding nor are they enforceable unless recorded against the properties in question. Additionally, there is concern that the sites selected may not have "extra" parking to give to allow the project's additional needs. Thirdly, there is an issue with additional traffic impacts if the selected sites are not located within the City of Manhattan Beach. Would these traffic impacts have been analyzed as part of the EIR or would an additional traffic study be needed. So, this mitigation measure raises more questions than it is intended to resolve and the language needs to be clarified to reflect the concerns expressed earlier.

Gabriel Elliott
775 W. County Line Road
Calimesa, CA 92320

Professional Experience

Principal **2009 - Present**
Urban Planning & Consulting Group, Sole Proprietorship

- █ Conduct land research, provide quantitative analysis, and prepare technical analyses and reports for municipalities.
- █ Manage project and staff and overseeing project budgets of all ranges.
- █ Create, proof-read, review and present environmental documents such as Environmental Impact Reports, Negative Declarations, and Initial Studies.
- █ Write, edit, review and present planning documents including General and Comprehensive Plans, Specific Plans, Land Use Plans, Subdivision maps, etc.
- █ Process entitlement projects of all ranges.

Assistant Director of Community and Neighborhood Planning **2008 – 2009**
City of College Station, Texas, 77840, population 100,000, staff of 6, and budget of \$330,000

- █ Directly supervise the community and neighborhood planning process and implement policies and programs relative to long range planning and development administration, including the General Plan, transportation planning administration, Geographical Information System, and land use administration.
- █ Coordinate, prepare and oversee the departmental operating budget.
- █ Assist the Director, City Manager, City Council, Planning and Zoning Commission, Board of Zoning Adjustment, Design Review Board, Construction Board of Adjustments and Appeals, Building & Standards Commission, and Historic Preservation Committee in matters of development codes, city planning, building permitting and inspections.

Principal Planner **2002- 2007**
Willdan Associates, Industry, California

Performed business development activities for the environmental services division, and was contracted out to other municipalities in California as Interim Community Development or Planning Director, or other leadership roles in the following capacities:

Interim Community Development Director (as Willdan Consultant) **7/2007 – 12/ 2007**
City of Lynwood, California, 90262, population 120,000, staff of 25, and budget of \$2.5 million

- █ Manage the Planning, Parking Enforcement, Code Enforcement, Business License, and Building & Safety, Divisions of the Community Development Department by planning and overseeing the day-to-day operation of development activities.
- █ Prepare comprehensive written and oral reports and make recommendations for presentation to the City Council, Redevelopment Agency, Planning Commission, developers, public agencies and community groups, and represent the department at Redevelopment Agency meetings, public hearings, community meetings, and technical and professional conferences.
- █ Supervise the professional development of 25 assigned staff and review and evaluate employees' job performances and recommend appropriate personnel action.
- █ Evaluate, recommend, and implement policies to attract new businesses into the city while protecting and enhancing policies to retain the City's existing client base for development.

- ñ Negotiate, prepare and supervise the processing of documents, such as Disposition and Development Agreements, Owner Participation Agreements, tax-exempt bonds, and consultant contracts. Also supervised the issuance of building and sign permits.
- ñ Assist in establishing annual goals and objectives and in preparing department budget.

Community Development Director (as Willdan Consultant)

2005 – 2007

City of Calimesa, California, 92320, population 8,000, staff of 8, budget of \$620,000

- ñ Manage and direct the Planning, Building & Safety, and Code Enforcement Divisions of the City by overseeing the day-to-day operation of the development activities.
- ñ Supervise the professional development of assigned staff by reviewing and evaluating employees' job performances and recommending appropriate personnel action,
- ñ Negotiate, prepare and supervise the processing of documents, such as project conditions of approval, Environmental Impact Reports, Negative Declarations, Disposition and Development Agreements, Owner Participation Agreements, contracts, and permits.
- ñ Coordinate the analysis of architectural, urban design, and economic issues in project development, and evaluate real estate financing proposals and development proformas.
- ñ Administer contracts and serve as liaison between the project team, City divisions, outside public agencies and the community and represent the department at public meetings and technical and professional conferences.
- ñ Prepare comprehensive written and oral reports and make recommendations for presentation to the City Council, Redevelopment Agency, developers, public agencies and community groups.
- ñ Conduct special studies and prepare detailed research reports as needed. Assist in establishing the Agency's annual goals and objectives and in preparing the public presentations.

Planning Manager (as Willdan Consultant)

2002 – 2005

City of Calimesa, California, 92320, population 8,000, staff of 6, budget of \$500,000

- ñ Manage the day-to-day operations of the Planning and Code Enforcement Divisions. Manage and direct the Planning, Building & Safety, and Code Enforcement Divisions of the City.
- ñ Manage and process large residential subdivisions, Environmental Impact Reports, Negative Declarations, Specific Plans, and General Plan Amendments, including SunCal and Fiesta Homes (7,000 residential units with EIR, specific plans and design guidelines for Mixed-use residential/commercial development (3,600 homes), and 1.2 million square feet of commercial development. Fiesta Development EIR – 3400 residential units and 250,000 square feet of commercial development).
- ñ Represent the department at meetings and technical and professional conferences. Prepare comprehensive written and oral reports and make recommendations for presentation to the City Council and Redevelopment Agency, developers, public agencies and community groups.
- ñ Conduct special studies and prepare detailed research reports as needed.
- ñ Assist in establishing the Agency's annual goals and objectives and in preparing the public presentations. Supervise the professional development of assigned staff.
- ñ Review and evaluate employees' job performance and recommend appropriate personnel action.

Senior Project Manager (as Willdan Consultant)

2002 – 2003

Colonies at San Antonio, City of Upland, population 80,000, staff of 3, budget of \$1 million

- ñ Project Manager for the large residential and commercial development (Colonies at San Antonio) in the City adjacent to the 210 Freeway.
- ñ Responsible for coordinating the Environmental Impact Report process, coordinating with project consultants, preparing staff reports for public hearings and making presentations.
- ñ Worked extensively with the development community to assure satisfaction and business retention.

Wrote and managed the following Environmental Impact Reports:

- ñ JP Ranch EIR (TTM 30386 and 30387) and the Holbert Ranch EIR (TTM 30545).
- ñ City of Maywood Neighborhood Park EIR
- ñ City of Ontario Downtown Loft EIR
- ñ City of Pomona Downtown Loft EIR
- ñ Responsible for managing the preparation of CEQA documents and Specific Plans and all other related entitlements

Prior to Willdan Associates:

Senior Planner, Civic Solutions, Inc. San Juan Capistrano, California, 1999 – 2002

- ñ Project Manager for the firm’s public sector clients including the City of Norwalk, Irvine, City of Imperial Beach and private sector clients. Responsibilities included attracting new clients and retaining existing client base, writing and review of Specific Plans, environmental documents (negative declarations, environmental impact reports), project management of discretionary case processing for complex development projects, coastal development permits, General Plan Amendments, zoning ordinances, redevelopment plans, and land use planning

Associate Planner, City of Costa Mesa, California, 1989 – 1999

- ñ Provide technical assistance in review of discretionary cases for both current and long-range planning; member of the team that re-wrote the City’s zoning code; research and supervise writing of the City’s communications antenna ordinance

Education

Master of Urban and Regional Planning, Texas A & M University, College Station, Texas

B.A., Journalism, Texas A & M University, College Station, Texas

Affiliations

Associate Member, American Planning Association.

Appendix B

Rosecrans Avenue Traffic Signal Maintenance Agreement Between the City of Manhattan Beach and the City of El Segundo

AGREEMENT

This Agreement is made and entered into this 6th day of June, 1984 between the City of Manhattan Beach, a Municipal Corporation of the State of California, hereinafter referred to as "MANHATTAN BEACH" and the City of El Segundo, a Municipal Corporation of the State of California, hereinafter referred to as "EL SEGUNDO", with respect to the following facts:

WHEREAS, MANHATTAN BEACH and EL SEGUNDO desire to provide for the maintenance and operation of traffic signals, interconnect systems, illuminated street name signs, and highway safety lighting at roadway intersections which are under the joint jurisdiction of both Cities, and to arrange for the particular maintenance and operation functions to be performed, and to specify to each City the proration of cost of such maintenance;

NOW, THEREFORE, it is mutually agreed as follows:

1. MANHATTAN BEACH will administer the contract to provide traffic signal maintenance at the roadway intersections shown in Appendix "A" attached. Contract administration shall include:
 - (a) Preparation of the traffic signal maintenance specifications and contract documents, and submit them to El Segundo for their review and approval,
 - (b) Advertise for receipt of competitive bids,
 - (c) Based on an analysis of the submitted proposals and contractors' qualifications prepare a recommendation to award a contract,
 - (d) With the concurrence of EL SEGUNDO execute an Agreement with a contractor to perform the traffic signal maintenance operations,
 - (e) Periodically inspect the maintenance performance of the contractor,
 - (f) Negotiate with the Contractor, and with the prior concurrence of EL

SEGUNDO, execute contract change orders, and

- (g) Verify contractors extraordinary maintenance charges.
 - (h) Proposed revisions to the established interval of time allocated to a traffic cycle phase(s) at any of the traffic signal installations shown in Appendix "A" shall not be implemented without the prior concurrence of El Segundo.
2. For each roadway intersection shown in Appendix "A", the parties hereto shall share in the routine and extraordinary maintenance expense of the traffic signals, interconnect systems, illuminated street name signs, and highway safety lighting in the same proportion that the number of approaches or percentages of approaches under their respective jurisdiction bears to the total number of approaches entering said intersection.
 3. Traffic signals, interconnect systems, illuminated street name signs, or highway safety lighting may be added or deleted from Appendix "A" under the terms of this Agreement by stipulating in subsequent agreements or by written approval of the respective Directors of Public Works for El Segundo and Manhattan Beach. The same approval procedure shall be used to revise each agency's share of the cost of maintenance as required by subsequent revisions to the jurisdictional boundaries at a particular intersection.
 4. Bills for traffic signal routine and extraordinary maintenance shall be submitted to EL SEGUNDO monthly. Highway safety lighting, traffic signal operation, illuminated street name sign electrical energy costs and traffic signal interconnect system charges shall be invoiced on a bi-monthly basis.
 5. The MANHATTAN BEACH Agreement with the Contractor to maintain traffic signal installations under the joint jurisdiction of MANHATTAN BEACH and EL SEGUNDO shall contain provisions holding both Cities' elective and appointive boards, officers, agents, and employees harmless from any lia-

bility for damage or claims for damage for personal injury, including death, as well as from claims for property damage which may arise from Contractor's or any subcontractor's operations under the traffic signal maintenance agreement, whether such operations be by Contractor or by any subcontractor, or subcontractors, or by any one or more persons directly or indirectly employed by, or acting as agent for, Contractor or subcontractor or subcontractors. The MANHATTAN BEACH/Contractor Traffic Signal Maintenance Agreement shall also provide that the Contractor shall defend both Cities' elective and appointive boards, officers, agents, and employees from any suits or action at law or in equity for damages caused, or alleged to have been caused, by reason of any of the Contractor's traffic signal maintenance operations. It is understood and agreed that neither EL SEGUNDO, nor any officer or employee thereof is responsible for any damage or liability occurring by reason of anything done or omitted to be done by MANHATTAN BEACH under or in connection with any maintenance performed by the Contractor or by MANHATTAN BEACH. It is also understood and agreed that, pursuant to Government Code Section 895.4 MANHATTAN BEACH shall defend, indemnify and save harmless EL SEGUNDO, all officers and employees from all claims, suits, or actions of every name, kind, and description brought for or in account of injuries to or death of any person or damage to property resulting from anything done or omitted to be done by MANHATTAN BEACH under or in connection with any work under this Agreement except as otherwise provided by Statute.

It is understood and agreed that neither MANHATTAN BEACH, nor any officer or employee thereof is responsible for any damage or liability occurring by reason of anything done by EL SEGUNDO under or in connection with any maintenance performed by the Contractor or by EL SEGUNDO. It is also understood and agreed that, pursuant to Government Code Section 895.4, EL SEGUNDO shall defend, indemnify, and save harmless MANHATTAN BEACH, all officers and employees from all claims, suits or action of every name, kind and description brought for or in account of injuries to or death of any person or damage to property resulting from anything done or omitted

to be done by EL SEGUNDO under or in connection with any work under this Agreement except as otherwise provided by Statute.

6. This Agreement shall supersede all prior MANHATTAN BEACH/EL SEGUNDO agreements regarding the maintenance of traffic signals, illuminated street name signs, highway safety lighting, and traffic signal interconnect systems.

7. This Agreement shall become effective as of 12:01 A.M., July 1, 1984 and may be terminated upon sixty (60) days written notice by either City. The written notice shall be served and delivered via certified or registered mail by the United States Postal Service, or by personal delivery.

IN WITNESS WHEREOF, MANHATTAN BEACH has caused this Agreement to be executed by its Mayor and attested by its City Clerk, and EL SEGUNDO has caused this Agreement to be executed by its Mayor and attested by its City Clerk, the day and year hereinabove written.

ATTEST:

CITY OF MANHATTAN BEACH

John Lacey
City Clerk

By David J. Thompson
Mayor ~~City Manager~~



(Seal)

APPROVED AS TO FORM

[Signature]

City Attorney

ATTEST:

CITY OF EL SEGUNDO

Talicia A. Burrows

City Clerk

By Charles K. Amstrong
Mayor

(Seal)

APPROVED AS TO FORM

[Signature]

City Attorney

APPENDIX "A"

Location	Manhattan Beach Share	El Segundo Share	Highway Safety Lights	Illuminated Street Name Signs
Highland Avenue at 45th Street	75%	25%	2	2
Rosecrans Avenue at Village Drive	67%	33%	2	2
Rosecrans Avenue at Blanche Road	67%	33%	2	2
Rosecrans Avenue at Pacific Avenue	50%	50%	-	2
Rosecrans Avenue at Park Way/Nash Street	50%	50%	4	4
Rosecrans Avenue at Redondo Avenue/Douglas Street*	50%	50%	4	4

*Electrical Energy Charges Only.

80-1188655

RECORDING REQUESTED BY:
AND WHEN RECORDED MAIL TO:

Federated Department Stores, Inc.
c/o McCutchen, Black, Verleger & Shea
3435 Wilshire Boulevard, 30th Floor
Los Angeles, California 90010
Attention: Byron Hayes, Jr., Esq.

RECORDED IN OFFICIAL RECORDS
OF LOS ANGELES COUNTY, CA
NOV 25 1980 AT 8 A.M.
Recorder's Office

80-1188655

DOCUMENTARY TRANSFER TAX \$ None
COMPUTED ON FULL VALUE OF PROPERTY CONVEYED,
OR COMPUTED ON FULL VALUE LESS LIENS AND
ENCUMBRANCES REMAINING AT TIME OF SALE.
Signature of Declarant or Agent determining tax. Firm Name

CONSTRUCTION, OPERATION AND RECIPROCAL
EASEMENT AGREEMENT

(Manhattan Beach, California)

184.00
FEE \$ 10.00
181

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ADDENDUM TO CONSTRUCTION, OPERATION
AND RECIPROCAL EASEMENT AGREEMENT
AND TO LEASE

This Addendum is made by Buffums Inc., a California corporation ("Buffums").

W I T N E S S E T H:

WHEREAS, Buffums desires Bullock's to enter into the REA and is executing this Addendum to induce Bullock's to execute the REA;

WHEREAS, as the Tenant under the Lease, it is to Buffums' advantage that Bullock's enter into the REA; and

WHEREAS, by a Grant Deed and Grant of Easements with Covenants Running with the Land (the "Grant Deed") recorded concurrently with the REA and this Addendum, Developer will grant to Bullock's as the owner of the Bullock's Tract certain easements and rights, including parking and access rights, in portions of the Shopping Center.

NOW, THEREFORE, in consideration of the foregoing and the payment by Bullock's to Buffums of the sum of \$10.00, the receipt and adequacy of which is hereby acknowledged by Buffums, Buffums agrees as follows:

1. All terms used herein which are defined in the REA shall have the same meaning herein as the meaning provided for those terms in the REA.
2. Buffums hereby consents to the enforcement by Bullock's of provisions and rights under the Lease following an assignment of the right to enforce those provisions and rights by Developer to Bullock's, provided, however that nothing contained herein shall be deemed to create any independent liability on the part of Buffums to Bullock's, Bullock's rights to enforce the Lease being intended to be solely derivative of Developer's rights as lessor under the Lease.

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3. The Lease is hereby made subordinate to the REA, and the development and operation of the Shopping Center, including the area covered by the Buffums Store, shall be in accordance with the REA. The Lease is also hereby made subordinate to the easements and related covenants and conditions set forth in the Grant Deed. Nothing set forth in this Addendum shall be construed to constitute a subordination to any lien in the Buffum's Parcel imposed by the REA or Grant Deed, to the Unrecorded Agreement, or to any provision of the Grant Deed or the REA which enhances the financial obligations of Buffums under the provision of the Lease.

IN WITNESS WHEREOF, this Addendum is executed this 24 day of November, 1980, by the undersigned.

BUFFUMS INC.

By *D. S. Hansen*
Its Vice President

By *John L. Barrett*
Its Secretary

[AFFIX ACKNOWLEDGEMENTS]

80- 1188655

STATE OF CALIFORNIA }
County of Los Angeles }

163

ss.

On Nov. 24, 1980, before me, the under-
signed, a Notary Public in and for said State, personally
appeared William S. Hansen, known to me to
be the President, and John D. Barrett,
known to me to be the Secretary of
Buffums Inc., the corporation
that executed the within instrument, known to me to be the
persons who executed the within instrument on behalf of such
corporation, and acknowledged to me that such corporation
executed the within instrument pursuant to its by-laws or a
resolution of its board of directors.

WITNESS my hand and official seal.

[SEAL]



K.A. McDivitt
Notary Public

STATE OF CALIFORNIA }
County of Los Angeles }

ss.

On _____, 19____, before me, the under-
signed, a Notary Public in and for said State, personally
appeared _____, known to me to
be the _____ President, and _____,
known to me to be the _____ Secretary of
_____, the corporation
that executed the within instrument, known to me to be the
persons who executed the within instrument on behalf of such
corporation, and acknowledged to me that such corporation
executed the within instrument pursuant to its by-laws or a
resolution of its board of directors.

WITNESS my hand and official seal.

[SEAL]

Notary Public

80- 1188555

ARTICLE 1
DEFINITIONS

As used hereinafter in this REA, the following terms shall have the following meanings:

1.1 ACCOUNTING PERIOD. The term "Accounting Period" refers to any period commencing January 1 and ending on the next following December 31, except that Bullock's first Accounting Period shall commence, on (i) a date 30 days prior to the date Bullock's first opens for business in its Store (as hereinafter defined), or (ii) the date of completion of the common improvement work described in Article 6 hereof, whichever date occurs later, and shall end on and include the next following December 31, and Bullock's last Accounting Period shall end on the last day that the Common Area shall be maintained by the Operator (as hereinafter defined) pursuant to this REA. Any portion or portions of the Common Area Maintenance Cost (as hereinafter defined) relating to a period of time only part of which is included within Bullock's first Accounting Period or Bullock's last Accounting Period shall be prorated on a daily basis.

1.2 ALLOCABLE SHARE. The term "Allocable Share" refers to that part of Common Area Maintenance Cost allocable to Bullock's for each Accounting Period, all as provided in that certain Unrecorded Agreement dated as of November 1, 1980, between Bullock's and Developer (hereinafter referred to as the "Unrecorded Agreement").

1.3 AUTOMOBILE PARKING AREA. The term "Automobile Parking Area" refers to all Common Area (as hereinafter defined) used for the parking of motor vehicles, including incidental and interior roadways, pedestrian stairways, walkways and tunnels, bicycle paths, equestrian trails, curbs and landscaping within or adjacent to areas used for parking of motor vehicles,

//

together with all improvements which at any time are erected thereon for such purposes. Such areas shall not include truck ramps and loading and delivery areas.

1.4 COMMON AREA. The term "Common Area" refers to all areas within the exterior boundaries of the Shopping Center Site to be made available as required by this REA for the general use, convenience and benefit of Developer and all Occupants (as hereinafter defined), and Permittees (as hereinafter defined), including employee parking areas, if any, located upon land outside the Shopping Center Site which may from time to time be provided with the written approval of the Prime Parties.

Such Common Area shall include, but not be limited to, utility lines and systems, Automobile Parking Area, access roads, driveways, Perimeter Sidewalks (as hereinafter defined), malls, including the Enclosed Mall (as hereinafter defined), rest rooms not located within the premises of any Occupant, and similar areas, and in addition a Common Area maintenance office and Common Area equipment sheds. The Common Area shall include, but not be limited to, all items of Common Area shown on Exhibit B.

Common Area shall not include truck parking, turn-around and dock areas, the depressed portions of truck tunnels or ramps serving the Developer Improvements (as hereinafter defined), the Hacienda Building, or the Stores, or emergency exit corridors or stairs as defined in Article 1.12.

1.5 COMMON AREA MAINTENANCE COST. The term "Common Area Maintenance Cost" refers to and means the total of all monies paid out by Operator for reasonable costs and expenses directly relating to the maintenance, repair, Operation (as hereinafter defined), payment of taxes and assessments on, and management of, the Common Area, as provided in Article 10,

but excluding (i) the assessments to be excluded pursuant to Article 22.6 of this REA, (ii) any Enclosed Mall Operation and Maintenance Expense (as hereinafter defined), (iii) wages or salaries paid to management or supervisory personnel, except field supervisors such as foremen, and (iv) any premium for any casualty insurance, including the fire and extended coverage insurance required by Article 12.1 of this REA, covering the Common Area or any other part of the Shopping Center. Common Area Maintenance Cost shall also include maintenance, replacement and reconstruction (except as hereinafter expressly provided) work as shall be required to preserve the utility of the Common Area in accordance with the provisions of Article 10.

Such costs shall further include, but not be limited to, all rental charges for equipment and cost of small tools and supplies; all acquisition costs of maintenance equipment, which costs, if in excess of \$6,000.00 (subject to adjustment as provided in Article 28 of this REA) for any single item of maintenance equipment, must have been approved by the Prime Parties; policing, security protection, traffic direction, control and regulation of Automobile Parking Area; all costs of cleaning and removal of rubbish, dirt and debris from the Common Area; the cost of landscape maintenance and supplies for Common Area including Perimeter Sidewalks; all charges for utilities services utilized in connection with Common Area together with all costs of maintaining lighting fixtures in the Automobile Parking Area; all premiums for public liability and property damage insurance required to be carried by Operator or Operator's Nominee (as hereinafter defined) under the provisions of Article 11, covering the Common Area, but excluding any premiums attributable to the Enclosed Mall; and all costs of any annual audit of Common Area Maintenance Cost conducted by an independent certified public accountant. Common Area

Maintenance Costs, however, shall not include any expenses resulting from any required management, cleaning, maintenance or repairs in connection with any fast-food, over-the-counter service in the Shopping Center. Furthermore, all rent paid for use of any office in the Shopping Center by any merchants' association or for use of any community room shall reduce in the year received Common Area Maintenance Cost by a sum equal to all such rent.

Operator shall make no capital improvement to or reconstruction of the Common Area without the prior approval of the Prime Parties; provided, however, there may be expended for replacement or reconstruction of capital improvements (excluding replacements or reconstruction made necessary by casualties described in Article 13.2) in any one Accounting Period an aggregate sum of not to exceed \$20,000.00 (subject to adjustment as provided in Article 28 of this REA) without prior approval. The salvage value of any capital item, which was included in Common Area Maintenance Cost, disposed of by Operator shall be credited against the Common Area Maintenance Cost. Depreciation and investment tax credits applicable to all capital expenditures shall be prorated to the extent permitted by law to Bullock's on the same basis as its Allocable Share. No capital expenditure shall be included in Common Area Maintenance Cost if the amortization of such capital expenditure has been or is to be included in Common Area Maintenance Cost.

Subject to the further limitations imposed with respect to capital improvements and reconstruction of Common Area and with respect to maintenance equipment, as set forth above, Common Area Maintenance Cost shall also exclude the cost and expense under and pursuant to any contracts or agreements respecting the operation, maintenance, insurance, or repairs of the Common Area involving a yearly expense exceeding \$10,000.00

(subject to adjustment as provided in Article 28 of this REA) not approved by the Prime Parties. Additionally, Common Area Maintenance Cost shall not include a single expenditure exceeding \$10,000.00 (subject to adjustment as provided in Article 28 of this REA) unless approved by the Prime Parties. For the purposes of this paragraph, a single expenditure shall be the aggregate spent in any 30-day period (or in a longer period, if the project or job could reasonably be performed within 30 days) on any agreements or contracts entered into by Operator for the purchase of labor, equipment or materials or any combination thereof to be used for what as a general business practice is considered to be one project or one job.

The cost incurred by Operator for office overhead, rent, bookkeeping, salaries of clerical and administrative personnel, personal property taxes on equipment or property not substantially exclusively used in connection with the maintenance or repair of the Common Area, accounting services, and other expenses for services not directly involved with maintenance and operation of the Common Area shall not be included in Common Area Maintenance Cost but instead, Common Area Maintenance Cost shall include an allowance to Operator for Operator's supervision of the Common Area equal to three percent of Common Area Maintenance Cost, for each Accounting Period, excluding the premium for any insurance, the cost of any expenditure for capital improvements, and any expenditure for real property taxes or assessments; provided that if all or any part of the activities or work involved in the Operation, maintenance and repair of the Common Area or its equipment is provided or performed on behalf of Operator by any other Person (as hereinafter defined) not affiliated with Operator and not by Operator, the amount paid by Operator to such other Person for such activities or work may be included in Common Area

Maintenance Cost (notwithstanding that any such amount may include such reasonable overhead and/or profit to such other Person, as the Prime Parties, as hereinafter defined, may from time to time agree in writing, or which shall be as a result of competitive bid or contract approved by the Prime Parties), but only to the extent that such amount so paid to such other Person shall be for items of cost and expense which would be included pursuant to this Article 1.5 with respect to such activities or work if performed by Operator with its own employees; Operator shall note on its statements of cost referred to in Article 10.6 hereof that such activities and work were not performed by Operator with its own employees. Furthermore, with respect to a single expenditure in excess of \$5,000.00 (subject to adjustment as provided in Article 28 of this REA), Operator shall receive its three percent management fee only on the first \$5,000.00 (subject to adjustment as provided in Article 28 of this REA) of such expenditure. For the purposes of this paragraph only, a single expenditure shall be the aggregate spent in any 30-day period (or in a longer period, if the project or job could reasonably be performed within 30 days) on any agreements or contracts entered into by Operator for the purchase of labor, equipment or materials or any combination thereof to be used for what as a general business practice is considered to be one project, one job or one category of expenditure. Nothing herein contained shall be deemed to limit Developer as to having any different or additional cost factors in any lease or other arrangement it may have with any Occupant.

1.6 COMMON BUILDING COMPONENT. The term "Common Building Component" refers to any single improvement or portion thereof, including, but not necessarily limited to, the Enclosed

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Mall structure, which is located partly on the Tract of one Party and partly on the Tract of another Party.

1.7 DEVELOPER IMPROVEMENTS. The term "Developer Improvements" refers to and includes Developer Mall Stores (as hereinafter defined), Developer Non-Mall Stores (as hereinafter defined), the Enclosed Mall, the Buffums Store and all other improvements situated upon the Developer Tract, including any replacements thereof.

1.8 DEVELOPER MALL STORES. The term "Developer Mall Stores" refers to the buildings located on the Developer Tract abutting the Enclosed Mall as the same may exist from time to time, including any replacements thereof, but excluding the Buffums Store.

1.9 DEVELOPER NON-MALL STORES. The term "Developer Non-Mall Stores" refers to the buildings located on the Developer Tract which do not abut on the Enclosed Mall as the same may exist from time to time, including any replacements thereof.

1.10 ENCLOSED MALL. The term "Enclosed Mall" refers to the portion or portions of the malls located in the Shopping Center which are constructed so that climatic control may be provided therein and/or which are actually enclosed by walls and ceiling, and which are designated as such on Exhibit B, as the same may exist from time to time, including any replacements thereof.

1.11 ENCLOSED MALL OPERATION AND MAINTENANCE EXPENSE. The term "Enclosed Mall Operation and Maintenance Expense" refers to the actual cost paid in connection with the Enclosed Mall and public facilities adjacent thereto for all maintenance, Operation and repair thereof, including but not limited to utility expenses for lighting, operation of air conditioning and heating equipment; premiums on public liability, property damage, fire and extended coverage, vandalism and plate glass

insurance for the Enclosed Mall improvements and equipment; all costs of policing, security protection, control and regulation of the Enclosed Mall; maintenance, repair and replacement of mechanical equipment, including automatic door openers, except automatic doors opening to the Stores, lighting fixtures (including replacement of tubes and bulbs), air conditioning and heating equipment, fire sprinkler systems; maintenance of landscaping and plants within the Enclosed Mall; repair, maintenance, sweeping and cleaning of the Enclosed Mall, including ceiling, roof, skylights, windows, floors and floor covering, artifacts, and all other items of expense which are incurred for the maintenance and operation of the Enclosed Mall, plus a reasonable allowance to the Operator for supervision, which allowance shall in no event be applied to wages or salaries paid to management or supervisory personnel, except field supervisors, such as foremen. Operator, may, however, cause any or all services to be provided by an independent contractor or contractors. Nothing herein contained shall be deemed to limit Developer as to having any different or additional cost factors in any lease or other arrangement which it may have with any Occupant. The Operator of the Enclosed Mall shall maintain accounting records in a manner that will reflect the Enclosed Mall Operation and Maintenance Expense separate from all other costs and expenses.

1.12 FLOOR AREA. The term "Floor Area" refers to the aggregate of:

1.12.1 The actual number of square feet of floor space in any building located on the Shopping Center Site exclusively appropriated for use by an Occupant, whether or not actually occupied, including basement space and subterranean areas, and balcony and mezzanine space (except as hereinafter

provided) within the exterior facade or exterior line of the exterior walls (including basement walls), except party and interior common walls as to which the center thereof instead of the exterior faces thereof shall be used, of all floors.

1.12.2 The term "Floor Area" shall not include the following:

1.12.2 (a) The upper levels of any multi-deck stock areas created for convenience to increase the usability of space for stock purposes;

1.12.2 (b) Areas which are used exclusively to house mechanical, electrical (including electrical equipment to operate point of sale equipment), telephone, HVAC and other such building operating equipment, including trash compacting and baling rooms, whether physically separated or whether otherwise required by building codes.

1.12.2 (c) Any Common Area (including employee parking) or any buildings used solely in connection with the maintenance of the Common Area;

1.12.2 (d) Any (i) Shopping Center management office, (ii) merchants' association office, (iii) public restroom opening directly onto the Enclosed Mall, (iv) community room or (v) room used exclusively by security personnel, provided that the sum of (i) through (v), inclusive, does not exceed an aggregate of 3,500 square feet;

1.12.2 (e) Emergency exit corridors or stairs between fire resistant walls required by building codes and not contained within any area exclusively appropriated for the use of any single Occupant;

1.12.2 (f) All truck loading areas, truck tunnels and truck parking, turn-around and dock areas and ramps and approaches to such truck loading areas, truck tunnels and truck parking, turn-around and dock areas;

1.12.2 (g) Perimeter Sidewalks.

1.12.2 (h) Balcony and mezzanine space located in the supermarket building and the drug store building located on Lots 3 and 5, respectively, as shown on Parcel Map number 12219 recorded in Book 122, at pages 33-35, inclusive, of Maps in the Office of County Recorder of Los Angeles County, California.

No deduction shall be made from Floor Area computed under the foregoing definition by reason of interior columns, stairs, escalators, elevators, dumbwaiters, conveyors or other interior construction or equipment within the building involved, except as provided in paragraphs 1.12.2 (b) and 1.12.2 (f) above.

After the completion of the Bullock's Store, the Buffums Store, the Developer Mall Stores, the Developer Non-Mall Stores, and the Hacienda Building, the Party causing such Store(s) or Building to be constructed shall, at its sole cost and expense, cause its architect to make a determination as to the number of square feet of Floor Area. Such determination shall be completed and furnished to each other Party not later than 120 days following the date on which each such Store(s) or Building is completed. In lieu of such determination by a Party's architect, any Party may elect to furnish to the other Parties a written certification of its Floor Area. Such certification by a Party shall be furnished within the time period above provided and shall be signed by an authorized officer or partner of such Party. Any dispute arising from such determination or certification shall be resolved by arbitration as provided for in Article 23. Notwithstanding anything to the contrary contained in this REA, during the period of any damage, destruction, razing, rebuilding, repairing, replacement or reconstruction to, on, or of any building in the Shopping Center, the Floor Area of such building shall be deemed to be

the same as the Floor Area of such building immediately prior to such period, and upon the completion of the rebuilding, repairing, replacement or reconstruction of such building, the architect of such Party shall make a new determination or such Party shall furnish a certification of Floor Area for such building as provided in the foregoing provisions of this Article 1.12.

1.13 INITIAL PLANNED FLOOR AREA. The term "Initial Planned Floor Area" refers to the Floor Area which each Party has designated as the amount of Floor Area it anticipates constructing on its Tract, as provided in Article 8.1 hereof.

1.14 MORTGAGEE AND MORTGAGE. The term "Mortgagee" refers to and shall include a mortgagee or beneficiary under any mortgage or deed of trust constituting a first lien, and to the extent applicable, and as hereinafter provided, shall include a fee owner of any Tract which is the subject of a lease under which any Party becomes a lessee in a sale and leaseback transaction, and the term "Mortgage" shall include any indenture of mortgage or deed of trust constituting a first lien, and to the extent applicable, a sale and leaseback transaction.

1.15 OCCUPANT. The term "Occupant" refers to any Person from time to time entitled to the use and occupancy of Floor Area in the Shopping Center under any lease, deed or other instrument or arrangement whereunder such Person has acquired rights with respect to the use and occupancy of any Floor Area; and Developer, as and so long as it Operates a business in any Floor Area.

1.16 ORIGINAL PARTNERSHIP. The term "Original Partnership" refers to the original Developer under this Lease if the original Developer meets the following requirements and any successor partnership which includes as general

partners either of the following: (1) Alexander Haagen, Sr., Charlotte Haagen, or Alexander Haagen, III or a partnership which includes, as a general partner, Alexander Haagen, Sr., Charlotte Haagen, or Alexander Haagen, III, or (2) Standard Oil Company of California, a Delaware corporation, or a subsidiary (or subsidiary of a subsidiary) of Standard Oil Company of California. As used above in this Article 1.16, to be a "subsidiary" 60% of the voting capital stock of such subsidiary must be owned by the parent corporation.

1.17 OPERATE, OPERATING, OPERATION, OPERATED. The terms "Operate", or "Operating", "Operation" or "Operated" (i) as respects Stores, refer to the respective Stores which are open to the general public for business during its business hours or shall be temporarily not so open for business by reason of any provision of Articles 15 or 16, or during any period of reconstruction of any Store pursuant to the provisions of Article 13, or by reason of such reasonable interruptions as may be incidental to the conduct of its business; and (ii) as respects the Enclosed Mall, said terms refer to the fact that the Enclosed Mall is open to the public during Bullock's business hours (and for reasonable periods before and after such business hours) and is properly maintained, heated, air-conditioned, lighted and ventilated, subject to Articles 15 and 16, and that all services necessary to maintain said Enclosed Mall as properly functioning, including without limitation all services contemplated by the definition of Enclosed Mall Operation and Maintenance Expense are being performed; and (iii) as respects the Common Area and Perimeter Sidewalks, other than the Enclosed Mall, means that the Common Area is available for the uses contemplated herein, subject

to Articles 15 and 16 and is being maintained in accordance with the requirements of Article 10 during Bullock's business hours and for reasonable periods before and after such business hours.

1.18 OPERATOR. The term "Operator" refers to the Person responsible for the maintenance of the Common Area, or any part thereof, under the provisions of Article 10, and unless otherwise specified includes "Operator's Nominee".

1.19 PARTY. The term "Party" refers to Hacienda, Bullock's and Developer, and any successor Person to Developer, Bullock's or Hacienda acquiring any interest in or to any portion of the Shopping Center except as is otherwise provided in Subparagraphs 1.19.1, 1.19.2, 1.19.3 and 1.19.4.

The exceptions to a successor becoming a Party by reason of any transfer or conveyance of the whole or any part of the interest of any Party in and to such Party's Tract are as follows:

1.19.1 While and so long as the transferring Party retains the entire possessory interest in the Tract or portion thereof so conveyed by the terms of a Mortgage, in which event the Party owning such possessory interest shall have the status of Party.

1.19.2 The transfer or conveyance is followed immediately by a leaseback of the same Tract or portion thereof by such Party, or an affiliate thereof (a sale and leaseback), in which event only the lessee thereof shall have the status of Party, so long as the lease in question has not expired or been terminated.

1.19.3 The transfer or conveyance is by way of lease other than as provided in Subparagraph 1.19.2 above.

1.19.4 The successor acquires by such transfer or conveyance:

1.19.4 (a) Less than all of the Party's Tract or if a Party has more than one Tract, less than all of the Party's Tracts; or

1.19.4 (b) An undivided interest, such as that of joint tenant, or tenant in common, in such Party's Tract or Tracts; or

1.19.4 (c) An undivided interest, legal or equitable, in the assets of any Party other than an individual, which interest is not also an interest in the Party's Tract or Tracts.

In the circumstances described in this Subparagraph 1.19.4, the Persons holding all of the interests in such Tract or Tracts are to be jointly considered a single Party. In order that other Parties shall not be required with respect to said Tract or Tracts to obtain the action or agreement of, or to proceed against, more than one Person in carrying out or enforcing the terms, covenants, provisions and conditions of this REA, then in the circumstances described in Subparagraph 1.19.4(a) above, the Persons holding the interest of the Party in and to not less than 70% of said Tract or Tracts in question, shall designate one of their number as such Party's Agent to act on behalf of all of such Persons, and in the circumstances described in Subparagraph 1.19.4(b) above, Persons holding not less than 70% in interest in such Party or the holders of undivided interests totaling not less than 70% of the entire estate in and to said Tract or Tracts in question, shall designate one of their number as such Party's Agent to act on behalf of all such Persons. If any Tract or Tracts is owned by Persons owning an undivided interest therein under any form of joint or common ownership, then in the determination of such 70% in interest, each such owner of such undivided interest shall be deemed to represent a percentage in interest of the

whole of such ownership equal to his fractional interest in such Tract or Tracts. In the circumstances described in Subparagraph 1.19.4(c), to wit: if any Tract or Tracts, or portion or portions thereof, is or are owned by any form of entity or entities and the interests of the persons owning such entity or entities are not interests in the Tract or Tracts or portion or portions thereof (for example, the interest of a beneficiary under a Trust), the person owning each such interest shall nevertheless be deemed to represent a percentage interest of the whole ownership of the Tract or Tracts, or portion or portions thereof, as the case may be, which percentage shall be equal to the fractional interest of such person in the entity or entities. The foregoing shall not apply to a corporate Party if the signatures of not more than two officers thereof to any document are sufficient to commit said Party to the terms of such document. In any of the circumstances described above, any interest owned by any Person who is a minor or is otherwise suffering under any legal disability shall be disregarded in the making of such designation unless there is at such time a duly appointed guardian or other legal representative fully empowered to act on behalf of such Person.

In the absence of such written designation, the acts of the Party whose interest is so divided or held in undivided interests (whether or not he retains any interest in the Tract or Tracts in question) shall be binding upon all Persons having an interest in said Tract or Tracts in question, until such time as written notice of such designation is given and recorded in the office of the County Recorder of the County and State in which said Tract or Tracts are located, and a copy thereof is served upon each of the other Parties, by registered or certified mail; provided, however, in the following instances all of the other Parties, acting jointly, or in the failure of

such joint action, any other Party at any time may make such designation of the Party's Agent:

1.19.4 (d) If at any time after any designation of a Party's Agent, in accordance with the provisions of this Subparagraph 1.19.4, there shall for any reason be no duly designated Party's Agent of whose appointment all other Parties have been notified as herein provided; or

1.19.4 (e) If a Party's Agent has not been so designated and such notice has not been given 30 days after any other Party shall become aware of any change in the ownership of any portion of the Shopping Center; or

1.19.4 (f) If the designation of such Party's Agent earlier than the expiration of such 30 day period shall be reasonably necessary to enable any other Party to comply with any of its obligations under this REA or to take any other action which may be necessary to carry out the purpose of this REA.

The exercise of any powers and rights of a Party under this REA by such Party's Agent shall be binding upon all Persons having an interest in any such Tract or Tracts owned by such Party. Such Party's Agent shall, so long as such designation remains in effect, be a Party hereunder and the remaining Persons owning such Tract or Tracts shall be deemed not to be Parties. The other Parties shall have the right to deal with and rely upon the acts or omissions of such Party's Agent in the performance of this REA; but such designation shall not relieve any Person from the obligations created by this REA.

Any Person designated a Party's Agent pursuant to the provisions of this Subparagraph 1.19.4 shall be the agent of his principals, upon whom service of any process, writ, summons, order or other mandate of any nature, of any court in

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any action, suit or proceeding arising out of this REA, or any demand for arbitration may be made, and service upon such Party's Agent shall constitute due and proper service of any such matter upon his principal. Until a successor Party's Agent has been appointed and notice of such appointment has been given pursuant to the provisions of this Subparagraph 1.19.4, the designation of a Party's Agent shall remain irrevocable.

Upon any transfer, conveyance or reversion of title or interest which transfer, conveyance or reversion of title or interest would create a new Party, pursuant to the terms hereof, then the powers, rights and interest herein conferred upon such new Party with respect to the Tract so transferred, conveyed, or reverted, shall be deemed assigned, transferred, conveyed, or reverted to such transferee, grantee, or the holder of the reversionary title or interest, and the obligations herein conferred upon such new Party shall be deemed assumed by such transferee, grantee, or the holder of the reversionary title or interest, with respect to the Tract so acquired as respects all such obligations to be performed from and after the date of such assignment, transfer or conveyance and any matters disclosed by the estoppel certificate referred to in Article 30.5 hereof.

1.20 PRIME PARTIES. The Party with respect to the Bullock's Tract shall also be referred to as a Prime Party, and the Party with respect to the Developer Tract shall also be referred to as a Prime Party. (Those two Parties are herein-after collectively referred to as the "Prime Parties").

1.21 PERIMETER SIDEWALKS. The term "Perimeter Sidewalks" refers to those areas adjacent to the Stores or the Hacienda Building, as the case may be, between exterior building faces and curb faces, including sidewalks, curbs and all other

improvements adjacent to the buildings of the Parties, which shall be designed and constructed as provided in Article 6.4.

1.22 PERMITEES. The term "Permittees" refers to Developer and all Occupants and their respective officers, directors, employees, agents, contractors, customers, visitors, invitees, licensees, subtenants and concessionaires.

1.23 PERSON. The word "Person" refers to and shall include individuals, partnerships, firms, associations and corporations, or any other form of business or government entity, and the use of the singular shall include the plural.

1.24 PROJECT ARCHITECT. The term "Project Architect" refers to Maxwell Starkman AIA and Associates or such other architect or architects duly licensed to practice in the State of California, as may from time to time be designated by the Prime Parties.

1.25 SHOPPING CENTER PHASE 1 AND PHASE 2. The term "Shopping Center Phase 1" refers to that portion of the Shopping Center designated as Phase 1 on Exhibit B and the term "Shopping Center Phase 2" refers to that portion of the Shopping Center designated as Phase 2 on Exhibit B.

1.26 STORE OR STORES. The term "Store" or "Stores" refers to the building(s), respectively, housing the Bullock's Store and/or the Buffums Store and/or the Developer Mall Stores and/or the Developer Non-Mall Stores, as the context may appropriately require.

1.27 TERMINATION DATE. The term "Termination Date" refers to the date on which this REA shall terminate, pursuant to the terms and provisions of this REA.

1.28 DEVELOPER, BULLOCK'S, AND HACIENDA. The terms "Developer", "Bullock's", and "Hacienda", respectively, refer to such Parties and their respective successors and assigns, and as used in this REA, shall, so far as the terms, covenants,

provisions and conditions of this REA to be kept, performed, observed and enforced by Developer, Bullock's, and Hacienda are concerned, refer only to the Person who at the time in question is the Party with respect to the Developer Tract, the Bullock's Tract, or the Hacienda Tract, as the case may be appropriate, it being agreed and understood that such terms, covenants and conditions shall be binding upon and enforceable by Developer, Bullock's, and Hacienda only during and in respect of the respective time periods in which each respectively is a Party. Notwithstanding the foregoing, it is expressly understood and agreed that the requirements to construct improvements pursuant to Articles 5, 6 and 7 and to open Floor Area as provided in Articles 7 and 8 shall be and remain the respective personal covenants of the signatories, (which term as used herein shall be deemed to include a Person (approved by the Parties) obligated to cause the covenants of a Party hereunder to be performed) and no such signatories shall be released from such obligation upon or by any transfer by the signatory of its interest in its Tract (such requirements shall additionally be deemed to be covenants running with the land as well as the personal covenants of each such Party, and any transferee of such Party shall by acquiring a possessory interest in the Shopping Center to the extent of such interest be responsible along with such Party for the performance of such covenants).

The covenant to Operate pursuant to Article 21 is and shall remain a personal covenant of Bullock's, and Bullock's shall not, except as hereinafter provided, be released from any obligation under such covenant upon or by any transfer by the signatory of its interest in its respective Tract. Anything in this Article 1.28 to the contrary notwithstanding, it is expressly understood and agreed that the term "Bullock's", for the purposes solely of Articles 5, 6, 7 and 21, shall mean

Federated Department Stores, Inc., a Delaware corporation, or any other corporation which may succeed to Federated Department Stores, Inc's., Bullock's division's business in the State of California, or any corporation which may, as the result of reorganization, merger, consolidation or sale of stock or assets, succeed to such business. Bullock's shall be released from all further obligations under this REA if it sells or leases its Tract to a Person which acquired all or substantially all of the assets of such Bullock's division in California and which, by written instrument in recordable form, expressly assumes all of Bullock's obligations hereunder.

1.29 TRACT OR TRACTS. The term "Tract" or "Tracts" refers to the Developer Tract, and/or the Bullock's Tract, and/or the Hacienda Tract, as the context may require.

ARTICLE 2

EASEMENTS

2.1 NONEXCLUSIVE EASEMENTS FOR AUTOMOBILE PARKING AND INCIDENTAL USES. Each Party hereby grants to each of the other Parties, for their respective use, and for the use of their respective Permittees, in common with all others entitled to use the same, nonexclusive easements over the Common Area of its respective Tract, for the passage and accommodation of pedestrians and vehicles, on such portions of such Common Area as are set aside, maintained and authorized for such use pursuant to this REA, and for the doing of such other things as are authorized or required to be done on said Common Area pursuant to this REA on such portions of the Common Area set aside pursuant to this REA for the doing of such other things. Each such Party further reserves to itself the right to grant such easements over the Common Area of its respective Tract, for the purposes hereinabove enumerated, to such other Persons as may from time to time be entitled thereto.

Each Party hereby reserves the right to eject or cause the ejection from the Common Area of its Tract of any Person or Persons not authorized, empowered or privileged to use the Common Area of such Tract. Notwithstanding the foregoing, each Party reserves the right to close off the Common Area of its Tract for such reasonable period or periods of time as may be legally necessary to prevent the acquisition of prescriptive rights by anyone; provided, however, that prior to closing off any portion of the Common Area, as herein provided, such Party shall give written notice to each other Party of its intention so to do, and shall coordinate such closing with all other Parties so that no unreasonable interference with the Operation of the Shopping Center shall occur. Notwithstanding the reservation herein provided for, and the right to grant easements,

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it is expressly understood and agreed that such reservation and the right to grant easements is limited to nonexclusive use of the surface. No Floor Area shall be erected and constructed within any portion of the Common Area of any Tract except as shall have been approved by the Prime Parties.

2.2 UTILITIES

2.2.1 Separate Utility Lines. Bullock's, Developer, and Hacienda each hereby grant to all of the Parties, respectively, nonexclusive easements in, to, over, under and across the Common Area of its respective Tract for the installation, operation, flow and passage, use, maintenance, repair, relocation and removal of sanitary sewers, storm drains, water and gas mains, electrical power lines, telephone lines and other utility lines, all of such sewers, drains, mains and lines to be underground, serving the respective Tracts of each of the Parties.

2.2.2 Common Utilities Lines. Bullock's Developer, and Hacienda each hereby grants to all of the Parties, respectively, nonexclusive easements in, to, over, under and across the Common Area of its respective Tract for the installation, operation, flow and passage, use, maintenance, repair, relocation and removal of sanitary sewers, storm drains, water and gas mains, electrical power lines, cable T.V., telephone lines and other utility lines, all of such sewers, drains, mains and lines to be underground, for the service of Common Area and for use in common with other Parties. Each such granting Party further reserves to itself the right to grant such easements in, to, over, under and across its respective Tract, for the purposes hereinabove enumerated, to such other Persons as may from time to time be entitled thereto.

2.2.3 Location of Easements. The location of all easements of the character described in this Article 2.2

shall be subject to the prior written approval of the Party in, to, over and under whose Tract the same is to be located. Upon completion of construction of such utility facilities the Parties shall join in the execution of an Agreement, in recordable form, appropriately identifying the type and location of such respective utility facilities.

2.3 CONSTRUCTION EASEMENTS. Each Party with respect to its Tract hereby grants to all other Parties nonexclusive easements in, to, over, under and across the Common Area of each such respective Tract for the purpose of the development and construction thereof, pursuant to the provisions of Articles 5, 6, and 7 of this REA, and for the construction, reconstruction, erection and removal and maintenance on, to, over, under and across each such respective Tract of Common Building Components and to a maximum lateral distance of six feet in respect of footings, foundations, supports and walls, and 14 feet in respect of canopies, flag poles, roof and building overhangs, awnings, alarm bells, signs, lights and lighting devices and other similar appurtenances to the building, or beneath the surface of such Common Area for electrical or similar vaults to a maximum lateral distance of 14 feet into such Tract of any Party, as the case may be, the location of which shall be subject to the approval of the Party whose Tract is burdened by such easements, or pursuant to any other written agreement hereafter executed between such Parties. Each Party covenants and agrees, respectively, that its exercise of such easements shall not result in damage or injury to the buildings or other improvements of any other Party, and shall not interfere with the business operation conducted by any other Party in the Shopping Center. The exercise of the rights referred to in this Article 2.3 shall be in conformity with the Article 3 of this REA. Upon completion of the construction elements referred

to above, the Parties shall join in the execution of an agreement, in recordable form, appropriately identifying the nature and location of each such construction element.

2.4 DOMINANT AND SERVIENT ESTATES. Each easement granted pursuant to the provisions hereof is expressly for the benefit of the Tract of the grantee, and the Tract so benefited shall be the dominant estate and the Tract upon which such easement is located shall be the servient estate, but where only a portion thereof is bound and burdened, or benefited by a particular easement, only that portion so bound and burdened, or benefited, as the case may be, shall be deemed to be the servient or dominant tenement, as the case may be. Any easement granted pursuant to the provisions of this Article 2 may be abandoned or terminated by execution of an agreement so abandoning or terminating the same, by the owners of the dominant and servient estates.

2.5 PROHIBITION AGAINST GRANTING EASEMENTS. No Party shall grant an easement or easements of the type set forth in this Article 2 for the benefit of any property not within the Shopping Center without the prior written approval of each other Party.

ARTICLE 3

EXERCISE OF EASEMENTS

3.1 PROVISIONS GOVERNING EXERCISE OF EASEMENTS.

The exercise of the easements granted pursuant to Article 2 hereof shall be subject to the following provisions:

3.1.1 MAINTENANCE. The grantee of any of the utility easements referred to in Article 2.2.1 shall be responsible as between the grantor and the grantee thereof for the installation, maintenance and repair of all sanitary sewers, storm drains, pipes and conduits, mains and lines and related equipment installed pursuant to such grant. Any such maintenance and repair shall be performed only after two weeks notice to the grantor of the grantee's intention to do such work, except in the case of emergency, and any such work shall be done without cost or expense to the grantor, and in such manner as to cause as little disturbance in the use of the Common Area as may be practicable under the circumstances. The grantee performing such work shall promptly repair all damage to any improvement caused by such repairs or maintenance.

3.1.2 RELOCATION OF EASEMENTS. At any time the grantor of any of the utility easements granted pursuant to said Article 2.2.1 and 2.2.2 shall have the right to relocate on the land of the grantor any such sewers, drains, mains and lines and related equipment then located on the land of the grantor provided that such relocation shall be performed only after 30 days notice of the grantor's intention to so relocate shall be given to the grantee, and such relocation: (i) shall not interfere with or diminish the utility services to the grantee; (ii) shall not reduce or unreasonably impair the usefulness or function of such utility; and (iii) shall be performed without cost or expense to grantee. Notwithstanding such relocation, maintenance shall be the obligation of the

grantee; provided that if there shall be any material increase in such cost, the grantor shall bear such excess.

3.1.3 TERMINATION OF EASEMENTS. The easements granted by Article 2.1 hereof shall terminate and expire on the Termination Date.

3.1.4 PERPETUAL EASEMENTS. The easements granted by Article 2.2 hereof shall be perpetual provided, however, if after the Termination Date any such easement is not used by the grantee for two consecutive years then at the option of the grantor such easement shall terminate and expire.

3.1.5 DURATION OF EASEMENTS. The easements granted by Article 2.3 shall remain in existence so long as the respective Store(s) or Building, as the case may be, of the grantee and, as to the Developer, the Enclosed Mall, shall be in existence in the Shopping Center (including any reconstruction pursuant to Article 13), except to the extent that the same physically relate to the buildings and improvements (other than Common Building Components) of the grantor of any such easements, in which event such easements shall remain in existence only so long as the respective Store(s) or Building, as the case may be, and, as to the Developer, the Enclosed Mall, of both the grantor and the grantee of such easements shall be in existence in the Shopping Center.

3.1.6 INTERRUPTION IN SERVICE. Interruption in service of any such easements shall be permitted as a result of any cause or event referred to in Article 15 hereof.

3.2 FOUNDATIONS. Each of the Prime Parties agrees that in the event a Store on its Tract, or the Enclosed Mall, as relates to the Developer, shall be removed or destroyed, at such time as such Party is not required and does not elect to restore the same pursuant to the provisions of this REA, it

will leave in place any foundations not destroyed, which immediately prior to such removal or destruction were shared jointly between such Store and any other Store, or the Enclosed Mall, as the case may be, for so long as such other Store, or Enclosed Mall, as the case may be, stands. Nothing contained in this Article is or shall be determined to impose upon any Party hereto any obligation to reconstruct all or any part of any Store, or the Enclosed Mall, beyond such reconstruction provisions as are otherwise contained in this REA.

3.3 EXPENSES OF RELOCATON. Any relocation of any easement shall be made at the expense of the Party or Parties requesting such relocation.

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ARTICLE 4

IMPROVEMENT PLANS

4.1 SCOPE OF PLANS. The Project Architect shall prepare the improvement plans and specifications (hereinafter "improvement plans"), including the general architectural concept of the Shopping Center, for the integrated development of the Common Area. The Prime Parties shall be consulted frequently during the course of the preparation of such improvement plans, and if any Prime Party has a preference as to a particular type of installation, it shall furnish to the Project Architect detailed drawings of such installation or portion thereof for incorporation in the improvement plans. From time to time during the course of the preparation of such plans, the Project Architect shall cause progressive working drawings of such plans to be submitted to the Prime Parties in reproducible form (in sepias or reproducible transparencies) for review and recommendation. Each document submitted for review pursuant to this Article 4 shall contain a cover page prominently listing the date mailed, the required return date and a statement to the effect that the document will be deemed approved by the recipient unless said recipient makes objection thereto within the time specified in this Article 4. Failure to respond within such time shall be deemed to constitute approval. Copies of any response shall be sent to each other Prime Party.

Such improvement plans shall include:

4.1.1 SCHEMATIC IMPROVEMENT PLANS. Schematic improvement plans which shall, no later than 30 days following the date of this REA, be submitted by the Project Architect to the Prime Parties for their review and approval. Such schematic improvement plans shall include elevations, materials to be

used, perspective renderings reflecting design concepts, layout of parking and other Common Area improvements.

4.1.2 PRELIMINARY IMPROVEMENT PLANS. Preliminary improvement plans which shall, no later than 30 days after approval of the schematic improvement plans, be submitted to the Prime Parties by the Project Architect for their review and approval. Such preliminary improvement plans shall be developed from Exhibit B and the approved schematic improvement plans and shall conform to said schematic improvement plans and to the requirements of this REA and shall include, without limitation:

4.1.2 (a) All access roadways, exterior boundary walls or fences, project signs, curbs, curb cuts, entrance driveways, interior roadways, Automobile Parking Area and utility loop systems and lines to serve common improvements and such Floor Area as each Party may designate as to the buildings on its Tract, sanitary sewer lines, storm drains and other drainage lines or systems, including extensions thereof, situated outside the Shopping Center to connect to established public utility systems, and fire hydrants, lighting facilities and other similar facilities for common use.

4.1.2 (b) The location of all facilities for common use where the fixing of such location is reasonably possible, and if precise location cannot be shown, specifications for such locations shall be set forth.

4.1.2 (c) A comprehensive rough grading plan for the entire Shopping Center, including the size and dimensions of all facilities for common use; storm drains, including area drains, surface drainage installations and taps for building connections, and sanitary sewers for common use, including taps for building connections.

4.1.2 (d) A composite parking layout for the entire Shopping Center, including paving, striping, bumpers, curbs, location of lighting standards and lighting systems, designating areas which may be separately illuminated from time to time at the request of any Prime Party.

4.1.2 (e) A composite landscaping plan as prepared by a landscape architect specifying over-all plant materials and planting, together with illustrations of all such plantings.

4.1.2 (f) The conditions, standards and architectural treatment under which such improvements shall be located, constructed or installed. Such conditions, standards or architectural treatment shall not be less than the minimum requirements of the City of Manhattan Beach, and other governmental agencies having jurisdiction of the performance of the work in the Shopping Center, and shall provide that sewers, drainage, utility lines and conduits shall not be constructed or maintained above the ground level of the Common Area.

4.1.2 (g) The improvement plans shall not include any Floor Area but shall designate the general location of all Floor Area and other areas not included within the definition of "Floor Area" or "Common Area".

4.1.2 (h) Improvement of adjacent streets, including traffic signalization, as required by governmental agencies and other off-site improvements.

4.1.2 (i) Design and working drawings for storm drains and area drains, including extensions thereof off the Shopping Center Site, sanitary sewers, water, telephone, gas, electric power and other utility lines, conduits and systems, including taps for commercial connections to points designated by each respective Party, not closer than five feet from the building face, which may be prepared by the utility companies

responsible for such installations or the Project Architect or other architects or engineers, and shall be subject to the approval in writing by Prime Parties. All water line systems shall be of such size and standards to meet the necessary fire protective requirements of various fire underwriters, as hereinafter provided.

4.1.2 (j) The location and extent of Perimeter Sidewalks. The Perimeter Sidewalks shall be designed and constructed in accordance with Article 6.4 hereof.

If a Prime Party does not specify any objection or make a proposal that would add to or change the preliminary improvement plans to the Project Architect, with a copy to the other Prime Party, within 30 days from such date of submission, such plans shall be deemed to be satisfactory for further development. If there is such objection or proposal from a Prime Party, the Project Architect shall call a meeting of the Prime Parties to be held within 45 days from such date of submission to resolve and adjust any objection or proposal with reference to such improvement plans. All objections or proposals shall be considered at such meeting with a view to developing such improvement plans in their final form at such meeting. If at such meeting the Prime Parties are unable to agree, all matters of disagreement shall be resolved by the arbitration procedures of Article 23.

4.1.3 FINAL IMPROVEMENT PLANS. Within 60 days from the date of approval of the preliminary improvement plans, the Project Architect shall submit final improvement plans to the Prime Parties for review and approval; such final improvement plans shall be developed from the approved preliminary improvement plans.

If a Prime Party does not specify any objection or make a proposal that would add to or change the final

improvement plans to the Project Architect, with a copy to the other Prime Party, within 30 days from such date of submission, such plans shall be deemed approved. If there is such objection or proposal from any Prime Party, the Project Architect shall call a meeting of the Prime Parties to be held within 45 days from such date of submission, to resolve and adjust any objection or proposal with reference to such final improvement plans. All objections or proposals shall be considered at such meeting with a view to developing the final improvement plans in their final form at such meeting. If at such meeting the Prime Parties are unable to agree unanimously, all matters of disagreement shall be resolved by the arbitration procedures of Article 23. To the extent possible, all work shall continue during any period of arbitration.

4.2 ADDITIONAL IMPROVEMENT PLANS. Additional improvement plans may be developed by the Project Architect for the future development of the Common Area or may be developed by others and submitted to the Project Architect for approval. Upon such preparation or approval by the Project Architect, as the case may be, such plans shall be submitted to the Prime Parties for their approval.

To provide continuity and harmonious architectural treatment in the development or approval of such plans, prior approved improvement plans shall be followed as a guide in any such additional plans and in the establishment of conditions, standards, and architectural treatment under which unimproved areas shall be improved or additional improvements shall be made.

4.3 CHANGES IN PLANS. Changes may be made in approved final improvement plans only by the agreement in writing of the Prime Parties. The Party or Parties requesting any such

changes shall pay any additional costs incurred in connection with such changes.

4.4 APPROVAL AND DELIVERY OF PLANS. All improvement plans shall be stamped "approved", dated, and certified by the Project Architect and maintained by it in a safe and convenient place. In the event of designation of another Project Architect, all improvement plans and other records relating thereto shall be delivered to the new Project Architect at the time of such designation.

4.5 GENERAL DESIGN DATA. In the preparation of all improvement plans provided for in Article 4.1, and any further plans for future development or changes in the Common Area, the following general design data, without limitation, shall be followed, at a minimum, unless governmental specifications for such work establish higher standards:

4.5.1 Sewer and other utility lines, conduits or systems shall not be constructed or maintained above the ground level of the Shopping Center Site unless such installations are within enclosed structures and conform with requirements of the City of Manhattan Beach, and other applicable governmental or private agencies having jurisdiction of the work, and are approved by the Prime Parties.

4.5.2 Street improvements shown on Exhibit B respecting future and existing streets and roads adjacent to the Shopping Center shall be made in accordance with the requirements of the City of Manhattan Beach, and other governmental agencies having jurisdiction of the same.

4.5.3 Lighting for Automobile Parking Area shall be provided by fixtures of such type as the Prime Parties shall approve, with area controls on a seven-day program, sufficient to produce a minimum maintained intensity of .75 foot candle of lighting measured at grade at all points, or such other minimum

foot candle of lighting at any point in the Automobile Parking Area as may be approved by the Prime Parties. The lighting system shall be designed so that it can be illuminated at 25% of full intensity, uniformly distributed throughout the Automobile Parking Area, during hours of darkness that the Shopping Center is not open for business.

4.5.4 The slope in Automobile Parking Area (which shall not be interrupted with retaining walls or embankments forming a break in grade, except as shown on the approved improvement plans) shall not exceed a maximum of 3.7 percent nor be less than a minimum of one-half of one percent unless otherwise shown on the approved improvement plans.

4.5.5 All sidewalks, unenclosed malls and pedestrian aisles shall be of materials approved by the Prime Parties, and the surface of the Automobile Parking Area and access roads shall be paved with a material approved by the Prime Parties.

4.5.6 The surface of that portion of the Enclosed Mall devoted to pedestrian traffic shall be installed in a continuous plane without steps, unless otherwise shown on the approved improvement plans. The maximum slope in such surface shall not exceed one-half of one percent, unless otherwise shown on the approved improvement plans.

4.5.7 All fire protective systems shall be installed in accordance with the requirements of local authorities having jurisdiction over such installation, and any additional requirements of any qualified, independent inspection firm representing any Party with respect to its improvements; for example, Insurance Services Office of California, Industrial Risk Insurers, or Factory Mutual Engineering Association.

4.5.8 The heating, ventilating and cooling system of the Enclosed Mall shall be constructed so as to

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operate and be capable of maintaining an inside dry bulb temperature of 70°F., with outside dry bulb temperature of 32°F. for heating, and the cooling system shall be capable of maintaining 78°F. dry bulb and 50% humidity inside conditions with outside conditions of 85°F. dry bulb and 69°F. wet bulb. The entire system shall be automatically controlled and there shall be 0-0 pressure at all Store entrances on the Enclosed Mall.

4.5.9 The quality of (i) the construction, (ii) the construction components, (iii) the decorative elements (including landscaping and irrigation systems for the landscaping) and (iv) the furnishing and the general architectural character and general design (including, but not by way of limitation, landscaping and decorative elements), the material selection, the decor and the treatment values, approaches and standards of the interior of the Enclosed Mall shall be comparable, at minimum, to the qualities, values, approaches and standards (as of the date hereof) of the Enclosed Mall at Thousand Oaks Mall (the Oaks), City of Thousand Oaks, California.

4.5.10 The finished surface of the Enclosed Mall shall be established at the same elevation as the corresponding floor of each adjoining Store at all points adjoining such Store unless otherwise shown on the approved improvement plans.

4.6 ENCLOSED MALL. The Project Architect shall send to each Prime Party general design plans for the Enclosed Mall which shall be subject to the approval of each Prime Party.

Notwithstanding anything contained in this Article 4, Bullock's shall have the right of approval (which approval may be granted or withheld in the sole and absolute judgment of Bullock's) of the design of its Court, as shown as cross-hatched on Exhibit B, including column locations, decor, layout, decorative elements, floor elevations, floor to

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ceiling heights, lighting, wiring, etc., and the furnishings of such portions of the Enclosed Mall. Notwithstanding the right of Bullock's to approve or disapprove, in its sole and absolute judgment, as hereinabove provided, no disapproval may be predicated on a requirement of Bullock's which would materially alter the previously approved (as provided in this Article 4 and in Article 5) general design concept of the Enclosed Mall.

4.7 CONSTRUCTION COMPATIBILITY. The locations, number of levels, height, and exterior configuration of all buildings and structures to be constructed by each of the Parties on its respective Tract shall, if not indicated thereon or different from Exhibit B or if greater than Exhibit C, be subject to the prior approval of each of the Prime Parties. Developer, Bullock's and Hacienda agree to consult with the Prime Parties concerning the design, color treatment and exterior materials to be used in the construction and reconstruction of all buildings and structures on its respective Tract and to consider the views of the Prime Parties with respect thereto prior to selecting the specific materials and colors for its improvements. The general interior construction of, the elevation of, and the architectural treatment of, the Enclosed Mall, excluding store fronts of Developer Mall Stores, except as provided in Paragraph 4.6 above, shall be subject to the prior approval of each of Prime Parties. Each Prime Party shall be furnished schematic drawings and preliminary and final improvement plans developed from the general design plans referred to in Paragraph 4.6 above for the Enclosed Mall. The design standards for the on-site improvements, including schematic parking layout, landscaped areas and driveways, shall be uniform for all Parties' Tracts so far as the same are to be constructed at or about ground level.

4.8 EXERCISE OF APPROVAL RIGHTS. No Party shall, in exercising its right of approval over common improvement plans and specifications, make any unreasonable request, or any request whatever which would unreasonably increase the charges or cost of the work to be performed. The reasonableness of any such request shall, if disputed by any Party, be determined by arbitration as provided in Article 23 hereof.

4.9 ENTRY INTO ENCLOSED MALL. The Bullock's Store and the Buffums Store each shall have an entry into the Enclosed Mall.

ARTICLE 5

CONSTRUCTION OF IMPROVEMENTS BY DEVELOPER

5.1 TIME OF CONSTRUCTION. Subject to any delays applicable under the provisions of Article 15 hereof, Developer agrees, on a date as soon as reasonably possible after approval of plans and specifications, to commence construction of the Developer Improvements, exclusive of Developer Non-Mall Stores, and thereafter diligently proceed to completion. Developer shall be deemed to have commenced the construction referred to in the preceding sentence upon the date that Developer shall have let a firm contract for the construction of all such Developer Improvements and shall have commenced the construction of the foundations of such Developer Improvements. Developer agrees to complete such Developer Improvements exclusive of the Buffums Store, to the extent hereinafter provided for, on or before a date 30 days prior to the date when Bullock's shall open for business provided that such obligation shall be subject to the provisions of Article 15 hereof.

5.2 MANNER OF CONSTRUCTION. All work of construction of the Developer Improvements shall be made in accordance with the final, approved Developer improvement plans.

5.3 TIME FOR COMPLETION OF DEVELOPER MALL STORES. On or before the date specified in Article 5.1 hereof, Developer will complete the Developer Mall Stores at least as to all exterior walls and roofs, and the Enclosed Mall, and any temporary closures which may be required, which shall be installed by Developer prior to the opening of the Bullock's Store.

5.4 ENCLOSED MALL CONSTRUCTION. The Enclosed Mall shall be constructed by Developer at its sole cost and expense in accordance with plans and specifications prepared by Developer and approved by Bullock's, including the plans for attachment

to the Bullock's Store. In the development of the plans for attachment to the Bullock's Store, the architect designing the Enclosed Mall shall consider the facade of the building to which the attachment is to be made, the sheathing of any Mall columns adjacent to any such building facade, signing requirements of Bullock's at its Store entrance into the Enclosed Mall, the insurance requirements of Bullock's so as to maintain the quality of its usual fire and extended coverage insurance without increased premium, building code requirements, increased or decreased costs of construction of the structure to which attachment is to be made, and the fact that there shall be no seismic loading imposed upon the Bullock's Store. The Enclosed Mall shall provide for sprinkler protection (but not a deluge system) such as a fire protection water curtain, if required by building code requirements or by insurance underwriters, within the ceiling plane and at all windows and doors of the Bullock's Store, and shall include any smoke vents for the Bullock's Store required by code or the foregoing insurance requirements which Bullock's may elect to have located in the Enclosed Mall rather than in its Store; provided, however, if such smoke vents are required for any reason other than the attachment of such Store to the Enclosed Mall, Bullock's shall reimburse to Developer the costs of installing such smoke vents. Bullock's shall have the right to approve, in its sole and absolute judgment, such plans and specifications, and in such determination, each of the requirements set forth above shall be relevant circumstances. In the event plans for such attachment are submitted and approved by Bullock's in sufficient time to enable it to construct its Store so as to receive such attachment, Bullock's shall so construct its Store. In the event the plans are not submitted in sufficient time, but are thereafter approved, then and in that event

the expense of any change in preparing the Store plans and any additional cost in constructing such Store, or any change or modification therein shall be borne by Developer. Developer's submission and Bullock's approval in compliance with Article 4.1 shall be deemed to be submission and approval within sufficient time.

The Prime Parties further recognize that the air conditioning and heating specifications of their respective buildings and the Enclosed Mall are critical and that the same shall be so designed, constructed, operated and maintained so as not to unduly drain conditioned air from, nor unduly discharge or return air into, the Enclosed Mall or Stores, as the case may be, and Developer agrees that Occupants of the Developer Mall Stores shall be similarly required not to unduly drain conditioned air from, or unduly discharge residue or return air into, the Enclosed Mall.

If Bullock's constructs its Store so that it is necessary for Developer to build the Enclosed Mall structure over the property line of the Bullock's Tract (other than attachment in the immediate proximity of the Tract Line), any additional cost incurred by Developer by reason of so extending said Enclosed Mall shall be reimbursed to Developer by Bullock's.

5.5 DEVELOPMENT PERMIT. Developer covenants and agrees, subject to the provisions of Article 15, and subject to the other provisions of this Article 5, to perform or cause the performance of all conditions contained in Resolution No. 3685 of the City Council of the City of Manhattan Beach (collectively the "Development Permit"). The Development Permit is incorporated herein by this reference.

ARTICLE 6

CONSTRUCTION OF COMMON AREA

6.1 WORK CONTRACTS. Upon approval of the improvement plans provided for in Article 4.1, and subject to the provisions of Article 15, Developer shall enter into written contracts for all on and off-site work required to construct the "common improvement work" (as defined in Article 6.3), excluding the Enclosed Mall provided for in Article 5, and provided for in said improvement plans. Unless a different procedure shall have been agreed upon by the Prime Parties, prior to the letting of any such contracts, not less than six competitive bids for each item of common improvement work shall be obtained from a list of qualified contractors, prepared by the Project Architect and approved by the Prime Parties.

The bid documents and contract or contracts under which such common improvement work is to be performed shall be subject to the approval of Bullock's. Such contract or contracts shall include provisions requiring a bond of each contractor (subject to waiver thereof by the Prime Parties), covering performance, completion and labor and material payment with respect to that portion of the common improvement work to be performed by each contractor, naming the contractor as principal and the Developer as obligee, in the form, and with the corporate surety or sureties approved by the Prime Parties, which bond will cover the full amount of the contract price, and all of which bonds shall aggregate 100% of the amount of the construction contract price for the common improvement work. If as a result of change orders, the construction contract price shall increase \$10,000.00 or more, then and in such event, and in the event of any such other incremental increase by reason of change orders aggregating \$10,000.00 or more of the construction contract price, the amount of

the bond hereinabove referred to shall be increased in like increments of \$10,000.00 or more. Prior to the commencement of any work on the common improvement work or any other work jointly under a contract for such improvement, Developer shall file the contract for such work and record the bond, if any, covering the same, pursuant to Sections 3124, 3235, and 3236 of the Civil Code of the State of California.

In the event during the course of construction there shall be any change in the plans and specifications for such construction, other than changes required by preexisting conditions, or errors and omissions of the Project Architect, the estimated cost of such change shall be submitted to the Party requesting such change and, if such change is approved in writing by such Party, the cost of such change shall be paid by the Party requesting such change. In the event there shall be any deletion from the plans and specifications or changes which shall result in a decrease in cost, such decrease shall be reflected in the amount to be paid to the contractor under such contract.

In the event any Party shall fail to reject such change in writing, within 30 days from the date of submission of such change, subject to the requirements of Article 30.6, such change shall be deemed to have been approved by such Party.

During the course of construction, statements of expenditure shall be submitted not more frequently than once each month by the contractor, or contractors, for approval to the Project Architect. The Project Architect shall certify its approval of such statements, including the percentage of work performed under the contract or contracts, to the Prime Parties. Upon approval of such statements of expenditure by the Prime Parties, the Developer shall immediately pay the amount thereof

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to the contractor performing such work, and Bullock's shall thereafter reimburse Developer in accordance with this REA and the Unrecorded Agreement. Developer may withhold payment of any item contained in such statement of expenditure which is disapproved or questioned as to the amount by Bullock's or Developer, but shall pay for the balance of such statement of expenditure. Any disapproval shall be made in writing by the Party so disapproving, and a copy of such disapproval shall be furnished to the Project Architect, the contractor, and the other Prime Party, within 30 days following the receipt of the certified statement of the Project Architect. Any dispute regarding such payment which has been withheld shall be submitted to arbitration in accordance with Article 23 hereof.

6.2 OMITTED.

6.3 COMMON IMPROVEMENT WORK. The common improvement work shall consist of the following items of work as approved by the Prime Parties:

6.3.1 PRELIMINARY DEVELOPMENT OF SITE. Preliminary development of the Shopping Center Site, including, but not limited to, the following:

6.3.1 (a) Preliminary and master planning.

6.3.1 (b) Preparation of flood control reports, traffic studies and environmental impact reports or studies as may be required by applicable Federal, State, and local law.

6.3.1 (c) Design, planning and construction of off-site and/or on-site storm drains, flood control facilities, and planning of appropriate off-site and on-site improvements for development by Developer or public bodies.

6.3.1 (d) Design, planning and construction of off-site and on-site improvements for the general benefit of the Shopping Center Site, including, but not limited to,

perimeter streets and access roads (whether or not dedicated to public use) and planning and erection of directional signs, street lighting, and other facilities, all as reasonably required to provide proper ingress and egress for the Shopping Center.

6.3.1 (e) Undergrounding or off-site relocation of overhead utility facilities.

6.3.1 (f) Demolition, rough grading, and fill of the Shopping Center Site, which shall include the building pads and any building excavations, excluding, however, any backfill adjacent to any Store that may be required as a result of the excavation of the building pad of such Store, which backfill work shall be done by and at the sole cost and expense of the Party constructing such Store.

6.3.2. IMPROVEMENT OF COMMON AREA. The design, construction and improvement of the Common Area (excluding the Enclosed Mall), including but not limited to the following:

6.3.2 (a) Fill requirements, if any, to develop the same.

6.3.2 (b) Finish grading.

6.3.2 (c) All paving, striping and lighting, including panelboards, switches and electric time clock controls.

6.3.2 (d) Facilities for surface and subsurface drainage.

6.3.2 (e) Malls (excluding the Enclosed Mall), sidewalks and curbs, exclusive of Perimeter Sidewalks, which Perimeter Sidewalks shall be designed and constructed as provided in Article 6.4.

6.3.2 (f) Landscaping, including related water systems and related automatic control systems, except for

landscaping and related facilities within Perimeter Sidewalks, which shall be designed and constructed as provided in Article 6.4, and except those related to construction of the Enclosed Mall.

6.3.2 (g) Common sanitary sewers, storm drains, gas, electrical, water and telephone and other utility facilities beyond five feet from the building face of the respective buildings of the Parties, but in no event closer than five feet to said building face.

6.3.2 (h) All amenities such as benches, trash baskets, public telephones, newspaper stands, drinking fountains, bicycle racks, decorative features and similar facilities for the comfort or benefit of the Permittees, together with institutional signs, symbols, directories and similar notices for and to the Shopping Center, including signs during construction, which signs shall be of such size, form and content as the Prime Parties shall approve.

6.3.2 (i) All architectural and engineering costs and construction bonds and premium costs for builder's risk insurance relating to the preceding items.

6.4 DESIGN AND CONSTRUCTION OF PERIMETER SIDEWALKS.
Perimeter Sidewalks shall be designed, improved, and the cost and expense of design and construction thereof shared or borne by the Parties as follows:

6.4.1 The Project Architect shall furnish to each Party general design standards for the Perimeter Sidewalks, which general design standards shall be subject to the approval of each Prime Party's architect. The Project Architect shall then procure from the landscape architect for the Shopping Center a landscaping and irrigation plan based on the approved general design standards for the Perimeter Sidewalks sufficient and complete in detail so as to allow for bidding of the work

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encompassed by such landscaping and irrigation plan either individually (by each Party as to its Tract) or collectively (by all Parties as to all Tracts). Developer, Bullock's and Hacienda shall, after receipt of such general design standards from the Project Architect, cause its respective architect on the basis of the approved general design standards for the Perimeter Sidewalks to prepare and submit to the Project Architect and each of the other Parties hereto, proposed plans and specifications as respects the Perimeter Sidewalks adjacent to its Store or Building, as the case may be, showing curbs, sidewalks, retaining walls, earthfill, color and material, which plans and specifications shall be in conformance to the approved general design standards for the Perimeter Sidewalks and approved by the Prime Parties. It is agreed that however the work encompassed by the landscaping and irrigation plan is bid, that plan must be in conformity with the approved general design standards for the Perimeter Sidewalks approved by the Prime Parties.

6.4.2 Each Party shall construct or shall cause the construction of that part of the Perimeter Sidewalks which lie within its Tract, which construction shall be performed at its cost and expense, and in accordance with the final improvement plans with respect thereto, in accordance with the construction schedule for the common improvement work.

Notwithstanding the foregoing, Bullock's shall construct the Perimeter Sidewalks adjacent to the Bullock's Store regardless of whether or not such Sidewalks are entirely within the Bullock's Tract, and Developer shall reimburse Bullock's, within 20 days following Developer's receipt of request for reimbursement, for all costs incurred by Bullock's for the construction of such Perimeter Sidewalks.

6.5 BOOKS AND RECORDS OF ACCOUNT.

6.5.1 Developer shall keep, or cause the Project Architect to keep, accurate records and books of account, in such form as Bullock's may reasonably direct, of the cost of such common improvement work, and to keep such records for a period of at least three years from and after the completion of the common improvement work, and Developer shall permit, and shall cause the Project Architect to permit, Bullock's, or a duly authorized agent, to audit such records and books of account. In the event any such audit shall disclose any error in the determination of the cost of the common improvement work and/or the portion thereof to be paid for by Bullock's, then the adjustment necessary to correct such error or errors shall promptly be made. If such error was in favor of Developer and exceeded in amount a sum equal to 2% of the amount actually due Developer from Bullock's, Developer shall reimburse Bullock's for all costs of such audit within 10 days of receipt of request for reimbursement.

6.5.2 Developer shall include in any contract awarded with respect to such common improvement work (i) a clause imposing on the contractor (the "Contractor") who is a party to such contract all obligations imposed on Developer pursuant to paragraph 6.5.1 above and granting to Developer all rights granted to Bullock's pursuant to paragraph 6.5.1 above, and (ii) a clause requiring Contractor to include in any subcontract awarded by Contractor a clause imposing on the subcontractor (the "Subcontractor") who is a party to such subcontract all obligations imposed on Contractor pursuant to clause (i) of this paragraph 6.5.2 and granting to Contractor all rights granted to Developer pursuant to clause (i) of this subparagraph 6.5.2. Developer shall further require that Contractor assign to Developer all rights granted to Contractor

pursuant to Clause (ii) of this subparagraph (b), and upon Bullock's request Developer shall assign to Bullock's such rights, together with all rights granted to Developer pursuant to clause (i) of this subparagraph (b).

6.6 SCHEDULING OF COMMON IMPROVEMENT WORK. The performance of the common improvement work shall be scheduled by the Project Architect in consultation with the Parties to coordinate such common improvement work with the work of construction of the Stores or Building, as the case may be, of the Parties. The common improvement work shall be completed at least 30 days prior to the scheduled opening date of Bullock's as set forth in Article 7.2.

6.7 SEPARATION OF WORK. For all purposes applicable to the provisions of statutory law of the State of California the construction of the Common Area, the Enclosed Mall, and each of the Stores, which may be integrated, shall nevertheless each be deemed to be a separate and distinct work of improvement.

ARTICLE 7

CONSTRUCTION OF STORES: OPENING DATES

7.1 CONSTRUCTION. Subject to the provisions of this Article 7, and to any delays applicable under the provisions of Article 15 hereof, Bullock's shall cause construction of its Store to be commenced, and thereafter diligently prosecuted to completion so that such Store shall be open to the general public for business on or before the date hereafter provided.

All work to be performed shall be in accordance with the requirements of this REA.

7.2 OPENING DATES OF BULLOCK'S. Bullock's shall open for business on or before February 8, 1982.

The foregoing opening date is conditioned upon (i) the completion by Developer of the Developer Improvements exclusive of the Developer Non-Mall Stores on or before the date set forth in Article 5.1 hereof; (ii) the completion of the common improvement work as set forth in Article 6.6; (iii) the prior or simultaneous opening for business of Buffums in the Buffums Store; and (iv) 60% of the aggregate Floor Area of Developer Mall Stores being then open for business.

Anything herein to the contrary notwithstanding, in no event shall Bullock's be required to open for business between October 1 and February 2 of the following calendar year, or during the period from May 1 to August 1 of any calendar year, or during the 30 day period immediately preceding Easter Sunday in any calendar year.

7.3 TIME FOR LEASING AND OPENING OF DEVELOPER MALL STORES. On or before the date when Bullock's shall open for business, Developer shall (i) have at least 60% of the aggregate Floor Area of Developer Mall Stores leased under leases requiring such Occupants to be first open for business when Bullock's

first opens for business and (ii) have at least 70% of the aggregate Floor Area of Developer Mall Stores leased under leases requiring such Occupants to be first open for business within 90 days after Bullock's first opens for business. Developer agrees to use its best efforts to have all of the Floor Area of the Developer Mall Stores open for business on or before the date when Bullock's first opens for business.

7.4 BUFFUMS STORE. Subject to any delays applicable under the provisions of Article 15 hereof, Developer shall cause to be constructed the Buffums Store within the Buffums Parcel, and Developer shall cause construction of the Buffums Store to be completed so as to permit the opening for business of Buffums in the Buffums Store no later than February 8, 1982.

ARTICLE 8

FLOOR AREA, USE, OPERATION, SIZE AND HEIGHT

8.1 FLOOR AREA. The Initial Planned Floor Area and the minimum Floor Area of each of the Parties in the Shopping Center is as follows:

	<u>Initial Planned Floor Area</u>	<u>Minimum Floor Area</u>
Developer		
Mall Stores	106,400	100,000
Non-Mall Stores	191,000	0
Buffums Store	65,900	60,000
Bullock's Store	108,000	100,000
Hacienda Building	19,300	0

Subject to the provisions of Articles 13, 15 and 16 hereof, following the opening of the Bullock's Store, each Party shall have, during the term of this REA, on its Tract not less than the respective Minimum Floor Area set forth above.

The Initial Planned Floor Area shown above for each Store or Building and for the Developer Mall Stores and Developer Non-Mall Stores shall be the maximum Floor Area permitted for such Store(s) or Building. No Party shall construct, or permit to be constructed, without the prior consent of the Prime Parties, on its Tract any Store or Building listed above in this Article having a Floor Area in excess of the Floor Area permitted for such Store or Building by this Article, and Developer shall not construct, or permit to be constructed, Developer Mall Stores collectively having Floor Area in excess of the Floor Area permitted for such Stores and shall not construct, or permit to be constructed, Developer Non-Mall Stores collectively having Floor Area in excess of the Floor Area permitted for such Stores. However, the limitations

imposed by this Article 8.1 shall be subject to such rights as the Parties may have under Article 8.6.

8.2 HEIGHTS. The heights of buildings in the Shopping Center shall not exceed those specified in Exhibit C attached hereto and by this reference made a part hereof.

8.3 USES. Neither the Shopping Center nor any part thereof shall be used, and no building or other improvement shall be constructed, maintained or used except for retail, office and service establishments. No theatre shall be permitted in the Shopping Center except in Lot 11 as shown on Parcel Map Number 12219 recorded in Book 122 at Page 33 of Parcel Maps in the Official Records of Los Angeles County, California, and no fast food operations shall be permitted outside of the Food Court shown as cross-hatched on Exhibit B hereto. Office use shall be deemed to include, but not necessarily be limited to, use of Floor Area as a financial institution, travel agency, optometrist's office, real estate broker's office, or escrow office. Notwithstanding the foregoing, the total amount of Floor Area used for office uses in the Developer Mall Stores shall not exceed 4,000 square feet without the prior consent of Bullock's.

8.4 PROHIBITIONS. No use or operation will be made, conducted or permitted on or with respect to all or any part of the Shopping Center, which use or operation is obnoxious to the development or operation of a regional shopping center containing an enclosed air conditioned mall, including but not limited to, the following:

8.4.1 Any public or private nuisance.

8.4.2 Any noise or sound that is objectionable due to intermittence, beat, frequency, shrillness or loudness.

8.4.3 Any obnoxious odor.

8.4.4 Any noxious, toxic, caustic or corrosive fuel or gas.

8.4.5 Any dust, dirt or fly ash in excessive quantities.

8.4.6 Any unusual fire, explosion or other damaging or dangerous hazard, including the storage, display or sale of explosives or fireworks.

8.4.7 Any warehouse (but any area for the storage of goods intended to be sold at any retail establishment in the Shopping Center shall not be deemed to be a warehouse), assembly, manufacture, distillation, refining, smelting, agriculture or mining operations.

8.4.8 Any mobile home or trailer court, labor camp, junk yard, stock yard or animal raising. Notwithstanding the foregoing, pet shops shall be permitted within the Shopping Center, provided that such shops shall be so conducted that there shall be no violation of the other prohibitions of this Article 8.4 by reason of the operation of such shops.

8.4.9 Any drilling for and/or removal of subsurface substances.

8.4.10 Any dumping of garbage or refuse.

8.4.11 Any commercial laundry or laundromat in the Shopping Center Phase 2.

8.4.12 Any dry cleaning, veterinary hospital, car washing establishment, bowling alley, skating rink, billiard parlour, amusement center, beer tavern or mortuary, but this shall not prohibit in the Shopping Center Phase 1 a retail dry cleaning establishment which does not do any substantial cleaning on premises.

8.4.13 Any automobile body and fender repair work.

8.4.14 Any massage parlour, adult book store or the sale or exhibition of pornographic material.

8.5 KIOSKS. No kiosk may be located in any portion of the Enclosed Mall constituting a corridor less than 32 feet in width, and no Kiosk may be located within 150 feet of any portion of the Bullock's Store. Furthermore, no kiosk may be located in any portion of the Common Area unless the location and exterior design of such kiosk is approved by Bullock's.

8.6 NO SALES OUTSIDE FLOOR AREA. Unless Bullock's prior approval is obtained, no merchandise and/or services, no portable signs or other objects belonging to an Occupant shall be displayed, sold, leased, stored or offered for sale or lease outside the physical limits of the Floor Area, except for occasional Shopping Center promotions first approved by the Prime Parties and for the sale by the supermarket located on Lot 3 shown on the Parcel Map referred to in Article 8.3 above of Christmas trees in areas immediately adjacent to the supermarket. Bullock's may condition any such consent on the appropriate adjustment in Initial Planned Floor Area to include the additional area, and consequently, on Bullock's Allocable Share and Proportionate Share, as defined in the Unrecorded Agreement, being adjusted accordingly.

ARTICLE 9

GENERAL CONSTRUCTION REQUIREMENTS

9.1 INTERFERENCE WITH CONSTRUCTION. Each Party severally agrees to perform its respective work (i) so as not to cause any increase in the cost of constructing the remainder of the Shopping Center or any part thereof which is not reasonably necessary, (ii) so as not to unreasonably interfere with any construction work being performed on the remainder of the Shopping Center, or any part thereof, and (iii) so as not to unreasonably interfere with the use, occupancy or enjoyment of the remainder of the Shopping Center or any part thereof by any other Party, and any other Occupant of the Shopping Center, and the Permittees of any other Party and such other Occupants.

Each Party severally agrees to defend and hold each other Party harmless from all claims, including any action or proceedings, including attorneys' fees, resulting from any accident, injury or loss or damage whatsoever occasioned to any natural Person or to the property of any Person as shall occur by reason of the performance of any such work by such Party.

9.2 CONSTRUCTION BARRICADES. From and after the opening of the Store or Building, as the case may be, of any Party, each other Party thereafter erecting or constructing any building shall erect and construct a barricade at least eight feet in height, surrounding the building or buildings so being constructed provided, however, as to a free-standing building a Party may comply with this requirement by constructing a 6 foot high chain-link fence surrounding the building being constructed. Such construction barricade or fence shall be kept in place, in good condition and repair, until the building so being constructed is secure from unauthorized

intrusion. All barricades shall be painted in colors approved by the Project Architect. The same requirements shall apply during any work of repair or restoration under Article 13 if other Floor Area is being Operated during such time period.

9.3 SUBMISSION OF PLANS AND SCHEDULE. Prior to the commencement of the work to be performed by any Party, each Party shall submit to the Project Architect for approval (which approval shall not be unreasonably withheld) and to each of the Prime Parties for informational purposes only: (i) a plot plan of the Shopping Center showing as respects the buildings, utility connections and other improvements to be constructed by it, material and equipment storage sites; construction shacks and other temporary improvements, and workmen's parking area; and (ii) a time schedule indicating the approximate date or dates upon which each portion of the Shopping Center used for the purposes referred to in the preceding subdivision (i) shall cease to be so used by such Party. Within ten days after the submission of such plot plan and such time schedule, the Project Architect shall notify the Party submitting the same whether the same are approved or disapproved, specifying the reason therefor if disapproved, provided that a failure to give such notice shall constitute approval thereof by the Project Architect. If the Project Architect shall disapprove the plot plan and/or the time schedule (specifying the reasons for such disapproval), the Party submitting the same shall promptly revise the same in only those respects that the Project Architect shall reasonably request as requisite to its approval.

9.4 WORKMANSHIP. Each Party agrees that all construction to be performed hereunder by such Party shall be done in a good and workmanlike manner, with first-class materials and in accordance with all applicable laws, rules, ordinances and

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regulations. Each Party shall pay all costs, expenses, liabilities and liens arising out of or in any way connected with such construction. Developer shall, upon demand, deliver to the Party or Parties demanding the same, evidence of completion of its work in compliance with all applicable laws, ordinances, regulations and rules in compliance with the final Developer plans, approved pursuant to Article 4.1 hereof, and that all such costs, expenses, liabilities and liens arising out of or in any way connected with such construction have been fully paid and discharged of record, or contested and bonded, in which event any judgment or other process issued in such contest shall be paid and discharged before execution thereof. Nothing herein shall be deemed to prohibit a leasehold Mortgage or a construction or permanent Mortgage made subject to this REA.

9.5 COORDINATION. Each Party, as respects its respective construction, shall use all reasonable efforts to cause its architects and contractors to cooperate and coordinate its construction with the architects, contractors and construction work of the other Parties hereto to the extent reasonably practicable, to achieve the objectives set forth in Article 9.3.

9.6 MECHANICS' LIENS. In the event any mechanics' liens are filed against the Tract of any Party, the Party permitting or causing such lien to be filed hereby covenants to either pay the same and have it discharged of record, promptly, or to take such action as may be required to reasonably and legally object to such lien, or to have the lien removed from such Tract, and in all events agrees to have such lien discharged prior to the foreclosure of such lien. Upon request of any other Party, the Party permitting or causing such lien to be filed agrees to furnish such security as may be required,

to and for the benefit of such other Party, or any title insurance company designated by such other Party, to permit a report of title to be issued relating to such Party's Tract without showing thereon the effect of such lien.

9.7 INDEMNITY. The Parties hereto each severally covenant and agree to indemnify, defend and hold harmless each other and the Tract of each other Party against liability, loss, damage, costs or expenses, including attorneys' fees, on account of claims of lien of laborers or materialmen, or others, for work performed or supplies furnished, in connection with the indemnifying Party's Store(s) or Building, as the case may be, and in the event that any Tract shall become subject to any such lien on account of work performed, or supplies furnished in connection with any other Tract or Tracts, then the Party performing such work shall, at the request of the Party owning or leasing the Tract subject to such lien, promptly cause such lien to be released and discharged of record, either by paying the indebtedness which gave rise to such lien, or posting such bond or other security as shall be required by law to obtain such release and discharge.

Developer agrees to indemnify, defend and hold harmless Bullock's and Bullock's Tract, from and against any mechanics', materialmens' and/or laborers' liens, and all costs, expenses and liabilities incurred in connection with all claims, including any action or proceeding brought thereon, arising out of the construction performed by Developer in respect to the Common Area, pursuant to the provisions of Article 6 hereof (whether performed prior to or after the execution of this REA); in the event any Tract shall become subject to any such lien, Developer shall, at the request of the Party whose Tract is so subject to lien, promptly cause such lien to be released and discharged of record, either by

paying the indebtedness which gave rise to such lien, or
posting such bond or other security as shall be required by law
to obtain such release and discharge.

ARTICLE 10

OPERATION AND MAINTENANCE OF ENCLOSED
MALL AND OTHER COMMON AREA

10.1 ENCLOSED MALL - STANDARDS. From and after the date upon which Developer Mall Stores are required to be open for business, pursuant to the provisions of Article 7, Operator shall Operate and maintain, or cause to be Operated and maintained, the Enclosed Mall in good order, condition and repair, to the highest standards prevailing in the shopping center industry, without expense to Bullock's. Operator shall have the right to select, from time to time, a Person or Persons, other than Operator (herein called "Operator's Nominee"), to Operate and maintain the Enclosed Mall, provided, however, that such nomination shall not diminish Operator's responsibility for such Operation and maintenance.

Without limiting the generality of the foregoing, Operator, in the maintenance of the Enclosed Mall, shall observe the following standards:

10.1.1 Maintain the surface of the Enclosed Mall smooth and evenly covered with the type of surfacing material originally installed thereon, or such substitute thereof as shall have been approved by the Prime Parties.

10.1.2 Remove all papers, debris, filth and refuse from the Enclosed Mall and wash or thoroughly sweep the surface of the Enclosed Mall.

10.1.3 Clean lighting fixtures within the Enclosed Mall and relamp and reballast as needed.

10.1.4 Maintain the landscaping within the Enclosed Mall in a first-class, thriving condition.

10.1.5 Maintain all signs of the Enclosed Mall within the Shopping Center, but not those of the Occupants, in

a clean and orderly condition, including relamping and repairing as may be required.

10.1.6 Employ courteous personnel to patrol the Enclosed Mall, in such numbers and during store hours, and such other reasonable hours, as may be deemed necessary by the Prime Parties.

10.1.7 Maintain and keep in a sanitary condition public restrooms and other common use facilities within the Enclosed Mall.

10.1.8 Clean, repair and maintain all utility systems that are a part of the Enclosed Mall.

10.1.9 Clean and maintain the structure of the Enclosed Mall, the roof, skylights, wall surfaces, doors and other appurtenances to the Enclosed Mall.

10.1.10 Maintain the heating, ventilating and cooling system of the Enclosed Mall in good order, condition and repair, so that at all times the same shall, subject to requirements imposed by governmental authority, operate within the standards prescribed in Article 4.5.8.

10.2 COMMON AREA - STANDARDS. From and after the date of the completion of construction of the Common Area on the Tract of each Party, exclusive of the Enclosed Mall but in no event later than 30 days prior to the date Bullock's first opens for business in the Bullock's Store, Operator shall Operate and maintain or cause to be Operated and maintained the entire Common Area in good order, condition and repair to the highest standards prevailing in the shopping center industry, and Operator, if a Party, shall have the right to select, from time to time, a Person or Persons, other than Operator (herein called "Operator's Nominee"), to operate and maintain the Common Area, provided that such nomination shall not diminish

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Operator's responsibility for Operating and maintaining the Common Area.

Without limiting the generality of the foregoing, Operator, in the maintenance of the Common Area, exclusive of the Enclosed Mall, shall observe the standards set forth in the Rules and Regulations adopted by the parties pursuant to Article 19 hereof and attached hereto and marked Exhibit "E", and also the following standards:

10.2.1 Maintain the surface of the parking area and sidewalks level, smooth and evenly covered with the type of surfacing material originally installed thereon, or such substitute thereof as shall be in all respects equal thereto in quality, appearance and durability and repaint striping, markers, directional signs, etc., and inspect all asphalt paving at regular intervals or as necessary to maintain in a first-class condition. All hard-surfaced markings shall be inspected at regular intervals and promptly repainted as they shall become unsightly or indistinct from wear and tear, or other cause.

10.2.2 Remove all papers, debris, filth and refuse from the Shopping Center and wash or thoroughly sweep paved areas as required. All sweeping shall be at intervals before the Stores shall be open for business to the public, using motor driven parking lot vacuum cleaning vehicles where feasible.

10.2.3 Maintain such appropriate parking area entrance, exit and directional signs, markers and lights in the Shopping Center as shall be reasonably required and in accordance with the practices prevailing in the operation of similar regional shopping centers in Southern California.

10.2.4 Clean Common Area lighting fixtures of the Shopping Center (but not those belonging to premises of

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Occupants) at regular intervals and relamp and reballast as needed.

10.2.5 All stairways shall be: (a) swept and washed at intervals sufficient to maintain the same in a clean condition; (b) inspected at regular intervals; and (c) promptly repaired upon the occurrence of any irregularities or wear in any portions thereof.

10.2.6 Maintain landscaping in a first-class, thriving condition, including removal of dead plants, weeds and foreign matter and such replanting and replacement as may be required.

10.2.7 Clean signs of the Shopping Center (but not those of Occupants), including relamping and repairs as needed.

10.2.8 Employ courteous personnel for Common Area patrol, in such numbers, and during store hours and such other hours as are deemed necessary by the Prime Parties or as may be required in the Operator's judgment in the event of an emergency. The provisions of this Paragraph 10.2.8 may be waived by the Prime Parties from time to time.

10.2.9 Maintain and keep in a sanitary condition public restrooms and other common use facilities. All Common Area amenities, benches, and instructional, directional, traffic and other signs shall be inspected at regular intervals, maintained in a clean and attractive surface condition and promptly repaired or replaced upon the occurrence of any defects or irregularities thereto.

10.2.10 Clean, repair and maintain all utility systems that are part of the Common Area to the extent that the same are not cleaned, repaired and maintained by public utilities.

10.2.11 Perform such maintenance as may be required by the Development Permit of the City of Manhattan Beach referred to in Article 5.5.

10.3 AUTOMOBILE PARKING. Subject to Article 15.1, Developer hereby covenants (i) that there shall be available within the Common Area located in the Shopping Center Phase 2, at all times from and after the completion of the construction thereof, not less than 1246 parking spaces and (ii) that there will be located within the Common Area, at all times from and after the completion of the construction thereof, no less than 1957 parking spaces. Subject to the applicable requirements of any governmental agency having jurisdiction over the Shopping Center, each parking space, regardless of angles of parking, shall have a width of nine feet on center, except for employee parking which may be 8.5 feet on center, measured at right angles to the side line of the parking space without overlapping spaces. Parking lanes or bays (which include two rows of parking spaces and incidental one-way driveways) shall have the following minimum and preferred widths at the angle of the parking designated below:

DEGREES	MINIMUM	PREFERRED
45°	49'	50'
52-1/2°	55'	52'
60°	54'	55'
90°	62'	65'

Each Party severally agrees with the others to take no action which would reduce the number of parking spaces below the requirements set forth above in this Article.

10.4 INDEMNITY. Operator agrees to indemnify, defend, and hold harmless all Parties, and their respective

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Tracts, from and against any mechanics', materialmen's and/or laborers' liens, and all costs, expenses and liabilities in connection therewith, including attorneys' fees, arising out of the maintenance performed by Operator in respect to the Common Area or the Enclosed Mall, pursuant to the provisions of this Article 10 (whether performed prior to or after the execution of this REA), and that in the event that any Tract shall become subject to any such lien, Operator shall at the request of the Party with respect to such Tract promptly cause such lien to be released and discharged of record, either by paying the indebtedness which gave rise to such lien, or posting such bond or other security as shall be required by law to obtain such release and discharge.

10.5 PARKING REGULATIONS. Except as provided in Article 10.6, unless all Parties otherwise consent and agree in writing, or except to the extent required by governmental authority, no charge of any type shall be made to or collected from any Occupant, or the Permittees of Developer or any Occupant, for parking, or the right to park vehicles in the Automobile Parking Area, except such Common Area maintenance charges collected from an Occupant as may be provided for in any lease or agreement with such Occupant. To the extent permitted by governmental authority, any such charge ordered by governmental authority shall be prorated to the Occupants and reimbursed by such Occupants as a Common Area Maintenance Cost, but if the governmental authority does not permit such a treatment of the charge, but instead requires that it be collected directly from customers for the privilege of using the Common Area, then Operator shall cause such charge to be collected and shall cause the amount received from customers, less collection expenses and sums paid to government, to be credited against Common Area Maintenance Cost. The Permittees

of any Party shall not be prohibited or prevented from so parking so long as space is available in the Automobile Parking Area, and so long as they do not violate the reasonable rules and regulations covering the use of the Automobile Parking Area promulgated from time to time by the Prime Parties. The Prime Parties shall, by mutual agreement, prescribe certain sections within the Common Area, or on other land outside the Common Area within a reasonable distance from the nearest boundary of the Shopping Center, for use as parking space by the Occupants of the Shopping Center, and the employees, tenants, agents, contractors, licensees and concessionaires of such Occupants. All employee parking for the Developer Mall Stores, the Buffums Store, and the Bullock's Store shall be located in such areas as the Prime Parties may approve. Each Party shall use reasonable efforts to require its employees and the employees of its Occupants, agents, contractors, licensees and concessionaires to use only such sections as are so prescribed for parking. No such employee parking areas shall be provided within 350 feet of any Store fronting on the Enclosed Mall, without the consent of the Party whose Store is located within said 350 feet distance except as shown on Exhibit B.

10.6 BUDGET AND REIMBURSEMENT. Operator shall, at least 60 days prior to the commencement of Bullock's first Accounting Period and at least 60 days prior to the beginning of each of Bullock's Accounting Periods thereafter, submit to Bullock's an estimated budget of the Common Area Maintenance Cost for such Accounting Period. Bullock's, within 20 business days of its receipt of the estimated budget, shall either approve or disapprove the same. If Bullock's disapproves, Bullock's shall set forth in reasonable detail in writing its grounds for disapproval. Bullock's shall then consult with

Operator, both of whom agree to negotiate in good faith, to establish a final approved estimated budget. Operator shall Operate and maintain the Common Area in accordance with the final approved estimated budget and shall not incur or make any cost or expenditure for such maintenance and Operation not including in the final approved estimated budget without the prior approval of Bullock's. Notwithstanding the foregoing, Operator shall have the right to make emergency repairs to the Common Area to prevent injury or damage to persons or property. Operator shall, however, use reasonable efforts to inform Bullock's of the necessity thereof and obtain its consent thereto.

Within five days after the beginning of each calendar month in each Accounting Period but in no event earlier than 10 days after Bullock's approval of the estimated budget required by this Article for the Accounting Period for which payment by Bullock's is to be made, Bullock's shall pay to Operator 1/12 of Bullock's Allocable Share for such Accounting Period as shown in such approved estimated budget. Operator shall, within 60 days after the end of each Accounting Period, submit to Bullock's a statement summarizing and recapitulating all Common Area Maintenance Cost during the previous Accounting Period, together with the total amount paid by Bullock's during such Accounting Period. In addition to setting forth the amounts due from Bullock's, the statement shall contain a complete itemization of every item of cost or expense incurred by Operator for the Operation and maintenance of the Common Area, excluding the Enclosed Mall, for the period covered by the statement and shall summarize for the period covered the totals of all such costs and expenses. Bullock's may object in writing to all or portions of any statement within 30 days after receipt thereof, setting forth in reasonable detail the

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grounds for objection. Operator and Bullock's shall cooperate reasonably in settling any such dispute. In the event that such statement discloses that Bullock's has overpaid or underpaid its Allocable Share for the previous Accounting Period, Bullock's shall immediately pay the amount of any underpayment to Operator or Operator shall immediately pay the amount of any overpayment to Bullock's. If requested by Bullock's, Operator shall deliver to Bullock's an audit of such statement which audit shall be certified by an independent certified public accountant approved by Bullock's. The reasonable costs of any such audit shall be included within Common Area Maintenance Cost.

Except that portion of Common Area Maintenance Cost required hereunder to be paid for by Bullock's and as between Bullock's and Developer only, all Common Area Maintenance Cost and Enclosed Mall Operation and Maintenance Expenses shall be paid for by Developer, and if the Operator is not Developer, Developer shall be obligated to pay to Operator monthly in advance on the first day of each and every calendar month such Cost and Expenses for such calendar month. At the end of each calendar year, Operator shall submit to Developer a statement summarizing and recapitulating all Common Area Maintenance Cost and Enclosed Mall Operation and Maintenance Expenses during the previous calendar year. In the event that such statement discloses that Developer has overpaid or underpaid such Cost and Expenses for the previous calendar year, Developer shall immediately pay the amount of any underpayment to Operator or Operator shall immediately pay the amount of any overpayment to Developer.

Operator shall maintain in accordance with generally accepted accounting principles, consistently applied, complete books and records in such a manner as to accurately cover and

reflect separately all items affecting or entering into determination of Bullock's Allocable Share for each Accounting Period, and shall keep the same for a period of four years after the end of such Accounting Period.

10.7 ACCOUNTING. Either Prime Party shall have the right, exercisable upon five days' notice to Operator, to audit such books and records as are relevant to any such statement or statements. In the event that any audit shall disclose any error in the statements rendered as required in Article 10.6, appropriate adjustments shall promptly be made between Operator Developer, and Bullock's. Furthermore, in the event that such error is in favor of Operator and exceeds a sum equal to 2% of the amount actually due Operator from the Party conducting such audit, Operator shall reimburse such Party for all costs of such audit within ten days of receipt of request for reimbursement.

In the event the same Person is the Operator of the Enclosed Mall and other Common Area, books and records relating to Enclosed Mall Operation and Maintenance Expense shall be kept separately from books and records relating to the Common Area Maintenance Cost.

10.8 TAKE-OVER OF MAINTENANCE. In the event that Bullock's shall, at any time, or from time to time, be dissatisfied with Operator's performance of its obligations under Article 10.1 and/or 10.2 hereof (including the expenses of the maintenance and Operation), then Bullock's shall have the right to give Operator written notice of such dissatisfaction, specifying the particulars in respect of which Operator's performance is deemed by Bullock's to be unsatisfactory. If during the 30-day period from the date of such notice Operator's performance shall continue to be unsatisfactory, Bullock's shall have the right to cause to be taken over from Operator (either by designating Bullock's to be the Operator, or by

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means of a Person designated by Bullock's as the Operator, or by means of a Person hired as Operator by Bullock's) effective on the first day of the next succeeding calendar month, the maintenance, management and Operation of the Common Area or, at Bullock's election, only the Common Area of the Shopping Center Phase 2 and of any and all improvements located thereon. However, Bullock's shall not have the right to take over the maintenance of the Shopping Center Phase 1 if another operating division of Federated Department Stores, Inc. that is an Occupant of the Shopping Center Phase 1 insists upon taking over the maintenance of that Phase. Anything herein to the contrary notwithstanding, such take-over of the maintenance, management and Operation of the Common Area or portion thereof shall not obligate Bullock's to pay any cost or expense in respect of the maintenance, management and Operation of the Common Area, except Bullock's Allocable Share.

Developer covenants and agrees to pay promptly to the new Operator in accordance with Article 10.6, an amount equal to the Common Area Maintenance Cost minus Bullock's Allocable Share and Bullock's will pay its Allocable Share directly to the Operator. In the event that the maintenance, management and Operation of the Common Area shall be performed by an Operator other than Developer, and Developer shall have failed to make the payments herein required to be made to the Operator, Bullock's may cause the Operator to give Developer written notice of delinquency and if payment is not made by Developer within ten days after receipt of such written notice from Operator, then any and all sums payable to Developer by any and all Occupants of the Center, including Buffums, in respect of its or their prorata shares of Common Area Maintenance Cost, as specifically defined herein together with the right to enforce payment of and to collect the same, shall be deemed assigned to

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the Operator without the necessity of the execution of any further instrument of assignment thereof by Developer, other than this REA; and the new Operator shall thereafter remain responsible for such maintenance, management and Operation of the Common Area until another Operator shall resume the maintenance, management and Operation of the Common Area or portions thereof. Any assignment shall be limited to the payments for the Common Area so maintained by such new Operator. Bullocks may at any time, upon not less than 60 days notice to Developer, put the obligation to maintain the Common Area in accordance with this REA onto Developer as Operator. If Bullock's does so, Bullock's and Developer shall each have all of the respective rights and obligations pertaining to such maintenance (including Bullock's right to again take over such maintenance in accordance with this paragraph) as though Bullock's had not taken over such maintenance, and Bullocks shall resume paying its Allocable Share of the Common Area Maintenance Costs.

Notwithstanding the foregoing, any notice of dissatisfaction given pursuant to this Article 10.8 may by its terms be inclusive or exclusive of that portion of the Common Area within the Enclosed Mall. In the event that such notice is exclusive of the Enclosed Mall, Developer shall perform the services of Operator with respect to the Enclosed Mall. In the event that such notice shall be inclusive of the Enclosed Mall, the new Operator shall perform the functions required for Enclosed Mall Operation and maintenance; provided, however, that such takeover of Enclosed Mall Operation and maintenance shall not (i) obligate Bullock's to pay any Enclosed Mall Operation and Maintenance Expense, (ii) relieve Developer of its obligation to pay for all Enclosed Mall Operation and Maintenance Expense, or otherwise relieve Developer of the

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obligation to keep, perform and observe any of the other terms, provisions and conditions of this REA to be kept and performed by Developer, other than those relating to Enclosed Mall Operation and maintenance by Developer. Developer shall pay promptly to the new Operator upon demand all such Enclosed Mall Operation and Maintenance Expenses. In the event a new Operator performs the functions required for Enclosed Mall Operation and maintenance, Developer shall promptly upon such takeover furnish the new Operator with a complete list of all Occupants of Developer Mall Stores, setting forth in such list the amount of Enclosed Mall Operation and Maintenance Expense to be paid by each such Occupant and by Buffums. In the event that the maintenance, management and Operation of the Enclosed Mall shall be performed by an Operator other than Developer, and Developer shall have failed to make the payments herein required to be made to the Operator for Enclosed Mall Operation and Maintenance Expenses, Bullock's may cause the Operator to give Developer written notice of delinquency, and if payment is not made by Developer within 10 days after receipt of such written notice from Operator, then any and all sums payable to Developer by any and all occupants of the Center, including Buffums, in respect of Enclosed Mall Operation and Maintenance Expenses, as specifically defined herein, together with the right to enforce payment of and to collect the same, shall be deemed assigned to the Operator without the necessity of the execution of any further instrument of assignment thereof by Developer, other than this REA.

10.9 LIENS. It is agreed that Operator shall have a lien upon the Bullock's Tract to secure the payment by Bullock's of its Allocable Share and that Operator shall have a lien upon the Developer Tract to secure the payment by Developer of all Common Area Maintenance Costs payable by

Developer pursuant to this REA and all Enclosed Mall Operation and Maintenance Expenses; provided, however, that any such lien shall, in the case of Bullock's be subordinate to the lien of any Mortgage recorded against its Tract, and in the case of Developer be subordinate to the lien of any Mortgage recorded against the Developer Tract. Either of the Prime Parties or the Operator may record a notice of the failure by either of the Prime Parties to pay any sum secured by the lien referred to in this Article 10.9 following failure to pay such sum within ten days of receipt by such defaulting Party of a written demand for such payment. The priority of the lien granted pursuant to this Article 10.9 shall date from recordation of such notice of default.

10.10 DESIGNATION OF OPERATOR. The Parties hereto do expressly designate Developer as Operator, and Developer hereby accepts such designation and agrees to perform all of the covenants and conditions set forth in this REA to be performed by Operator.

ARTICLE 11

INDEMNIFICATION AND PUBLIC LIABILITY INSURANCE

11.1 INDEMNITY - COMMON AREA. Operator covenants to defend, indemnify and hold harmless each Party, respectively, from and against all claims and all costs, expenses and liabilities (including reasonable attorneys' fees) incurred in connection with all claims, including any action or proceedings brought thereon, arising from or as a result of the death of or any accident, injury, loss or damage whatsoever caused to any natural Person, or to the property of any Person, (i) as shall occur in or about the Common Area or (ii) as shall occur in any other part of the Shopping Center caused by the act or omission of Operator or any of its agents, servants or employees. A Party shall not be entitled to such indemnification for claims arising out of such Party's sole negligence or willful acts.

11.2 INDEMNITY. Each Party, severally, covenants to defend, indemnify and hold harmless each of the other Parties and Operator from and against all claims and all costs, expenses and liabilities (including reasonable attorneys' fees) incurred in connection with all claims, including any action or proceedings brought thereon, arising from or as a result of the death of, or any accident, injury, loss or damage whatsoever caused to any natural Person, or to the property of any Person, (i) as shall occur in its Store(s) or Building, as the case may be or (ii) as shall occur in any other part of the Shopping Center caused by the act or omission of the indemnifying Party or any of its tenants, licensees, concessionaires, agents, or employees. The indemnity provided by this Article 11.2 shall exclude claims (i) indemnified against by Operator as provided for in Article 11.1 hereof or (ii) insured against by the insurance referred to in Article 11.3 hereof and not caused solely by the negligent or willful

act or omission of the indemnified party, its tenants, licensees, concessionaires, agents or employees.

11.3 OPERATOR'S LIABILITY INSURANCE - COMMON AREA.

Operator shall at all times during the term of this REA, maintain, or cause to be maintained, in full force and effect, comprehensive general public liability insurance for personal injury and property damage, in form and substance approved by Bullock's, covering the Common Area, with a financially responsible insurance company or companies approved by Bullock's, with limits of liability in the following amounts: \$1,000,000.00 per occurrence primary coverage plus an additional not less than \$1,000,000.00 per occurrence to be provided by an umbrella policy, both of which shall be endorsed to include the contractual liability of Operator under Article 11.1. Except for claims arising out of the operations of a Party in the Shopping Center, such insurance shall be primary, and not in excess of or contributory with insurance carried by any other Party or Person. Operator shall furnish to Bullock's, on or before the effective date of any such policy, evidence that the insurance referred to in this Article 11.3 is in force and effect and that the premiums therefor have been paid. Such insurance shall name all Parties as named insureds thereunder and shall provide that the same may not be cancelled or amended without at least 30 days prior written notice being given by the insurer to all Parties, and Operator shall promptly provide to Bullock's a copy of each policy of insurance obtained in compliance with this Article 11.3. The amount of insurance required to be carried pursuant to this Article 11.3 shall be increased to such amount as the Prime Parties may from time to time specify. The Prime Parties agree to negotiate in good faith upon the request of either Prime Party to specify the amount of insurance required hereunder based on the amount of

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such insurance carried in similar shopping centers in California. In no event shall the amount of insurance required under this Article 11.3 be less than the dollar amounts specified in this Article 11.3.

11.4 PARTIES' LIABILITY INSURANCE - FLOOR AREA. Each Party shall, severally, at all times during the term of this REA, maintain in full force and effect comprehensive general public liability insurance for personal injury and property damage against liabilities arising out of its operations in the Shopping Center, with a financially responsible insurance company or companies, with limits of liability, in the following amounts: not less than \$2,000,000.00 per occurrence or not less than \$1,000,000.00 per occurrence primary coverage plus an additional not less than \$1,000,000.00 per occurrence to be provided by an umbrella policy, all of which insurance shall be endorsed to include contractual liability of the insuring Party under Article 11.2. Except for claims arising in connection with the Common Area and covered by the policy of insurance required by Article 11.3, such insurance shall be primary and not in excess of or contributory with insurance carried by any other Person. The amount of insurance required to be carried pursuant to this Article 11.4 shall be increased to such amount as the Prime Parties may specify. The Prime Parties agree to negotiate in good faith upon the request of either Prime Party to specify the amount of insurance required hereunder based on the amount of such insurance carried in similar shopping centers in California. In no event shall the amount of insurance required under this Article 11.4 be less than the dollar amounts specified in this Article 11.4.

11.5 BLANKET INSURANCE AND SELF-INSURANCE. The insurance described in Article 11.4 may be carried under a policy or policies covering other liabilities and locations

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of the Parties, or a subsidiary, successor, affiliate or controlling corporation of such Parties. Additionally, the insurance referred to in Article 11.4 may be carried under any plan of self-insurance from time to time maintained by any Party, on condition that the Party so self-insuring has and maintains adequate net current assets for the risks so self-insured against, and that any Party so self-insuring shall furnish to any other Party requesting the same, evidence of the adequacy of said net current assets (net current assets of \$100,000,000.00 (subject to adjustment as provided in Article 28 of this REA), or more, shall in all instances conclusively be deemed to be adequate for the purposes of this Article 11). The annual report of any such Party that is audited by an independent certified public accountant shall be sufficient evidence of its net current assets. Each Party shall severally furnish to any other Party requesting the same evidence that the insurance referred to in these Articles 11.3 and 11.4, is in full force and effect and that the premiums therefor have been paid. All policies of insurance carried by any Party pursuant to these Articles 11.3 and 11.4, or endorsements issued under any blanket policies or policies covering those liabilities required to be insured against by these Articles 11.3 and 11.4 shall provide that the same may not be cancelled or amended without at least 30 days prior written notice being given by the insurer to each of the other Parties.

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ARTICLE 12

FIRE AND EXTENDED COVERAGE INSURANCE

12.1 DEVELOPER - FIRE INSURANCE. Effective upon the commencement of construction of Developer Improvements, Developer as respects the Developer Improvements, including the Enclosed Mall, will carry or cause to be carried, fire and extended coverage insurance in an amount at least equal to 100% of the replacement cost (exclusive of the cost of excavation, foundations and footings) of the buildings and improvements insured from causes or events which from time to time are included as covered risks under standard insurance industry practices within the classification of fire and extended coverage, and specifically against at least the following perils: loss or damage by fire, windstorm, cyclone, tornado, hail, explosion, riot, riot attending a strike, civil commotion, malicious mischief, vandalism, aircraft, vehicle, smoke damage and sprinkler leakage. Such insurance shall be carried with financially responsible insurance companies, and may be carried under a policy or policies covering other property owned or controlled by Developer or by a general partner of Developer, or by any subsidiary, successor or controlling corporation of a general partner of Developer; provided that such policy or policies allocate to the properties required to be insured by this Article 12.1 an amount not less than the amount of insurance required to be carried by Developer with respect thereto, pursuant to the first sentence of this Article 12.1. Developer shall furnish to all other Parties prior to the effective date of any such policy, evidence that the insurance required by this Article 12.1 is in force and effect and that the premiums therefor have been paid.

Developer agrees that such policies shall contain a provision that the same may not be cancelled without at least

30 days' prior written notice being given by the insurer to the other Parties.

12.2 BULLOCK'S AND HACIENDA - FIRE INSURANCE.

Bullock's, as respects its Store, will carry insurance during the construction of its Store and thereafter during the period of its Operating covenant, for the risks enumerated in Article 12.1, equal to 100% of the replacement cost (exclusive of the cost of excavation, foundations and footings). Hacienda, as respects its Building, will carry insurance from the date when construction of its Building is commenced and until the termination of this REA for the risks enumerated in Article 12.1 equal to 100% of the replacement cost (exclusive of the cost of excavation, foundations and footings). Such insurance shall be carried with financially responsible fire insurance companies.

12.3 BLANKET INSURANCE AND SELF-INSURANCE. Subject

to the limitations imposed on Developer in Article 12.1 any insurance required to be carried pursuant to this Article 12 may be carried under a policy or policies covering other liabilities and locations of the Parties, or a subsidiary, successor, affiliate or controlling corporation of such Parties. Additionally, the insurance hereinbefore in this Article 12 referred to may be carried under any plan of self-insurance from time to time maintained by any Party, on condition that the Party so self-insuring has and maintains adequate net current assets for the risks so self-insured against, and that any Party so self-insuring, shall furnish to any other Party hereto requesting the same, evidence of the adequacy of said net current assets (net current assets of \$100,000,000.00 (subject to adjustment as provided in Article 28 of this REA), or more, shall in all instances conclusively be deemed to be adequate for the purposes of this Article 12). The annual

report of any such Party that is audited by an independent certified public accountant shall be sufficient evidence of its net current assets. If Developer elects to self-insure pursuant to the provisions of this Article 12.3 or thereafter elects to terminate such self-insurance program, it shall give at least 30 days prior written notice thereof to each of the other Parties.

12.4 WAIVER OF SUBROGATION. Each Party hereby releases and waives for itself and, to the extent legally possible for it to do so, for its insurer, each of the other Parties from any liability for any loss or damage to all property of each located upon the Shopping Center Site occasioned to such property, which loss or damage is of the type generally covered by fire insurance with extended coverage, irrespective of any negligence on the part of the other Parties which may have contributed to or caused such loss. Each Party covenants that it will obtain for the benefit of each other Party a waiver of any right of subrogation which the insurer of such Party may acquire against any other Party or Parties by virtue of the payment of any such loss covered by such insurance.

In the event any Party is by law, statute or governmental regulation unable to obtain a waiver of the right of subrogation for the benefit of each other Party, then, during any period of time when such waiver is unobtainable, said Party shall not have been deemed to release any subrogated claim of its insurance carrier against the other Parties, and during the same period of time each other Party shall be deemed not to have released the other Party who has been unable to obtain such waiver from any claims they or their insurance carriers may assert which otherwise would have been released pursuant to this Article 12.4.

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12.5 RELEASE OF LIABILITY. Anything contained in this REA to the contrary notwithstanding, no Party shall be liable to any other Party for any loss or damage to buildings or other improvements on the Shopping Center Site, or contents thereof, caused by fire or by other risks generally covered by standard extended coverage insurance, irrespective of any negligence on the part of such Party which may have contributed to such loss or damage.

12.6 OCCUPANTS INSURANCE. Developer shall require all Occupants of the Developer Mall Stores upon which Developer does not carry fire and extended coverage insurance, to carry fire and extended insurance, including the perils specified in Article 12.1 hereof, on the building on the Developer Tract occupied by such Occupant, with financially responsible fire insurance companies, in an amount at least equal to the insurance required to be carried by Developer under Article 12.1. Developer shall also, to the extent it is legally possible for its Occupants to do so, require all Occupants occupying any building on the Developer Tract, except for the Non-Mall Stores, upon which Developer does not carry fire and extended coverage insurance to obtain for the benefit of Bullock's a waiver of any right of subrogation which the insurer of any such Occupant may acquire against Bullock's by virtue of the payment of any loss covered by such insurance.

12.7 INSURANCE TRUSTEE. Developer covenants that with respect to all fire and extended coverage insurance carried by it that each policy shall expressly provide that in case of any loss which exceeds \$50,000.00, the amount of any claim shall be paid to such bank or trust company qualified under the laws of the State of California as Developer shall designate for the custody and disposition as herein provided,

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however, that so long as the Developer hereunder is an Original Partnership, then the amount specified above in this Article 12.7 shall be \$250,000.00 If the Developer's Mortgagee is the holder of such insurance funds, such funds shall be deposited in a California bank.

In every case of loss or damage to the Developer Improvements, all proceeds of such insurance (excluding the proceeds of any rental value, or use and occupancy insurance of Developer) shall be used with all reasonable diligence by Developer for rebuilding, repairing or otherwise reconstructing the same, to the extent required to be reconstructed pursuant to the provisions of Article 13, substantially in accordance with the original plan and elevation thereof, or such modified plan conforming to the then laws and regulations, as shall first have been approved by Bullock's.

Payment of the proceeds shall be made by the trustee of the funds to Developer, or its contractor or contractors, in the discretion of the trustee, as follows:

12.7.1 At the end of each month, or from time to time, as may be agreed upon, against Developer's architect's certificate, an amount which shall be that proportion of the total amount held in trust which 90% of the payments to be made to the contractors or materialmen for work done, material supplied and services rendered during each month or other period bears to the total contract price.

12.7.2 At the completion of the work, the balance of such proceeds required to complete the payment of such work shall be paid to Developer, or its contractor or contractors as the trustee deems appropriate, provided that at the time of such payment (a) there are no liens against the property by reason of such work, and with respect to the time of payment of any balance remaining to be paid at the completion

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of the work the period within which a lien may be filed has expired, or proof has been submitted that all costs of work theretofore incurred have been paid, and (b) Developer's architect shall certify that all required work is completed and proper and of a quality and class of the original work required by this REA and in accordance with the approved plans and specifications.

In the event Developer is not required to rebuild or raze and clear under Article 13, then all of said funds shall be paid by the trustee to Developer, or Developer's Mortgagee, as their interests may appear. Alternatively, if the Developer is required to rebuild or raze and clear under Article 13, then any of said funds remaining after said work has been fully performed shall be paid by the Trustee to Developer, or Developer's Mortgagee, as their interests may appear.

ARTICLE 13

COVENANTS AS TO REPAIR, MAINTENANCE,
ALTERATIONS AND RESTORATION

13.1 MAINTENANCE. Each Party shall at all times during the term of this REA, from and after the opening for business of its respective Store(s) or Building, as the case may be, keep and maintain, or cause to be kept and maintained (unless it shall be relieved from the obligations so to do as hereinafter provided) in good order, condition and repair, all completed portions of its respective Store(s) or Building, as the case may be, and as to Developer, the Developer Improvements.

13.2 RESTORATION OF COMMON AREA. In the event of any occurrence, condemnation or casualty (which shall include acts of God, fire, earthquake, explosion, flood or similar occurrences) which results in damage or destruction to the Common Area (excluding the Enclosed Mall), during the term of this REA, whether insured or uninsured, Developer shall restore, repair or rebuild the Common Area with all due diligence, subject to the provisions of Article 15 hereof. Such restoration and repair shall be performed in accordance with the applicable requirements of paragraph 13.5 of this Article 13.

In the event of damage or destruction to the Common Area (excluding the Enclosed Mall) from a cause not required to be insured against under Article 12.1 and after Developer has expended, for restoration and repair of the damage caused to the Common Area (excluding the Enclosed Mall), all insurance proceeds, condemnation proceeds, or other awards payable on account of such damage or destruction, then Bullock's shall pay to Developer in the same manner provided in Article 6.1 Bullock's Proportionate Share, as defined in the Unrecorded Agreement, of the cost of such restoration and repair, after deducting therefrom all such proceeds.

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13.3 RESTORATION OF CERTAIN DEVELOPER IMPROVEMENTS.

Developer covenants for the benefit of the Bullock's Tract only that in the event of any damage or destruction to all or any portion of the Developer Mall Stores or the Enclosed Mall, it shall:

13.3.1 In the event such damage or destruction occurs during the period in which Operation by Bullock's is required pursuant to Article 21, at Developer's own expense, and with all due diligence, restore, repair or rebuild such Developer Improvements. The provisions of this Subparagraph 13.3.1 shall apply regardless of the cause of such damage or destruction, and regardless of whether such damage or destruction was insured against or uninsured.

13.3.2 In the event such damage or destruction occurs after the period referred to in subparagraph 13.3.1 above, at its own expense, and with all due diligence, restore, repair or rebuild such Developer Improvements, unless:

13.3.2 (a) Such damage or destruction was caused by a peril other than those risks required to be insured against under the provisions of Article 12.1, and the cost of such restoration, repair or rebuilding exceeds \$700,000.00 (subject to adjustment as provided for in Article 28 of this REA) or

13.3.2 (b) Such damage or destruction was caused by a peril required to be insured against under the provisions of Article 12.1, the cost of such restoration, repair or rebuilding is more than \$700,000.00 (subject to adjustment as provided for in Article 28 of this REA) and Developer does not receive the covenant from Bullock's hereinafter provided. Promptly following such damage or destruction, Developer shall request in writing that Bullock's agree to Operate for a period of ten years commencing on the earlier of the date of completion

of such restoration, repair or rebuilding, or 18 months after the date of such damage or destruction. The provisions of this subparagraph 13.3.2 (b) relieving Developer of its obligation to restore, repair or rebuild such Developer Improvements shall not apply if within the time period specified in the next sentence Bullock's covenants with Developer (in recordable form if requested) to Operate for such ten year period. Such time period shall be the earlier of 130 days after such request is made or 30 days after Bullock's has received notice from Developer that Developer has not been able to obtain an Operating covenant in accordance with Article 13.3.3.

13.3.3 If Developer would have been relieved pursuant to Article 13.3.2(b) from the duty to restore, repair, or rebuild following a casualty but was not so relieved due to the giving by Bullock's of the covenant referred to therein, then Developer need only restore such portion of such Developer Improvements as is hereinafter specified if the following conditions have been satisfied:

13.3.3(a) Concurrently with requesting such covenant from Bullock's, Developer requests in writing that the Occupant of the Buffums Store who, at the time of the casualty, occupied the most space in the Buffums Store agree to Operate the minimum amount of Floor Area set forth in Article 8.1 for the Buffums Store for a period of ten years commencing on the earlier of the date of completion of such restoration, repair, or rebuilding, or 18 months after the date of such damage or destruction.

13.3.3(b) Such Occupant fails within 60 days of such request to so covenant.

13.3.3(c) Concurrently with requesting such covenant from Bullock's, Developer undertakes good faith efforts to locate a Party willing and capable of so Operating the

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Buffums Store and attempts to obtain from such Party a covenant to Operate the minimum amount of Floor Area set forth in Article 8.1 for the Buffums Store for a period of 10 years commencing on the earlier of the date of completion of such restoration, repair, or rebuilding, or 18 months after the date of such damage or destruction.

13.3.3(d) Developer, despite such good faith efforts, is unable to obtain the covenant described in 13.3.3(c) above from such a Party within 120 days of Developer undertaking such good faith efforts.

13.3.3(e) At the time of such damage or destruction, Developer is not the Occupant of the Buffums Store occupying the most space in the Buffums Store.

13.3.4 The portion of such Developer Improvements to be restored pursuant to Article 13.3.3 shall contain 72,000 square feet of Floor Area and be configured in such fashion as the Prime Parties may agree. If the Prime Parties are unable to so agree, the configuration shall be determined by arbitration in accordance with Article 23.

13.3.5 All areas not restored to original use shall be leveled, cleared, improved and maintained by the Party upon whose Tract such areas are located as Common Area unless the Prime Parties otherwise agree or until restored to their original use. All restoration, repair, or rebuilding and all conditions of the requirements of such restoration, repair, or rebuilding, shall be subject to the provisions of Article 15 hereof and shall be performed in accordance with the applicable requirements of paragraph 13.5 of this Article 13.

13.4 RESTORATION OF STORES. The Prime Parties, each severally, covenant each with the other, in the event of any damage or destruction to all or any portion of, with respect to Bullock's, the Bullock's Store and with respect to Developer,

the Buffums Store, that each, respectively, will cause its said Store to be reconstructed during the period Bullock's is required to Operate as provided in Article 21. Subject to the foregoing, each Party may make repairs, alterations, additions or improvements to the Common Area or its respective Tract and said Stores (and to the exterior signs thereon, subject to the provisions of Exhibit D). At any time after Developer no longer has any rights of purchase under Article 27.3, Bullock's may raze the whole or any part of its Store, provided that in such event Bullock's shall cause the Enclosed Mall to be secured, pursuant to plans Developer has approved, which approval will not be unreasonably withheld, where its Store has been removed so that the same shall remain enclosed and not permit the escaping of air. Notwithstanding the foregoing, should Bullock's desire to raze only a portion of its Store the remaining Store must contain not less than the minimum Floor Area permitted for the Bullock's Store pursuant to Article 8. Any portion of the ground floor coverage of the Bullock's Store so razed shall be improved as Common Area in the same manner as provided in Article 13.7 hereof.

13.5 STANDARDS OF CONSTRUCTION. All restoration, repair, rebuilding, maintenance, alterations, additions or improvements (hereinafter collectively called "work") performed by any Party pursuant to the provisions of this REA shall be performed in strict compliance with such of the following requirements as are applicable thereto, to wit:

13.5.1 No such work shall be commenced unless the Party desiring to perform the same has in each instance complied with the appropriate provisions of Article 4.

13.5.2 If the work is to a structure which is adjacent to the Enclosed Mall, then during the performance of the work, the Enclosed Mall shall be secured and temporarily

enclosed so as not to permit the escaping of air, and upon completion shall have physical integration with the Enclosed Mall.

13.5.3 All work shall be performed in a good and workmanlike manner and shall strictly conform to and comply with:

13.5.3 (a) The plans and specifications therefor approved to the extent required by this REA.

13.5.3 (b) All applicable requirements of laws, codes, regulations, rules and underwriters; and

13.5.3 (c) To the extent applicable, the requirements of Articles 4, 5, 6, 7, 8 and 9.

13.5.4 All such work shall be completed with due diligence, subject to the provisions of Article 15 hereof, and at the sole cost and expense (except as herein provided to the contrary) of the Party performing the same.

13.6 LICENSES FOR RECONSTRUCTION. It is recognized that from time to time during the term of this REA, each Party may require a temporary license to use portions of the Common Area for the purposes of:

13.6.1 Performing maintenance upon, and making repairs to, and/or making construction alterations, additions and improvements, or razing and replacing the whole or any part of the Developer Improvements or the Stores, or the Hacienda Building, respectively, pursuant to this REA (the activities referred to in this Subparagraph 13.6.1 being hereinafter collectively referred to as "construction"), and

13.6.2 Obtaining access, ingress to and egress from the Developer Improvements, or the Stores, or the Hacienda Building, as the case may be, to carry on such maintenance, repair and construction.

With respect to all purposes for which a temporary license is needed, within a reasonable time prior to the

commencement of any such construction, the Party desiring to undertake the same shall submit to the Party owning the Tract in question for its approval (which approval shall not be unreasonably withheld) a plot plan of the Shopping Center on which such Party shall delineate those portions of the Common Area with respect to which such Party reasonably requires a temporary license in connection with such construction, and such access, ingress and egress, and the Party upon whose Tract the same is to be performed shall, within ten days thereafter, notify such requesting Party whether it approves or disapproves of the use. At all times during any Party's use of the portion of the Common Area, as aforesaid, such Party shall comply with the applicable requirements of Article 9 hereof, and upon cessation of such use shall promptly restore the portions of the Common Area so used to the condition in which the same were prior to the time of commencement of such use, including the clearing of such area of all loose dirt, debris, equipment and construction materials. Such Party shall also restore, at its sole cost and expense, any portions of the Shopping Center which may have been damaged by such construction promptly upon the occurrence of such damage, and shall at all times during the period of any such construction keep all portions of the Shopping Center, except the Developer Improvements and the Stores, as the case may be, and except the portions of the Common Area being utilized by such Party pursuant to this Article 13.6 free from and unobstructed by any loose dirt, debris, equipment or construction materials related to such construction.

13.7 CLEARING OF PREMISES. Whenever any Party is not obligated hereunder to restore, repair or rebuild any building that has been damaged or destroyed and elects not to do so, then, and in such event, such Party shall raze such building or such part thereof as has been so damaged

or destroyed, clear the premises of all debris, and all areas not restored to their original use shall be leveled, cleared and improved as Common Area, of like standard as the Common Area of the balance of the Shopping Center, at the expense of such Party. Hereafter, said area shall become a portion of the Common Area and be maintained as such, until such time as said Party may elect to rebuild thereon.

13.8 COMMON BUILDING COMPONENTS. The following provisions shall apply to the repair, alteration or restoration of Common Building Components:

13.8.1 Each Party owning any improvement in the Shopping Center which contains a Common Building Component shall, if such Common Building Component is utilized by another improvement in the Shopping Center owned in whole or in part by another Party (as owner of a benefited improvement), maintain, at its own cost and expense, such Common Building Component therein in such state of repair that it shall continue to have the capacity to be so used in common with the benefited improvement in question (subject to the provisions of Subparagraph 13.8.2 of this Article).

13.8.2 Each Party owning any benefited improvement which utilizes any Common Building Component contained in an improvement which is not owned in whole or in part by it shall not place upon the Common Building Component in question any burden which at the time of placement thereof is in excess of the capacity of the Common Building Component thereof, or will prevent the use of the improvement contained in the Common Building Component in question for its intended purposes.

13.8.3. Nothing in Subparagraphs 13.8.1 or 13.8.2 of this Article 13.8 shall be deemed to preclude any Party owning either an improvement containing a Common Building Component or a benefited improvement, as the case may be,

from doing or causing to be done any work (whether of repair, alteration, restoration or otherwise) with respect to any such improvement (notwithstanding that during the course of performing such work a condition otherwise prohibited by the provisions of this Article may result) if:

13.8.3 (a) During the course of performance of such work the Party by whom or on whose behalf such work is being done shall, at its own cost and expense, provide such temporary facilities as may be necessary:

13.8.3 (a) (1) To perform the function performed by the Common Building Component in question, if such work is performed with respect to the improvement containing the Common Building Component in question, or

13.8.3 (a) (2) To increase the capacity of, or supplement, the Common Building Component in question to the extent necessary so that the benefited improvement shall not, during the course of performance of such work, either place on such Common Building Component a burden in excess of the capacity thereof for such purpose or otherwise prevent the use of the improvement containing the Common Building Component in question for its intended purposes, if such work is performed with respect to the benefited improvement in question; and

13.8.3 (a) (3) At the conclusion of such work there is compliance with the provisions of whichever of Subparagraphs 13.8.1 or 13.8.2 of Article 13.8 is appropriate to the improvement with respect to which the work in question was done.

Notwithstanding the provisions of said Subparagraphs 13.8.1 or 13.8.2 of Article 13.8, the Party owning the improvement with respect to which the work in question was done shall not be liable to the Party owning such other improvement affected by such work for any inconvenience, annoyance, disturbance or loss of business to such other

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Party (or his Occupant) arising out of and during the performance of such work (unless occasioned by the negligence of the Party performing such work, or its agents), but the Party owning the improvement with respect to which such work is being performed shall make all reasonable efforts to keep any such inconvenience, annoyance, disturbance or loss of business to the minimum reasonably required by the work in question.

Anything in this Article 13.8 to the contrary notwithstanding, it is expressly understood and agreed that the obligations of Developer for maintenance, repair and alteration of the Enclosed Mall shall at all times remain its obligation, even though the same may be a Common Building Component.

13.9 LIABILITY OF MORTGAGEE. Anything in this Article 13 to the contrary notwithstanding, it is expressly understood and agreed that the provisions of Articles 13.3 and 13.4 hereof shall be applicable to any Mortgagee of any Tract in the following manner:

13.9.1 Where any such Mortgagee acquires title by reason of foreclosure, or deed in lieu of foreclosure, such Mortgagee or the purchaser at a foreclosure sale shall only be liable for such reconstruction for damage which occurs subsequent to such foreclosure; provided, however, that where damage or destruction caused by a peril included within the risks enumerated in Article 12.1 and which is required to be insured against under this REA occurs prior to such foreclosure sale, any such Mortgagee who acquires title by reason of foreclosure, or the purchaser at the foreclosure sale, shall be liable for such reconstruction to the extent of the insurance proceeds to which it is entitled under such insurance.

13.9.2 If a Mortgagee or purchaser at the foreclosure sale is not required pursuant to the foregoing subparagraphs to restore, repair or rebuild any building that has been damaged or destroyed and elects not to do so then such Mortgagee shall raze such building or such part thereof that has been so damaged or destroyed, clear the premises of all debris, and improve said area at its expense as Common Area, of like standard as the Common Area of the balance of the Shopping Center. Thereafter said area shall become a portion of the Common Area until such time as said Person may elect to rebuild thereon. Should such Mortgagee desire to raze only a portion of any such building the remaining building must contain not less than the minimum Floor Area for such building pursuant to Article 8.

Nothing contained in this Section 13.9 shall limit the rights of Bullock's under Sections 15.2 or 21.2 if there is such limited performance of the provisions of Sections 13.3 or 13.4 by such Mortgagee or purchaser at a foreclosure sale.

13.10 HACIENDA BUILDING AND DEVELOPER NON-MALL STORES. Nothing set forth in this REA shall be deemed to obligate Hacienda to repair or rebuild the Hacienda Building following a casualty or shall be deemed to obligate Developer to repair or rebuild any of the Developer Non-Mall Stores following a casualty.

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ARTICLE 14

MERCHANTS' ASSOCIATION

Bullock's may elect from time to time to join or resign from a merchants' association or promotional service organized to serve the Shopping Center or any portion thereof. So long as Bullock's is a member of any such association or a participant in any such service, it agrees to pay its pro rata share assessment up to a maximum of the amount specified in the Unrecorded Agreement per year for each year of membership or participation. In the event that Bullock's elects not to join such an association or participate in such a service, Bullock's agrees to make a contribution to an association that meets the requirements set forth hereinbelow for a merchant's association, or in the alternative at Bullock's election, to a promotional service that meets the requirements set forth hereinbelow for such a service in the amount specified in the Unrecorded Agreement for each of the first two years of existence of such association or service (but Bullock's shall not be obligated to make any contributions attributable to a period later than the end of the third year after Bullock's opens for business).

The requirements referred to above for a merchants' association are as follows:

- (a) It is a California nonprofit corporation with standard form articles and bylaws.
- (b) It has, or is proceeding diligently to obtain, with reasonable prospects of success, its income tax exemption for Federal and State purposes.
- (c) Occupants of at least 80% of the Floor Area in the Shopping Center Phase 2 have agreed to join.

(d) Developer agrees to join and pay dues equal to at least 25% of the association's budget, and Developer performs those obligations.

(e) The Articles and Bylaws shall provide a reasonably democratic procedure for election of the association's Board of Directors by the members of the association.

(f) The association is well advised by its legal counsel of applicable legal requirements, including antitrust laws.

(g) Bullock's assessment for membership in the association is calculated at the lowest rate per square foot of any member in the association.

The requirements referred to above for a promotional service are as follows:

(a) Bullock's has approved the budget under which the service will operate.

(b) Bullock's has approved the management personnel and the organizational structure of the service.

(c) Occupants of at least 80% of the Floor Area in the Shopping Center Phase 2 are fully participating in the service.

(d) Developer is participating in the service and has agreed to pay 25% of the budget of the service and Developer performs those obligations.

(e) Bullock's financial contribution to the service is calculated at the lowest rate per square foot of any other participant in the service.

(f) All funds paid to the service are held in trust by the service.

ARTICLE 15

EXCUSE FOR NON-PERFORMANCE

15.1 FORCE MAJEURE. Except as otherwise provided in this REA, each Party shall be excused from performing any obligation or undertaking provided in this REA, except any obligation to pay any sums of money under the applicable provisions hereof, in the event and so long as the performance of any such obligation is prevented or delayed, retarded or hindered by act of God, fire, earthquake, floods, explosion, actions of the elements, war, invasion, insurrection, riot, mob violence, sabotage, inability to procure or general shortage of labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strikes, lockouts, action of labor unions, condemnation, requisition, laws, orders of governmental or civil or military or naval authorities, or any other cause, whether similar or dissimilar to the foregoing, not within the respective control of such Party.

15.2 BULLOCK'S EXCUSED FROM RECONSTRUCTION. Bullock's shall be excused from the performance of its obligations set forth in Article 13.4 for and during any period of time in which the Developer is in breach of Developer's covenants set forth in Articles 13.2, 13.3 or 13.4 or in which Bullock's is relieved pursuant to Article 21.2 of its obligations contained in Article 21.1.

15.3 DEVELOPER EXCUSED FROM RECONSTRUCTION. Developer shall be excused from the performance of its obligations set forth in Article 13.3 for and during any period of time in which Bullock's is in breach of Bullock's covenants set forth in Article 13.4.

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ARTICLE 16

CONDEMNATION

16.1 DETERMINATION OF AWARD. Any award for damages, whether the same shall be obtained by agreement prior to or during the time of any court action or by judgment, verdict or order, during or after any such court action, resulting from a taking by exercise of right of eminent domain of the Shopping Center Site or any portion thereof, or resulting from a requisitioning thereby by military or other public authority for any purpose arising out of a temporary emergency or other temporary circumstances, shall be distributed between the Parties to this REA in accordance with the terms and conditions of this Article.

16.2 DISTRIBUTION OF PROCEEDS OF AWARD. Any such award shall be paid promptly by the persons receiving the same in trust to a bank or trust company approved by the Prime Parties, having an office in Los Angeles, California, as trustee, to be distributed among the Parties in accordance with the provisions of this Article.

Any such award shall be distributed among the Parties as follows:

16.2.1 If all or any portion of any Tract, exclusive of Common Area, within the Shopping Center shall be condemned, the total award for such Tract, exclusive of any award or compensation paid for any Common Area, shall be paid to the Party owning or leasing such Tract so taken.

16.2.2 If all or any portion of the Common Area shall be condemned, the total award shall be distributed by the trustee in the following order of priority:

16.2.2 (a) To the Party owning or leasing such Common Area so taken, any and all reasonable expenses or

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disbursements such Party may have incurred or obligated itself for in connection with such proceedings;

16.2.2 (b) To such Party (after the Prime Parties shall have approved final plans and specifications for any substituted Common Area and the contract or contracts for such substituted Common Area) under progress payments during the progress of the restoration of Common Area, as the case may be, out of the net proceeds in condemnation so held to the extent such proceeds or such award will permit, as follows:

16.2.2 (b) (1) At the end of each month, or from time to time as may be agreed upon by the affected Parties, there shall be paid, against such Party's architect certificates, an amount which shall be that proportion of the proceeds held in trust, which 90% of the payments to be made to the contractors or materialmen of such Party for work done, materials supplied and services rendered during each month or other period, bears to the total contract price; and

16.2.2 (b) (2) At the completion of the work, the balance of such condemnation award monies required to complete the payment for such work shall be paid to such Party; provided that at the time of each such payment (A) there are no liens against the property of such Party by reason of such work and that, with respect to the time of payment of any balance remaining to be paid at the completion of such work the period within which a lien may be filed has expired or that the other Parties hereto are satisfied by proof submitted by such Party that all costs of such work therefor incurred have been paid, (B) such Party's architect shall certify that all work so far done is proper and of a quality and class equal to the original work required by this REA and in accordance with the plans and specifications, and (C) such Party shall furnish to the trustee evidence satis-

factory to said trustee that all previous advances have been devoted to defray the actual cost of such work up to the amount of such cost, or that such cost has actually been paid by such Party in the amount of all such previous advances. In no event shall the trustee be liable for any amount in excess of the net proceeds of the award in condemnation. Should the cost of such work exceed the net proceeds of the award in condemnation, such Party shall pay such additional cost.

Should (i) the cost of such work be less than the net award in condemnation so held in trust, or (ii) no substituted Common Area be provided, the award or the balance of said award shall be apportioned between the Parties as their respective interests may appear, it being the intent that severance damages arising from the taking of such reciprocal easements and other rights shall be the sole compensable interest arising from the integration of the various Tracts into the Shopping Center which shall accrue to Parties who do not have any other property interest in the Tract so taken, except the interests created by this REA.

Anything to the contrary in this Article 16.2 notwithstanding, if a Party, has net current assets of \$40,000,000.00 (subject to adjustment as provided in Article 28 of this REA) or more, as disclosed on the latest published report to the stockholders, payment of such Party's portion of any award for damages shall be made directly to such Party rather than to the bank or trust company as hereinabove provided. Anything to the contrary in this Article 16.2 notwithstanding, payment of any award to Developer shall be held in trust by the holder of the first Mortgage on Developer Tract, and such award shall be deposited in a California bank.

16.3 UNRESOLVED ISSUES. Any issue which is not resolved by any judgment in the condemnation proceeding or

supplemental determination therein shall be resolved among the Parties under the provisions of Article 23.

16.4 TAKING OF AUTOMOBILE PARKING AREA. If a portion of the Automobile Parking Area shall be so taken in eminent domain so that after such taking the parking spaces in the Shopping Center shall be reduced to less than 80% of the number of parking spaces required by Article 10.3 to be located in the Shopping Center or the parking spaces in the Shopping Center Phase 2 shall be reduced to 80% of the number of parking spaces required by Article 10.3 to be located in the Shopping Center Phase 2, then this REA may be terminated, as provided below, upon the taking of permanent possession (as distinguished from a temporary requisition for a period of less than 180 days) of such areas by the condemning authorities, as hereinafter provided. Any Prime Party desiring to terminate this REA shall give notice of such desire to the other Prime Party, and if within 30 days after the giving of such notice the other Prime Party shall not give notice in writing of its objection to such termination, this REA shall terminate on the 60th day after the giving of the first notice of intention to terminate.

In the event the condemnation shall result in a taking of Automobile Parking Area so that the resulting number of parking spaces would be reduced to less than the number of parking spaces specified above in this Article, and any Prime Party shall desire not to have this REA terminate as hereinabove provided, then such Prime Party shall submit to the other Prime Party promptly after notice of such proposed condemnation, notice of its objection to the termination of this REA, submitting therewith plans for alternative automobile parking facilities to increase the number of parking spaces to a number sufficient to have otherwise prevented such termination. Any parking structure required to be constructed in conjunction

with such increased parking spaces shall be paid for by the Prime Party so objecting, at its sole cost and expense. This REA shall not terminate in the event of such notice unless the other Prime Party shall within 60 days following the receipt of such request have disapproved such proposed additional automobile parking facilities.

16.5 PARTIAL TAKING OF FLOOR AREA; PARKING SPACES; OR ACCESS. If ten percent or more of the Floor Area of any Party contained in a building having direct access to the Enclosed Mall shall be so taken in eminent domain, then such Party shall have the right to terminate this REA upon giving not less than 60 days written notice to the other Parties of its intention so to do. Furthermore, if 20% or more of the parking spaces located within 400 feet of the Bullock's store shall be so taken in eminent domain, then Bullock's shall have the right to terminate this REA upon giving not less than 60 days' written notice to the other Parties of its intention so to do. Additionally, should the exercise by governmental authority of its police powers or rights of eminent domain substantially and permanently impair ingress and egress to the Bullock's Store so that in Bullock's judgment reasonably exercised Bullock's operations in the Bullock's Store are substantially impaired, Bullock's may upon giving not less than 60 days' written notice to the other Parties terminate this REA.

16.6 MORTGAGEE PARTICIPATION. Nothing herein contained shall be deemed to prohibit any Mortgagee from participating in any eminent domain proceedings on behalf of any Party upon whose Tract it has a Mortgage, or in conjunction with the award to any other Party or the distribution thereof as set forth in Article 16.2

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16.7 EXTENT OF RECONSTRUCTION. Each Party shall to the extent practicable reconstruct its Tract to the same extent it would be required to reconstruct pursuant to Article 13 and in accordance with the requirements and subject to the provisions of this Article, and in accordance with Article 9 hereof.

16.8 INVERSE CONDEMNATION. Should any inverse condemnation result by reason of actions of a public authority, including without limitation any acts or actions of any environmental protection act or regulations, and a judgment of a court of competent jurisdiction shall so determine, then the rights of the Parties shall be the same as though condemnation had taken place.

ARTICLE 17

CORRECTION OF SITE DESCRIPTIONS,
DESCRIPTIONS OF EASEMENTS

17.1 CORRECTION OF SITE DESCRIPTIONS. It is recognized that by reason of construction errors, the Developer Improvements and the Bullock's Store may not be precisely constructed within their respective Tracts as described in Exhibit A. As soon as reasonably possible after completion of the construction of the Developer Improvements, or any Store or Building, as the case may be, each Party shall cause an "as-built" survey to be made of its Tract showing all improvements thereon and Tract boundaries. The cost of such survey shall be paid by the Party causing such survey to be made, unless more than one Party shall have joined in obtaining a single survey, in which event the cost thereof shall be divided between such Parties in such manner as they shall have agreed upon. In the event such survey shall disclose that the building or buildings of the Party making such survey, or the Developer Improvements, as the case may be appropriate, has not been precisely constructed within its respective Tract, then promptly upon the request of any Party hereto, all of the Parties hereto will join in the execution of an agreement, in recordable form, amending Exhibit A to this REA, so as to revise the description of such Tract to coincide with the as-built perimeter of the buildings and improvements constructed by the owner of such Tract. Nothing herein contained shall be deemed to relieve or excuse any Party to this REA from exercising all due diligence to construct its Floor Area, Common Area and other improvements within its respective Tract as described on Exhibit A and as shown on Exhibit B.

17.2 GRANT OF EASEMENTS. Upon request, each Party agrees to either grant an easement over that portion of its

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property as is required to correct such descriptions, or to convey satisfactory title to the benefited Party upon the basis that the benefited Party shall deed to the burdened Party an equivalent amount of acreage contiguous to the burdened Party's Tract.

17.3 DESCRIPTION OF EASEMENTS. Upon completion of construction of the utility facilities for which easements have been granted, pursuant to Article 2.2, and the construction elements referred to in Article 2.3, the Parties shall join in the preparation and approval of an as-built survey, in recordable form, appropriately identifying the type and location of each respective utility facility and construction element.

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ARTICLE 18

SIGNS

18.1 CRITERIA. Attached hereto, and marked Exhibit D, are criteria for all signs to be erected within the Shopping Center Site, and no signs shall be erected in the Shopping Center Site which do not conform in all respects to said criteria. It is understood said criteria expressly excludes therefrom, except for specific provisions thereof, the building identification signs on the Bullock's Store.

18.2 APPROVAL OF SPECIAL SIGNS. If any Occupant shall request a sign not completely in accordance with the criteria, such sign shall not be erected without the prior consent of the Prime Parties. Any change made to any initially completed sign which causes the same to not fall within the scope of the sign criteria is hereby prohibited, and any such changed sign shall be considered as a new installation and any deviation from the criteria shall similarly require the prior approval of the Prime Parties. The location of the theatre readerboard sign shall be in the location designated on Exhibit B.

18.3 COMPLIANCE WITH CITY REQUIREMENTS. The approval of the signs for the Shopping Center by the City Council of the City of Manhattan Beach in Resolution 3685, or subsequent ordinances or regulations affecting the same subject is also a requirement that shall be complied with by all Parties and all Occupants.

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ARTICLE 19

RULES AND REGULATIONS

Each Party severally agrees to observe and comply with, and shall cause its respective Permittees to observe and comply with, such rules and regulations related to the Shopping Center as may be adopted by the mutual agreement of the Prime Parties hereto, from time to time. The Prime Parties hereby adopt the rules and regulations attached hereto and marked Exhibit E, until such time as new and different rules and regulations shall be adopted, as aforesaid. An amendment of such rules and regulations shall not be deemed to be, nor shall it require, an amendment to this REA.

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ARTICLE 20

COVENANTS OF DEVELOPER AND HACIENDA

20.1 STANDARDS. The Parties agree that it is in their mutual best interests, and important to the maximum utilization of their Tracts, that the Shopping Center Site and each respective Store site be developed and maintained as an integrated shopping center which will contain a combination of Occupants which (i) represent a sound and balanced diversification of merchandise, (ii) are well qualified and willing to direct an intensive and continuous merchandising and promotional program, (iii) will be of strong financial condition and good repute, (iv) will efficiently utilize and not exceed the capacity of the available Automobile Parking Area, or any portion thereof, and (v) will fixturize, decorate and maintain their respective Store premises in a tasteful and decorous manner, having regard for the general standards of appearance prevailing in the Shopping Center. In furtherance of such purpose the Parties have agreed to the provisions of this Article 20 and Articles 4, 8, 9, 10, and 21.

20.2 MANAGEMENT CRITERIA. Developer covenants and agrees, subject to the provisions of Articles 13 and 15 of this REA, and subject to the other provisions of this Article, that, so long as the Bullock's Store is being Operated, it will manage and Operate, or cause to be managed and Operated, the Enclosed Mall, the Developer Mall Stores and the Buffums Store, in the following manner:

20.2.1 As a complex of retail stores and commercial enterprises which is a part of a first class regional shopping center development with Enclosed Mall and other related Common Area facilities.

20.2.2 Use its best efforts to:

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20.2.2 (a) Have the Floor Area occupied in its entirety;

20.2.2 (b) Have at all times a proper mixture and balance of Occupants; and

20.2.2 (c) Maintain a quality of management and operation not less than that generally adhered to in other similar regional shopping centers in Southern California.

20.2.3 Under the name of MANHATTAN VILLAGE and under no other name, without the prior approval of Bullock's, in Bullock's sole and absolute discretion.

20.2.4 So as to have Floor Area in the Developer Mall Stores and the Buffums Store of not less than the minimum Floor Area provided in Article 8.1.

20.2.5 In accordance with rules and regulations prescribed in Exhibit E.

20.2.6 To open the Developer Mall Stores when provided in Article 7.3 and in not less than the minimum Floor Area provided for in Article 8.1 hereof, and to use its best efforts to have all Floor Area open for business during the term of this REA; provided, however, that at any time after the Operating period provided for in Article 21, if the Bullock's Store or the Buffums Store is not being Operated, then Developer shall not be required to have open for business more than 60% of the Floor Area of the Developer Mall Stores, using its best efforts to have the same located in the immediate area of Bullock's if the Bullock's Store is being Operated.

20.2.7 So as not to substantially change, modify or alter in any manner or to any extent whatever the exterior of the Developer Mall Stores, without the prior approval of Bullock's, provided, however, this shall not apply to changes in the storefronts of the Developer Mall Stores.

20.2.8 So as to Operate the Developer Improve-
ments within the confines of the Shopping Center Site as depicted
on Exhibit B, and not to withdraw any land from the Developer
Tract without the prior approval of Bullock's.

20.2.9 Subject to requirements imposed by
governmental authority, so as to provide heating, cooling and
ventilation for the Enclosed Mall and to maintain the air
conditioning system therein at all times when the retail
operations on the Developer Tract or Bullock's Tract are open
for business, and in such manner so that the temperature and
humidity throughout the Enclosed Mall is at a reasonable
comfortable level and in accordance with the provisions of
Article 4.5.8 of this REA.

20.2.10 So as to require Occupants of the
Developer Mall Stores and the Occupants of the Buffums Store to
pay their share of Common Area Maintenance Cost and Enclosed
Mall Operation and Maintenance Expense.

20.3 TENANT COMPOSITION. Developer recognizes that
it is its responsibility to attain a proper mixture and balance
of tenants in the Developer Mall Stores. Developer further
acknowledges that in order to assure the maximum flow of pedes-
trian traffic near the Bullock's Store, substantial variations
of use may be required in the areas close to the Bullock's Store
and that Bullock's has a preference for particular categories of
tenants to be located within 75 lineal feet of the Bullock's
Store and within 100 lineal feet of the Bullock's Store.
Bullock's preferences are set forth on Exhibit F hereto.
Developer agrees to use its best efforts to accommodate the
preferences of Bullock's. Furthermore, Bullock's shall have a

right of approval as respects the mix of categories of the prospective Occupants of Floor Area within 100 feet of the Enclosed Mall entrance of the Bullock's Store, so as to maintain a balance and diversified grouping of retail stores, merchandise and services. Developer agrees that any agreement by which any Person becomes an Occupant shall be subject to the REA and shall contain provisions which will enable the Developer to enforce at least the following provisions of the REA:

20.3.1 Requiring the Occupants to comply with the rules and regulations adopted in accordance with Article 19.

20.3.2 Requiring the Occupants to comply with Article 18 of this REA.

20.4 OPERATION OF BUFFUMS STORE. In addition to the other requirements and obligations imposed on Developer in connection with the Buffums Store by this REA and subject to the provisions of Articles 13, 15, 16 and 30.13, Developer shall for a period of 15 consecutive years following the date on which Bullock's opens for business in the Bullock's Store cause a general merchandise retail department store to be Operated in the Buffums Store occupying for retail sales purposes not less than the minimum number of square feet of Floor Area required under Article 8 hereof for the Buffums Store, provided, however, that if at any time as a result of no breach of any obligation imposed on Developer by this REA or by any other agreement including the Lease, the Person Operating such retail department store should cease Operating in the Buffums Store, Developer shall not be in breach hereunder if within 12 months after said cessation a general merchandise retail department store occupying for retail sales purposes not less than the minimum number of square feet of Floor Area required under Article 8 hereof for the Buffums Store is open and Operating in the Buffums Store and provided further

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that Developer throughout such 12 month period uses its best efforts to cause the Buffums Store to be so Operating as promptly as possible. Developer shall not be obligated to cause such Operation during any period of time during which Bullock's is not Operating in the Bullock's Store in violation of this REA. Developer's obligations under this Article 20.4 to within said 12-month period cause the Buffums Store to be so Operating may be extended pursuant to Force Majeure as defined in Article 15.1 only if as of the end of such 12-month period Developer has entered into a legally binding contract with a Person to so Operate the Buffums Store, and notwithstanding anything to the contrary set forth in this REA, such extension due to Force Majeure may not exceed six months.

20.5 BUFFUMS LEASE. Developer shall perform when due all of the obligations of the Landlord under the Lease. Developer shall not, by agreement with the Tenant under the Lease or otherwise, terminate the Lease except in accordance with its terms, and Developer shall not waive the obligation imposed on Buffums pursuant to the Lease to conduct or operate a general merchandise retail department store in the Buffums Store. Developer, as Landlord under the Lease, shall not amend, without Bullock's prior approval, the Lease so as to modify the Lease with respect to any of the following matters: the term of the Lease, the premises affected by the Lease, the rights of either party to the Lease to terminate the Lease, the obligations of the parties to the Lease regarding reconstruction of the Buffums Store following any casualty, the casualty insurance required to be carried by either of the parties under the Lease, the cure periods under the Lease following a breach by Landlord or Tenant of any of the provisions of the Lease, the obligation imposed on Buffums to operate a general merchandise retail department store in the Buffums Store, and assignment and

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subletting by the Tenant under the Lease. Developer shall, as Landlord under the Lease, enforce with due diligence those provisions of the Lease concerning the matters as to which Landlord may not permit any amendment or modification. If Developer fails to utilize such due diligence in so enforcing such provisions, the Developer's rights with respect to those matters and enforcement thereof shall be deemed assigned to Bullock's. This assignment shall be self-operative with no need for an express assignment document, although Developer will upon request execute and acknowledge such a document. Furthermore, Developer as Landlord under the lease, shall not, without Bullock's prior approval, require that Buffums pursuant to Article 27 of the Lease or any similar provision of the Lease subordinate its rights under the Lease without Buffums obtaining in exchange therefor a recorded and enforceable Nondisturbance and Attornment Agreement from the party in whose favor such subordination by Buffums is to be given assuring Buffums that so long as Buffums performs the covenants of the Lease that Buffums rights under the Lease shall not be disturbed. Such Nondisturbance and Attornment Agreement must also provide that all insurance and condemnation proceeds with respect to the land and improvements covered by the Lease shall be used for reconstruction of such improvements prior to any payment of such proceeds to the party in whose favor such subordination is to be given.

20.6 BENEFITS. Each and all of the provisions of this REA on Developer's part to be performed (whether affirmative or negative in nature) are intended to and shall bind each and every Person, firm, association, or corporation comprised within the term Developer, at any time, and from time to time, and shall inure to the benefit of the other Parties hereto.

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20.7 BINDING ON DEVELOPER TRACT. Each and all of the covenants of Developer herein respecting the Developer Tract, are also intended to, and shall bind, each and every other Person having any fee, leasehold or other interest in any part of the Developer Tract, at any time and from time to time, derived through any Person, firm, association or corporation now or hereafter comprised within the term Developer to the extent that such part of the Developer Tract is affected or bound by the covenants in question, or that such covenant is to be performed thereon, and shall inure to the benefit of the other Parties hereto.

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20.8 DOMINANT AND SERVICENT ESTATES. With respect to the various covenants (whether affirmative or negative) on the part of Developer contained in this REA which affect, or bind, or are to be performed on portions of the Tract of any Party, as the case may be, the Tract benefited by such covenant shall, during the term of this REA be the dominant estate, and the Developer Tract (or if the particular covenant affects, binds, or is to be performed on less than the whole of the Developer Tract, then with respect to the particular covenant, such portion thereof, as is affected by, or bound by, the particular covenant, or on which the particular covenant is to be performed) shall during the term of this REA be the servient estate.

20.9 BENEFITS. Each and all of the provisions of this REA on Hacienda's part to be performed (whether affirmative or negative in nature) are intended to and shall bind each and every Person, firm, association, or corporation comprised within the term Hacienda, at any time, and from time to time, and shall inure to the benefit of the other Parties hereto.

20.10 BINDING ON HACIENDA TRACT. Each and all of the covenants of Hacienda herein respecting the Hacienda Tract, are also intended to, and shall bind, each and every other Person having any fee, leasehold or other interest in any part of the Hacienda Tract, at any time and from time to time, derived through any Person, firm, association or corporation now or hereafter comprised within the term Hacienda to the extent that such part of the Hacienda Tract is affected or bound by the covenants in question, or that such covenant is to be performed thereon, and shall inure to the benefit of the other Parties hereto.

20.11 DOMINANT AND SERVICENT ESTATES. With respect to the various covenants (whether affirmative or negative) on

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the part of Hacienda contained in this REA which affect, or bind, or are to be performed on portions of the Tract of any Party, as the case may be, the Tract benefitted by such covenant shall, during the term of this REA be the dominant estate, and the Hacienda Tract (or if the particular covenant affects, binds, or is to be performed on less than the whole of the Hacienda Tract, then with respect to the particular covenant, such portion thereof, as is affected by, or bound by, the particular covenant, or on which the particular covenant is to be performed) shall during the term of this REA be the servient estate.

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ARTICLE 21

COVENANTS OF BULLOCK'S

21.1 OPERATION COVENANTS. Bullock's shall, subject to the provisions of Articles 13, 15, 16 and 30.13, and subject to the other provisions of this Article, open and thereafter Operate, or cause to be opened and Operated, its Store under the trade name of "Bullock's", "Bullock's Wilshire" or under such other name as the Bullock's Division of Federated Department Stores, Inc. is doing business in a majority of its Stores in Southern California, on or before the date set forth for such opening in Article 7 hereof, and in not less than the minimum number of square feet of Floor Area required under Article 8 hereof, for a period of 15 years from and after said date.

The hours of business, the number and types of departments to be Operated in such Store, the particular contents, wares and merchandise to be offered for sale and the services to be rendered, the methods and extent of merchandising and storage thereof, and the manner of Operating such Store in every respect whatsoever shall be within the sole and absolute discretion of Bullock's. Bullock's may Operate a department or departments in its Store in whole or in part by licensees, tenants and/or concessionaires. However, notwithstanding Bullock's right to grant such licenses, leases, and concessions, Bullock's shall not permit a change in the use of the Bullock's Store so long as Bullock's is obligated to Operate said Store pursuant to this Article 21.1 from a general merchandise retail department store.

21.2 RELEASE FROM OBLIGATIONS. Bullock's shall be released from the performance of its respective obligations contained in Article 21.1 in the event of any of the following:

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21.2.1 If the Developer ceases to comply with the provisions of Article 13.2, 13.3, 13.4, 20.2.1, 20.2.2, 20.2.4, 20.2.6, 20.3 or 20.5; provided, however, that Developer shall have 60 days after written notice to cure any such default, or if such default cannot be cured within 60 days, to diligently commence curing within such time, and diligently cure within a reasonable time thereafter.

21.2.2 If Developer ceases to have Occupied at least 75% of Floor Area of Developer Mall Stores; provided, however, that Developer shall have nine months after written notice of such default to cure the same. Such default shall be conclusively deemed to have been cured if during said nine month period Developer shall have entered into bona fide leases which require the opening for business of Floor Area of Developer Mall Stores sufficient to increase the occupancy of Developer Mall Stores to more than 75% of the square feet of Floor Area, which bona fide leases shall provide for the actual commencement of occupancy of Floor Area by the Occupant within said nine-month period. Notwithstanding anything to the contrary set forth in this REA, said nine-month period shall not be extended pursuant to Article 15.1 for any period of time in excess of six months.

21.2.3 If Developer fails to comply with the provisions of Article 20.4, unless such failure is solely of Developer's obligation to use its best efforts, as set forth in the first sentence of Article 20.4, to cause the Buffums Store to be Operating as promptly as possible following a cessation of Operation of that Store, in which case Developer shall have 60 days after written notice to cure any such failure to use best efforts before Bullock's will be released from its obligations contained in Article 21.1.

Any dispute as to the failure of performance and/ or due diligence respecting the curing of any such failure, or what constitutes a reasonable time for curing of any such failure, shall be subject to the provisions of Article 23 respecting arbitration.

If Bullock's shall be entitled to cease Operation as permitted pursuant to the provisions of this Article 21.2, it shall not be required to thereafter continue in business or to reinstitute such business, notwithstanding the subsequent curing of any such failure referred to herein.

21.3 SUBORDINATION TO LIEN. The covenants contained in Article 21.1 are subordinated to the lien of any Mortgage recorded against the Tract which is burdened by such covenant (including, but not by way of limitation, any blanket Mortgage which may cover any other property or properties of such Party, whether owned in fee or as a leasehold, in addition to the property interest or interests previously referred to in this sentence), to the end that a purchaser or purchasers in any foreclosure proceedings, or pursuant to any exercise of power of sale, or any grantee under a deed in lieu of foreclosure, and all successors to or through any such purchaser or purchasers, or to or through any such grantee, shall take free and clear of the covenant. Each Party covenants and agrees to execute and deliver to the others, upon request therefor, such instruments, in recordable form, as shall at any time and from time to time be required (the form of which shall be in the sole and absolute judgment of counsel for such Party) in order to confirm or effect any such subordination as referred to in the preceding sentence.

21.4 BENEFITS TO PARTIES. Each and all of the provisions of this REA to be performed by Bullock's (whether affirmative or negative in nature) are intended to and shall

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bind each and every Person which comprises or is a part of Bullock's, at any time and from time to time, and shall inure to the benefit of the Parties hereto.

21.5 COVENANTS RUNNING WITH THE LAND. Bullock's covenants herein not to use, or permit the use of, any part of its Tract, as the case may be, contrary to the provisions of this REA, are intended to, and shall bind each and every Person having any fee, leasehold or other interest in any part of such Tract, at any time and from time to time, to the extent that such part of its Tract is affected or bound by the covenant in question, or that such covenant is to be performed thereon, and shall inure to the benefit of the Parties hereto.

21.6 DOMINANT AND SERVICENT ESTATES. With respect to the various covenants (whether affirmative or negative) on the part of Bullock's contained in this REA, which affect or bind, or are to be performed on portions of its Tract, the Tract benefited by such covenant shall, during the term of this REA, be the dominant estate, and the Bullock's Tract (or if the particular covenant affects, binds, or is to be performed on less than the whole of such Tract, then with respect to the particular covenant, such portion thereof as is affected by, or bound by the particular covenant, or on which the particular covenant is to be performed), shall, during the term of this REA, to be the servient estate.

21.7 HACIENDA'S RIGHTS. Notwithstanding anything to the contrary in this REA, Hacienda shall have no rights of any kind whatsoever as against Bullock's for any breach by Bullock's of any of its obligations contained in any of the following Articles: 4, 6, 7, 8, 9, 13, 21 and 27.

ARTICLE 22

TAXES AND ASSESSMENTS

22.1 PAYMENT. Except as otherwise provided in this REA, each Party shall pay, or cause to be paid, prior to delinquency, all taxes and assessments upon its Tract, and the buildings and improvements and personalty owned or leased by such Party in the Shopping Center, provided that if the taxes or assessments or any portion thereof may be paid in installments, any Party need only pay each such installment as and when the same becomes due and payable. Each Party shall upon the request of any other Party exhibit to such other Party for examination receipts for all taxes and assessments required to be paid by such Party pursuant to this Article 22.

22.2 PRORATION OF COMMON AREA AND ENCLOSED MALL TAXES. If, by reason of the fact that the tax bill which includes the Bullock's Tract covers an area greater than the Bullock's Store building and, consequently, the tax payment by Bullock's includes taxes imposed against property or improvements located within the Common Areas or the Enclosed Mall, the taxes on the Common Area and the Enclosed Mall land and improvements shall be prorated from the taxes on the Bullock's Store building and the underlying land on a reasonable basis, and Bullock's will receive credit for the taxes on the Common Area and the Enclosed Mall land and improvements paid in its tax payment against its share of Common Area Maintenance Cost which it is required to pay under Article 10. As far as possible, the proration required by this Paragraph shall be made with reference to the actual values used by the County Tax Assessor, as determined from his records, but if the proration cannot be so determined, the proration shall be made, as to land, by a square foot allocation, and as to

improvements by an appraisal of the relative value of the improvements in each category.

22.3 CONTEST. If any Party shall deem the taxes and/or assessments, or any part thereof, to be paid by such Party, to be excessive or illegal, such Party shall have the right to contest the same at its own cost and expense, and shall have the further right to defer payment thereof so long as the validity or the amount thereof is contested in good faith; provided, however, that if at any time payment of the whole or any part thereof shall be necessary in order to prevent the sale of the property for the lien for any such unpaid tax or assessment because of the nonpayment thereof, then the contesting Party shall pay or cause to be paid the same in time to prevent such sale. Any such payment may be paid under protest.

22.4 NON-PAYMENT OF TAXES BY A PARTY. In the event any Party shall fail to comply with its covenant as set forth in this Article 22, any other Party may pay such taxes and penalties and interest thereon, and shall be entitled to prompt reimbursement from the defaulting Party for the sums so expended.

22.5 ASSESSMENT BENEFITING SHOPPING CENTER. Anything in Article 22.1 to the contrary notwithstanding, in the event an assessment is levied against one or more Tracts that is of general benefit to the Shopping Center as a whole as opposed to a special benefit to the Tract or Tracts levied against, such assessment shall be prorated among the Parties on the basis of the size of their respective Tracts.

22.6 ASSESSMENT FOR COMMON IMPROVEMENT WORK. Notwithstanding the foregoing, Bullock's shall be under no obligation to pay any assessment constituting a lien against any portion of the Shopping Center, including the Bullock's Tract, imposed by any governmental authority for the cost of

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construction of any "common improvement work" as defined in Article 6.3 whether constructed or installed by Developer or by a governmental agency or entity. Subject to Developer's right to contest under Article 22.3 above, Developer shall pay all such assessments prior to delinquency. Furthermore, no such assessment shall be included in Common Area Maintenance Cost. Bullock's shall deliver to Developer at least 20 days prior to delinquency a copy of any tax bill received by Bullock's affecting the Bullock's Tract which includes any assessment Developer is obligated to pay under this Article 22.6. Notwithstanding the foregoing, any such assessment imposed for the cost of reconstruction of the Common Area following a casualty as defined in Article 13.2 may be included in Common Area Maintenance Cost. If Developer fails to perform any of its obligations under this Article 22.6, Bullock's may pay any such assessment and Developer shall upon demand reimburse Bullock's for the amount so expended by Bullock's. It is agreed that Bullock's shall have a lien upon the Developer Tract to secure the payment by Developer to Bullock's of any assessment paid by Bullock's pursuant to this Article 22.6; provided, however, that any such lien shall be subordinate to the lien of any Mortgage against the Developer Tract. Bullock's may record a notice of the failure by Developer to reimburse Bullock's for such assessment following a failure to so reimburse within 10 days of receipt by Developer of a written demand for reimbursement. The priority of the lien granted pursuant to this Article 22.6 shall date from recordation of such notice of default.

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ARTICLE 23

ARBITRATION

23.1 DISPUTES COVERED. Any dispute involving Articles 1.13, 4, 5, 6, 13 and 16 including those arising from lack of approval, controversies or disagreements between Parties arising from the interpretation or application of this REA and any dispute involving other Articles in this REA which contain specific provisions for arbitration shall be resolved by arbitration to take place in the City of Los Angeles, State of California, as provided herein; provided, however, that any Party hereto may seek prohibitory injunctive relief without first submitting a controversy to arbitration.

23.2 PROCEDURES. Any Party may request a meeting to be attended by all Parties for the Purpose of resolving any such dispute. If the matter is not resolved at such meeting, or the meeting is not held, any Party may within 30 days from the date set for such meeting make a written request to resolve such dispute by arbitration. Within ten days from the date of receipt of such notice, each of the Prime Parties shall select an arbitrator. An additional arbitrator shall be selected by such arbitrators. If such arbitrators are unable to select such an arbitrator, such arbitrator shall be appointed by the Presiding Judge of the Superior Court of Los Angeles County, State of California, at the request of any Party. Such arbitrators shall meet within ten days after selection for the purpose of resolving the dispute and shall resolve the same and all questions pertaining thereto within 20 days from the date of selection of such additional arbitrator. A majority decision shall be final at any stage of the proceeding. Each Party shall bear its own expense except that relating to the selection and services of the additional arbitrator which shall be borne equally by the Parties. In any arbitration

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proceeding involving Article 4 hereof, arbitrators having substantial experience in shopping center design and development shall be selected as arbitrators by the Parties.

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ARTICLE 24

ATTORNEY'S FEES

In the event any Party or Parties shall institute any action or proceeding, excluding any arbitration proceeding, against the other or others relating to the provisions of this REA, or any default thereunder, then, and in that event, the unsuccessful litigant in such action or proceeding agrees to reimburse the successful litigant therein for the reasonable expenses of attorney's fees and disbursements incurred therein by the successful litigant.

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ARTICLE 25

NOTICES

25.1 NOTICES TO PARTIES. Any notice, demand, request, consent, approval, designation, or other communication which any Party is required or desires to give or make or communicate to any other Party shall be in writing and shall be given or made or communicated by United States registered or certified mail, addressed, in the case of Developer to:

MANHATTAN BEACH COMMERCIAL PROPERTIES
c/o Mr. Alexander Haagen
3500 Sepulveda Boulevard
Manhattan Beach, California 90266

and addressed, in the case of Bullock's, to:

FEDERATED DEPARTMENT STORES, INC.
Bullock's Division
Broadway and 7th Streets
Los Angeles, California 90014
Attention: Chief Executive Officer

with a copy to:

FEDERATED DEPARTMENT STORES, INC.
15760 Ventura Boulevard
Suite 1032
Encino, California 91436
Attention: Real Estate Department

and addressed, in the case of Hacienda, to:

Manhattan Hacienda Property Co.
c/o Mr. Alexander Haagen
3500 Sepulveda Boulevard
Manhattan Beach, California 90266

subject to the right of any Party to designate a different address by notice similarly given. Any notice, demand, request, consent, approval, designation, including any duplicate original, or other communication so sent, shall be deemed to have been given, made or communicated, as the case may be, on the date the same was delivered by the United States mail as registered or certified matter, with postage thereon fully prepaid. If any such notice requires any action or response by the recipient,

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such fact shall be clearly stated in the notice in the manner provided for in Article 30.6.3 of this REA.

25.2 MORTGAGEE NOTICE. The Mortgagee under any first Mortgage affecting the Tract of any Party shall be entitled to receive notice from the Party sending such notice of any default by the Party with respect to such Tract, provided that such Mortgagee shall have delivered a copy of a notice in the form hereinafter contained to the Party sending such notice. The form of such notice shall be as follows:

The undersigned, whose address is _____
_____ does hereby certify that it is the holder of a first lien upon the tract of land described on Exhibit A attached hereto and made a part hereof and being the Tract of (Party) in (Name of Shopping Center) and is the trustee, beneficiary or Mortgagee holding the security interest in said Tract. In the event that any notice shall be given of the default of the Party upon whose Tract this lien applies, a copy thereof shall be delivered to the undersigned who shall have all rights of such Party to cure such default. Failure to deliver a copy of such notice to the undersigned shall in no way affect the validity of the notice of default as it respects such Party, but shall make the same invalid as it respects the interest of the undersigned and its lien upon said property.

Any such notice to a Mortgagee shall be given in the same manner as provided in Article 25.1 hereof. Giving of any notice of default or the failure to deliver a copy to any Mortgagee shall in no event create any liability on the part of

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the Party so declaring a default. In the event that any notice shall be given of the default of a Party and such defaulting Party has failed to cure or commence to cure such default as provided in this REA, then and in that event any such Mortgagee under any first Mortgage affecting the Tract of the defaulting Party shall be entitled to receive an additional notice given in the manner provided in Article 25.1 hereof, that the defaulting Party has failed to cure such default and such Mortgagee shall have 30 days after said additional notice to cure any such default, or if such default cannot be cured within 30 days, to diligently commence curing within such time and diligently cure within a reasonable time thereafter.

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ARTICLE 26

AMENDMENT; PARTIES BENEFITED

26.1 METHOD OF AMENDMENT. This REA may be amended, in whole or in part, with the consent of all of the Prime Parties hereto, by declaration in writing, executed and acknowledged by all of the Prime Parties, duly recorded in the Office of the Recorder in and for the County of Los Angeles, State of California, provided, however, an amendment hereto that directly affects the Hacienda Tract shall not be binding on Hacienda unless Hacienda also consents to such amendment.

26.2 NO THIRD PARTY BENEFICIARY. Except for the provisions of Articles 13.9, 25.2 and 30.13.2 which are for the benefit of a Mortgagee and the provisions of Articles 10.6 and 10.8 which are for the benefit of Operator and the provisions of Article 30.13.3 which are for the benefit of a leaseback lessor, the provisions of this REA are for the exclusive benefit of the Parties, their successors and assigns, and not for the benefit of any third Person, nor shall this REA be deemed to have conferred any rights, express or implied, upon any third Person. It is expressly understood and agreed that no modification or amendment, in whole or in part, shall require any consent or approval on the part of any Occupant or Permittee other than a Party.

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ARTICLE 27

TERMINATION OF REA; RIGHTS OF PURCHASE

This REA shall terminate, except as otherwise provided in Article 3.1.4 and 3.1.5 with respect to certain easements and in Article 27.3, on June 30, 2064, unless sooner terminated under the provisions of Article 16, or otherwise sooner terminated after 60 years from the date hereof by act of the Parties, as hereinafter set forth:

27.1 TERMINATION BY BULLOCK'S. At such time as there is less than 75% of the Initial Planned Floor Area being Operated, in the aggregate, on the Tracts of all Parties except Bullock's, Bullock's may give notice to all other Parties of its desire to terminate this REA. The notice provided for herein shall be given at least two years prior to the proposed effective date of such termination and shall specify on its face the effective date thereof. Such notice may be given at any time subsequent to the 58th year of the term hereof when the conditions set forth in this Article 27.1 shall occur. Notice herein required to be given shall be prepared in recordable form, and shall be recorded prior to the date on which it is served on all Parties and the recordation data shall show on the copies so served. This REA shall then terminate on the date set for termination in such notice.

27.2 TERMINATION BY ANY PARTY. If at any time subsequent to the end of the 60th year of the term of this REA less than 50% of the aggregate Initial Planned Floor Area of the Shopping Center is being Operated, this REA may be terminated by any Prime Party upon giving notice to all other Parties in the same manner as provided in paragraph 27.1 above; provided, however, that the effective date of such notice may be at any time more than 60 days subsequent to the date of the giving of such notice.

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27.3 PURCHASE OF BULLOCK'S TRACT AND IMPROVEMENTS

BY DEVELOPER. This Article 27.3 shall survive the termination of this REA. If at any time, even after this REA has terminated, after Bullock's commences Operating in the Bullock's Store, Bullock's elects not to cause the Bullock's Store to be Operated as a general merchandise retail department store, then Bullock's will so notify Developer, and Developer shall within 6 months of its receipt of such notice notify Bullock's of whether or not Developer elects to purchase the Bullock's Tract and the improvements thereon. If Developer fails to elect to purchase within said 6 month period, all of Developer's rights under this Article 27.3 shall terminate. Furthermore, Developer's rights under this Article 27.3 shall also terminate if at the time of such election by Bullock's, (i) Bullock's, during the period of Bullock's Operating covenant set forth in Article 21.1 or during the period of any Operating covenant giving pursuant to Article 13.3.2, has been relieved of its duty to Operate pursuant to Article 21.2 or pursuant any other agreement with Developer and (ii) the Developer is not an Original Partnership. Additionally, Developer shall have no rights under this Article 27.3 if, Bullock's election not to cause the Bullock's Store to be Operated relates to (i) any period of reconstruction and a reasonable period prior to and after such reconstruction following a casualty to the Bullock's Store, the Buffums Store, the Enclosed Mall, the Developer Mall Stores, the Common Area, or any portion thereof, or (ii) any period of reconstruction and a reasonable period prior to and after such reconstruction of the Bullock's Store, the Buffums Store, the Enclosed Mall, the Developer Mall Stores, the Common Area, or any portion thereof made necessary by condemnation or other exercise of governmental authority.

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27.4 PURCHASE RIGHT. This Article 27.4 shall survive the termination of this REA. As used in this Article 27.4 a transfer of the Bullock's Tract to any one of the following entities shall not constitute a sale: any party which may succeed to Federated Department Stores, Inc.'s Bullock's Division's business in the State of California; any corporation which may, as the result of reorganization, merger, consolidation or sale of stock or assets succeed to such business; or any operating division of Federated Department Stores, Inc. Following Bullock's obtaining corporate approval for a sale of Bullock's fee interest in the Bullock's Tract but prior to any sale of that fee interest, Bullock's shall notify Developer of Bullock's intention to sell the Bullock's Tract, and Developer shall within 90 days of its receipt of such notice notify Bullock's of whether or not Developer elects to purchase the Bullock's Tract and the improvements thereon. If Developer fails to elect to purchase within said 90-day period, all of Developer's rights under this Article 27.4 shall terminate. Furthermore, Developer shall have no rights under this Article 27.4 if at the time of such notice from Bullock's (1) Bullock's has been relieved of its duty to Operate pursuant to Article 21.2, and (2) Developer is not an Original Partnership.

Nothing set forth in Article 27.3 or in this Article 27.4 shall be deemed to limit in any fashion any Party's damages, and any Party's liability for such damages, caused by a breach of any obligations under this REA.

27.5 PURCHASE TERMS. If Developer elects to purchase pursuant to Article 27.3 or 27.4, then Bullock's shall sell the Bullock's Tract and the improvements thereon and Developer shall purchase said Tract and improvements on the following terms:

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27.5.1 The purchase price payable by Developer will be as specified in the Unrecorded Agreement and shall be payable in cash to Bullock's through escrow.

27.5.2 Bullock's shall convey said Tract and improvements to Developer or to Developer's nominee through escrow by a Grant Deed subject to all governmental laws, ordinances, rules and regulations, real property taxes and assessments, and (i) all matters existing as of the date of this REA, (ii) the Grant Deed attached as an Exhibit to the Unrecorded Agreement and recorded concurrently herewith, (iii) all matters approved by Developer, (iv) all of record underground utility easements; and (v) all covenants, conditions and restrictions not prohibiting the use of the Bullock's Store as a general merchandise retail department store.

27.5.3 Escrow shall close 180 days after Developer's exercise of its right to purchase, and the escrow holder shall be a party mutually satisfactory to Bullock's and Developer.

27.5.4 Real property taxes on the Bullock's Tract and improvements will be prorated through escrow.

27.5.5 If this REA is in effect on the date of the closing of such escrow, Common Area Maintenance Costs as estimated by Bullock's and Developer shall be prorated through escrow. If thereafter such estimate should prove inaccurate, Bullock's and Developer shall adjust between themselves the prorated Common Area Maintenance Costs.

27.5.6 Escrow fees shall be paid one-half by Developer and Bullock's, documentary transfer taxes will be paid by Bullock's, and the cost of the title insurance referred to in Article 27.5.7 shall be paid for by Bullock's.

27.5.7 At Developer's option, the closing of the escrow shall also be conditioned on the issuance by a

title insurance company reasonably satisfactory to Developer of a ALTA Owner's Policy of Title Insurance insuring Developer in the amount of the purchase price that it is the owner of the Bullock's Tract and the improvements thereon subject only to those matters referred to in paragraph 27.5.2.

27.5.8 Developer shall purchase such Tract and improvements AS IS and subject to all physical defects. Bullock's shall permit Developer reasonable rights of inspection prior to Developer's election described above in Articles 27.3 and 27.4.

27.5.9 Should the escrow fail to close due to Developer's failure to perform when due any of its obligations under this Article 27.5 and if such failure shall continue for a period of 10 days following notice from Bullock's to Developer of such default, Developer's rights to purchase pursuant to Articles 27.3 and 27.4 shall immediately terminate without further notice or demand.

27.5.10 If following Developer's notice of its election to purchase the Bullock's Tract and the improvements thereon, the improvements thereon should be damaged by any casualty or condemnation, Bullock's shall have the option of electing to pay to Developer all insurance or condemnation proceeds received by Bullock's prior to the close of escrow or, if such proceeds are not received prior to the close of escrow, to assign to Developer all of Bullock's rights to any such proceeds effective as of the close of escrow. Bullock's shall within 15 business days of any such damage notify Developer of whether or not Bullock's shall make such payment or assignment to Developer. Failure to so make such an election within such fifteen-day period shall be deemed to be an election not to make such payment or assignment. If Bullock's elects to make such payment or assignment, the escrow shall close in accordance

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with the terms set forth above. If Bullock's elects not to make such payment or assignment, Developer shall by notice to Bullock's received by Bullock's within 15 business days of Developer's receipt of Bullock's notice regarding such proceeds elect either to be released from any obligation to purchase the Bullock's Tract and the improvements thereon or elect to purchase the Bullock's Tract and the improvements thereon at the purchase price for the Bullock's Tract exclusive of the improvements thereon set forth in the Unrecorded Agreement. Failure to so make such an election within such fifteen-day period shall be deemed to be an election by Developer to be released from any obligation to purchase the Bullock's Tract and the improvements thereon. If Developer elects not to purchase, all of its rights under Articles 27.3 and 27.4 shall terminate. If Developer elects to purchase, then escrow shall close upon the terms set forth above, provided, however, that the purchase price shall be the amount set forth in the Unrecorded Agreement as the purchase price of the Bullock's Tract exclusive of the improvements thereon. The date set for the close of escrow under this Article 27.5 shall be extended, if necessary, for the periods required above in this Article 27.5.10 for the giving of notices of election. All references to insurance in this Article 27.5 shall include self-insurance maintained by Bullock's pursuant to this REA.

27.6 RECORDABLE DOCUMENT. If Developer's rights to purchase under Article 27.3 or 27.4 should terminate for any reason, Developer shall upon request execute, acknowledge, and deliver to Bullock's an instrument in recordable form confirming such termination, which document Bullock's may cause to be recorded.

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ARTICLE 28

CPI ADJUSTMENT

Each of the dollar amounts indicated in other Articles of this REA as being subject to adjustment pursuant to this Article 28 shall be adjusted as follows: On the fifth anniversary of the first day of the first Accounting Period under this REA commencing on January 1, such dollar amount shall be adjusted by a sum equal to the product of the multiplication of the percentage change in the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index Subgroup "All Items" entitled "Consumer Price Index for Urban Wage Earners and Clerical Workers" (1967 = 100) from the Base Period, as hereinafter defined, to the October 1 preceding such anniversary times such dollar amount. After the first adjustment, such adjustment shall also occur every five years on the anniversary of the first Accounting Period hereunder commencing on January 1. No such adjustment shall be made, however, unless the adjusted dollar amount is at least 25% greater than the original number set forth in this REA as being subject to adjustment. The Index for such Subgroup published for the month of January in the first Accounting Period hereunder commencing on January 1 shall be the Base Period. In no event, however, will any adjusted dollar amount hereunder be less than the dollar amount set forth in this REA. If at any adjustment date there shall not exist the Consumer Price Index in the same format as recited in this Article, Bullock's may substitute any official Index published by the Bureau of Labor Statistics, or any successor or similar governmental agency, as may then be in existence and shall be most nearly equivalent thereto.

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ARTICLE 29

LIENS

Wherever any Party performs any work upon the Tract of another Party, it is expressly understood and agreed that the Party performing such work will not permit any mechanics' or materialmen's or other similar liens to stand against the Tract upon which such labor or material has been furnished in connection therewith. In the event any such lien is filed, the Party who performed such work shall indemnify and hold harmless the Party upon whose Tract such lien was filed. Such Party may bond and contest the validity of any such lien, but upon final determination of the validity and the amount thereof, such Party shall immediately pay any judgment rendered, with all proper costs and charges, and shall have the lien released at such Party's expense.

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ARTICLE 30

MISCELLANEOUS

30.1 BREACH SHALL NOT DEFEAT MORTGAGE. A breach of any of the terms, conditions, covenants, or restrictions of this REA shall not defeat or render invalid the lien of any first Mortgage made in good faith and for value, but such term, condition, covenant or restriction shall be binding upon and effective against any Person who acquires title to said property or any portion thereof by foreclosure, trustee's sale or otherwise.

30.2 BREACH SHALL NOT PERMIT TERMINATION. No breach of this REA shall entitle any Party to cancel, or rescind or otherwise terminate this REA, but such limitation shall not affect, in any manner, any other right or remedies which the Parties may have hereunder by reason of any breach of this REA.

30.3 CAPTIONS. The captions of the paragraphs and Articles of this REA are for convenience only and shall not be considered nor referred to in resolving questions of interpretation and construction.

30.4 CONSENT. In any instance in which any Party to this REA shall be requested to consent to, or approve of, any matter with respect to which such Party's consent or approval is required by any of the provisions of this REA, such consent or approval shall be given in writing, and shall not be unreasonably withheld, unless the provisions of this REA with respect to a particular consent or approval shall expressly provide that the same may be given or refused in the sole and absolute judgment of such Party. Requests for consent shall be subject to the provisions of Article 30.6.

30.5 ESTOPPEL CERTIFICATE. Each Party agrees, upon written request of any other Party, that it will issue to

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such other Party, or to any Mortgagee, or to any other Person specified by such requesting Party, an estoppel certificate stating: (i) whether the Party to whom the request has been directed knows of any default under the REA, and if there are known defaults, specifying the nature thereof; (ii) whether to its knowledge the REA has been assigned, modified or amended in any way, and if it has, then stating the nature thereof; and (iii) that to the Party's knowledge the REA as of that date is in full force and effect. Such statement shall act as a waiver of any claim by the Party furnishing it to the extent such claim is based upon facts contrary to those asserted in the statement and to the extent the claim is asserted against a bona fide encumbrancer or purchaser for value without knowledge of facts to the contrary of those contained in the statement, and who has acted in reasonable reliance upon the statement. However, such statement shall in no event subject the Party furnishing it to any liability whatsoever, notwithstanding the negligent or otherwise inadvertent failure of such Party to disclose correct and/or relevant information. Any Party may request such a certificate at any time and from time to time; provided that the second such request by a Party to the same Party during any calendar year shall require the payment by the requesting Party to such same Party a fee of \$500.00, payment of which shall constitute a condition precedent to the obligation of a Party to execute such certificate hereunder.

30.6 EXERCISE OF APPROVAL RIGHTS.

30.6.1 Wherever in this REA approval of any Party is required, and unless a different time limit is provided in any Article of this REA, such approval or disapproval shall be given within 30 days following the receipt of the item to be so approved or disapproved, or the same shall be conclusively deemed to have been approved by such Party.

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Any disapproval shall specify with particularity the reasons therefor; provided, however, that wherever in this REA any Party is given the right to approve or disapprove in its sole and absolute discretion it may disapprove without specifying a reason therefor.

30.6.2 Wherever in this REA a lesser period of time is provided for than the 30 day period hereinabove specified, such time limit shall not be applicable unless the notice to the Party whose approval or disapproval is required contains a correct statement of the period of time within which such Party shall act. Failure to specify such time shall not invalidate the notice but simply shall require the action of such Party within said 30 days.

30.6.3 Any document submitted for the consent or approval of any Party shall contain a cover page prominently reciting the applicable REA Article involved, listing the date mailed, and, if applicable, containing a statement to the effect that the document or the facts contained within such document shall be deemed approved or consented to by the recipient unless the recipient makes an objection thereto within the correct time specified in such notice, which shall be 30 days unless this REA shall specify a different period. If the time specified in the notice is incorrectly or not set forth, the time limit shall be 30 days unless a longer time period is specified in the REA, in which case the longer period of time shall control. Failure to specify such time shall not invalidate the notice but simply shall require the action of such Party within said 30 day period.

30.6.4 Wherever in this REA provision is made for approval "by the Parties", such phrase shall mean the approval of all of the Parties.

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30.7 GOVERNING LAWS. This REA shall be construed in accordance with the laws of the State of California and any applicable federal laws and regulations.

30.8 INJUNCTIVE RELIEF. In the event of any violation or threatened violation by any Person of any of the terms, restrictions, covenants and conditions of this REA, any of the Parties, except as otherwise expressly provided in this REA, shall have the right to enjoin such violation or threatened violation in a court of competent jurisdiction. Prior to the commencement of any such action, at least five days' written notice of such violation shall be given to the other Party or other Person responsible therefor.

30.9 NO PARTNERSHIP. Neither anything contained in this REA nor any acts of the Parties pursuant hereto shall be deemed or construed by the Parties hereto, or any of them, or by any third person, to create the relationship of principal and agent, or of partnership, or of joint venture, or of any association between any of the Parties to this REA.

30.10 NOT A PUBLIC DEDICATION. Nothing herein contained shall be deemed to be a gift or dedication of any portion of the Center to the general public or for the general public or for any public purpose whatsoever, it being the intention of the Parties hereto that this REA shall be strictly limited to and for the purposes herein expressed.

30.11 PAYMENT ON DEFAULT. If pursuant to this REA any Party is compelled or elects to pay any sum of money or do any acts which require the payment of money by reason of any other Party's (such as, but not limited to, the Operator's) failure or inability to perform any of the terms and provisions in this REA to be performed by such Party (or Operator), the defaulting Party (or Operator) shall promptly upon demand, reimburse the paying Party for such sums, and all such sums

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shall bear simple interest at the rate of one percent per annum over the then existing prime rate of interest per annum charged by the Bank of America National Trust and Savings Association, Los Angeles, California (but in no event exceeding the maximum rate permitted by law), from the date of expenditure until the date of such reimbursement. Any other sums payable by any Party (or Operator) to any Party pursuant to the terms and provisions of this REA that shall not be paid when due shall bear simple interest at the rate of one percent per annum over the then existing prime rate of interest per annum charged by said Bank of America (but in no event exceeding the maximum rate permitted by law) from the due date to the date of payment thereof.

If payment shall not be made within ten days after payment is due, the Party to whom payment is owed shall have the right to deduct the amount thereof, together with interest as aforesaid, without liability or forfeiture, from any sums then due or thereafter becoming due from it to the defaulting Party (or Operator) hereunder.

Any deduction made by any Party pursuant to the provisions of this Article from any sums due or payable by it hereunder shall not constitute a default in the payment thereof unless such Party fails to pay the amount of such deduction to the Party to whom the sum is owing within 30 days after final adjudication that such amount is owing. The option given in this Article is for the sole protection of the Party so paying and its existence shall not release the defaulting Party (or Operator) from the obligation to perform the terms, provisions, covenants and conditions herein provided to be performed thereby or deprive the Party so paying of any legal rights which it may have by reason of any such default.

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30.12 PERFORMANCE OF OPERATOR COVENANTS. If Operator shall fail to perform any of the covenants to be performed by Operator pursuant to this REA, and if the failure of Operator relates to a matter which in the judgment of any Party, reasonably exercised, is of an emergency or crucial nature, and such failure shall remain uncured for a period of 48 hours, or such shorter period as is reasonably required by the emergency, after service upon the Operator of notice of such failure, then the Party giving such notice may, at its option, and in its sole discretion, as to the necessity therefor, perform any such covenant, or make any such payment as Operator's attorney-in-fact. No Party by reason of so doing shall be liable or responsible for any loss or damage thereby sustained by Operator or anyone holding under Operator.

30.13 RELEASE. Subject to the provisions of this Article 30.13, if a Party shall sell, transfer or assign its Tract or its interest therein, it shall, except as provided in this REA, be released from its future obligations hereunder. It shall be a condition precedent to the release and discharge of any grantor or assignor Party that any and all amounts which shall then be due and payable by such grantor or assignor to any other Party to this REA shall have been paid to such other Party; that such grantor or assignor shall give notice to the other Parties to this REA of any such sale, transfer, conveyance or assignment concurrently with the filing for record of the instrument effecting the same; and that the grantee or assignee shall, in writing, expressly assume and agree to perform all of the obligations of the grantor or assignor, and deliver a copy thereof to the other Parties to this REA.

Nothing in this REA shall preclude or constitute a condition precedent to a release in any of the following circumstances:

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30.13.1 The release from all unaccrued obligations under this REA of a leaseback lessee in a sale and leaseback transaction, upon the termination or expiration of the leaseback; or

30.13.2 The release from all unaccrued obligations under this REA of any Mortgagee which shall have acquired title through foreclosure, upon sale, transfer, conveyance or assignment of its title or interest; or

30.13.3 The release from all unaccrued obligations under this REA of any leaseback lessor which shall have acquired possession through termination or expiration of the leaseback, upon the sale, transfer, conveyance or assignment of its title or interest.

In the event that any Party shall enter into a sale and leaseback transaction, so long as the leaseback thereunder remains in existence, the leaseback lessor shall, for the purposes of this REA, be deemed a Mortgagee, of the property involved in such sale and leaseback transaction.

In the event of any termination or expiration of the interest of the leaseback lessee or any surrender thereof to the leaseback lessor or any nominee of the leaseback lessor which shall hold said interest for the benefit of such leaseback lessor, the leaseback lessor and its successors and assigns shall (notwithstanding any language in the leaseback document or any other instrument, or in any instrument of surrender, preventing the merger of title in said leaseback lessor and notwithstanding the fact that such surrender may be made to such a nominee of the leaseback lessor) be liable for the performance of the thereafter accruing obligations under and pertaining to the terms of this REA, except that said leaseback lessor shall have the right to have the covenants of Bullock's contained

in Article 21.1 subordinated to its interest as provided in Article 21.3 with respect to a Mortgage.

30.14 SEVERABILITY. If any term, provision or condition contained in this REA shall, to any extent, be invalid or unenforceable, the remainder of this REA (or the application of such term, provision or condition to persons or circumstances other than those in respect of which it is invalid or unenforceable) shall not be affected thereby, and each term, provision and condition of this REA shall be valid and enforceable to the fullest extent permitted by law.

30.15 SUCCESSORS. This REA shall, except as otherwise provided herein, run with the land, both as respects benefits and burdens created herein, and shall be binding upon and inure to the benefit of the successors in interest of the respective Parties in and to their respective tracts of land.

30.16 TIME OF ESSENCE. Time is of the essence with respect to the performance of each of the covenants and agreements contained in this REA.

30.17 WAIVER OF DEFAULT. No waiver of any default by any Party to this REA shall be implied from any omission by any other Party to take any action in respect of such default if such default continues or is repeated. No express waiver of any default shall affect any default or cover any period of time other than the default and period of time specified in such express waiver. One or more waivers of any default in the performance of any term, provision or covenant contained in this REA shall not be deemed to be a waiver of any subsequent default in the performance of the same term, provision or covenant or any other term, provision or covenant contained in this REA. The consent or approval by any Party to or of any act or request by any other Party requiring consent or approval

shall not be deemed to waive or render unnecessary the consent to or approval of any subsequent similar acts or requests. The rights and remedies given to any Party by this REA shall be deemed to be cumulative and no one of such rights and remedies shall be exclusive of any of the others, or of any other right or remedy at law or in equity which any such Party might otherwise have by virtue of a default under this REA, and the exercise of one such right or remedy by any such Party shall not impair such Party's standing to exercise any other right or remedy.

DULY EXECUTED by the Parties hereto as of the day and year first above written.

FEDERATED DEPARTMENT STORES, INC.

By James B. Selowski
Senior Vice President

ATTEST:

Donna Z. Liberman
ASST. Secretary

MANHATTAN BEACH COMMERCIAL PROPERTIES, a general partnership

By Sepulveda Properties, Inc., a California corporation, a General Partner of Manhattan Beach Commercial Properties

By [Signature]
President

By _____
Secretary

By Alexander Haagan Manhattan Beach Co., a general partnership, a general partner of Manhattan Beach Commercial Properties

By Alexander Haagan
Alexander Haagan, General Partner of Alexander Haagan Manhattan Beach Co.

MANHATTAN HACIENDA PROPERTY CO. a general partnership

Alexander Haagan
General Partner

General Partner

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STATE OF CALIFORNIA)
County of Los Angeles) ss.

On NOVEMBER 24, 1980, before me,
the undersigned, a Notary Public in and for said State,
personally appeared ALEXANDER HAAGAN

known to me to be one of the partners of Manhattan Hacienda
Property Co., the partnership that executed the within
instrument, and acknowledged to me that such partnership
executed the same.

WITNESS my hand and official seal.

[SEAL]

Rosita M. Diesman
Notary Public



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STATE OF CALIFORNIA)
County of LOS ANGELES) ss.

On NOVEMBER 24, 1980, before me, the undersigned, a Notary Public in and for said County and State, personally appeared ALEXANDER HAAGEN, known to me to be one of the partners of Alexander Haagen Manhattan Beach Co., a partnership, known to me to be the person who executed the within instrument on behalf of Alexander Haagen Manhattan Beach Co., said partnership being known to me to be one of the partners of Manhattan Beach Commercial Properties, a partnership, and acknowledged to me that the partnership first above mentioned executed the within instrument on behalf of Manhattan Beach Commercial Properties and that Manhattan Beach Commercial Properties executed the within instrument.

Rosita M. Diesman
Notary Public

[SEAL]



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STATE OF OHIO }
County of HAMILTON } ss.

On NOVEMBER 22, 1980, before me, the under-
signed, a Notary Public in and for said State, personally
appeared James D. Conoley, known to me to
be the President, and James L. Hahnke,
known to me to be the Asst. Secretary Secretary of
FEDERATED DEPARTMENT STORES, INC., the corporation
that executed the within instrument, known to me to be the
persons who executed the within instrument on behalf of such
corporation, and acknowledged to me that such corporation
executed the within instrument pursuant to its by-laws or a
resolution of its board of directors.

WITNESS my hand and official seal.

[SEAL]

Donald J. Felmann
Notary Public

DONALD J. FELMANN, Attorney at Law
NOTARY PUBLIC - STATE OF OHIO
My Commission has no expiration
date. Section 147.63 O.R.C.

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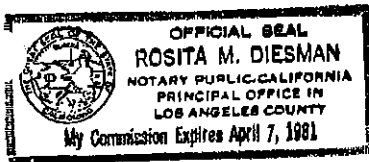
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STATE OF CALIFORNIA)
County of LOS ANGELES) ss.

On NOVEMBER 24, 1980, before me, the undersigned, a Notary Public in and for said County and State, personally appeared J.R. BISCHOFF, known to me to be the VICE- President, and ~~known to me to be the _____ Secretary, of~~ SEPULVEDA PROPERTIES, INC., the corporation that executed the within instrument, and known to me to be the persons who executed the within instrument on behalf of said corporation, said corporation being known to me to be one of the partners of MANHATTAN BEACH COMMERCIAL PROPERTIES, the partnership that executed the within instrument, and acknowledged to me that such corporation executed the same as such partner and that such partnership executed the same.

Rosita M. Diesman
Notary Public

[SEAL]



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EXHIBIT "A"

PART I - Developer Tract

Parcels 1 - 9, 11, and 13 - 23, inclusive, in the City of Manhattan Beach, County of Los Angeles, State of California, as shown on Parcel Map No. 12219, filed in Book 122, pgs. 33-35 inclusive of Parcel Maps, in the Office of the County Recorder of said County; and

A right of way for road purposes over the North 22 feet of the East 368.53 feet of Lot 4 in Section 19, as shown on Partition Map showing property formally of the Redondo Land Company, in the City of Manhattan Beach, County of Los Angeles, filed in the Office of the County Recorder of said County on September 3, 1897, as Recorder's Map No. 140, adjacent to Rosecrans Avenue for the benefit of and appurtenant to that portion of said Lot 4 lying Westerly of the West line of the East 368.53 feet of said Lot 4 and Southeasterly of the Southeasterly line of the 100.00 feet right of way of the Southern California Railway Company, now Atchison, Topeka and Santa Fe Railroad.

PART II - Bullock's Tract

Parcel 10 in the City of Manhattan Beach, County of Los Angeles, State of California, as shown in Parcel Map No. 12219 filed in Book 122, pgs. 33-35 inclusive of Parcel Maps, in the Office of the County Recorder of said County.

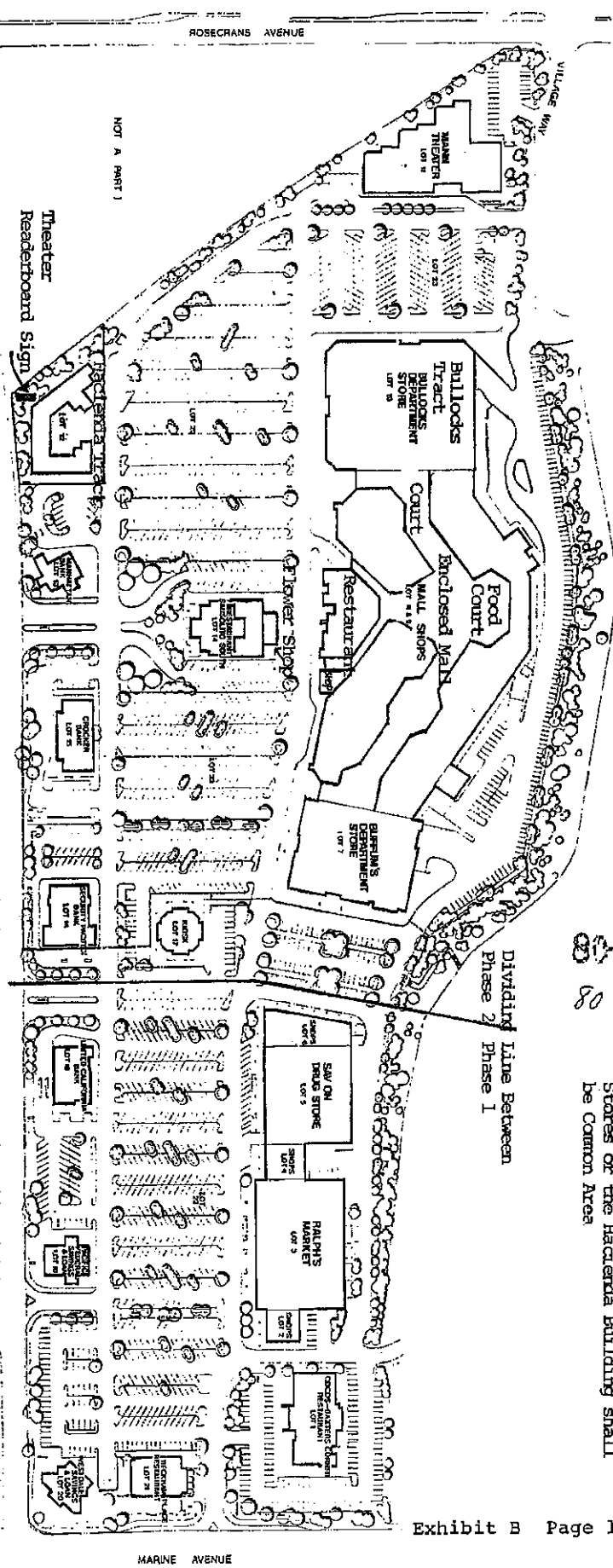
PART III - Hacienda Tract

Parcel 12 in the City of Manhattan Beach, County of Los Angeles, State of California, as shown on Parcel Map No. 12219 filed in Book 122, pgs. 33-35 inclusive of Parcel Maps, in the Office of the County Recorder of said County.

PART IV - Buffums Parcel

Parcel 7 in the City of Manhattan Beach, County of Los Angeles, State of California, as shown on Parcel Map No. 12219 filed in Book 122, pgs. 33-35 inclusive of Parcel Maps, in the Office of the County Recorder of said County.

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Manhattan Village

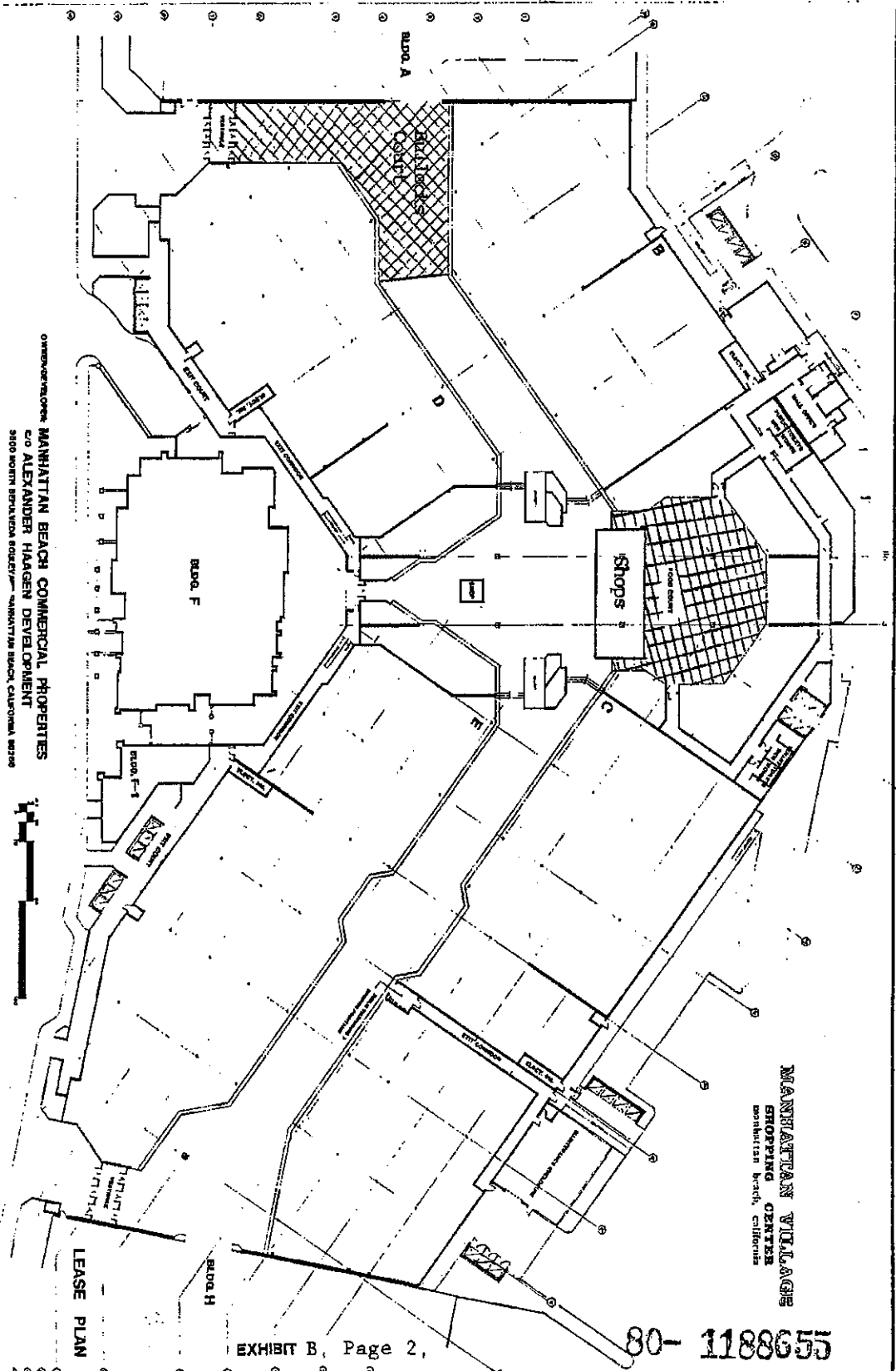
MANHATTAN BEACH, CALIFORNIA

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Except as otherwise provided
 in the last paragraph of Article 1.4,
 all of the Shopping Center not covered by
 Stores or the Hacienda Building shall
 be Common Area

Dividing Line Between
 Phase 2
 Phase 1



OWNER/DEVELOPER: MANHATTAN BEACH COMMERCIAL PROPERTIES
 C/O ALEXANDER HAAGEN DEVELOPMENT
 3600 NORTH BENTLEY ROAD, MANHATTAN BEACH, CALIFORNIA 92668

MANHATTAN VILLAGE
 SHOPPING CENTER
 Manhattan Beach, California

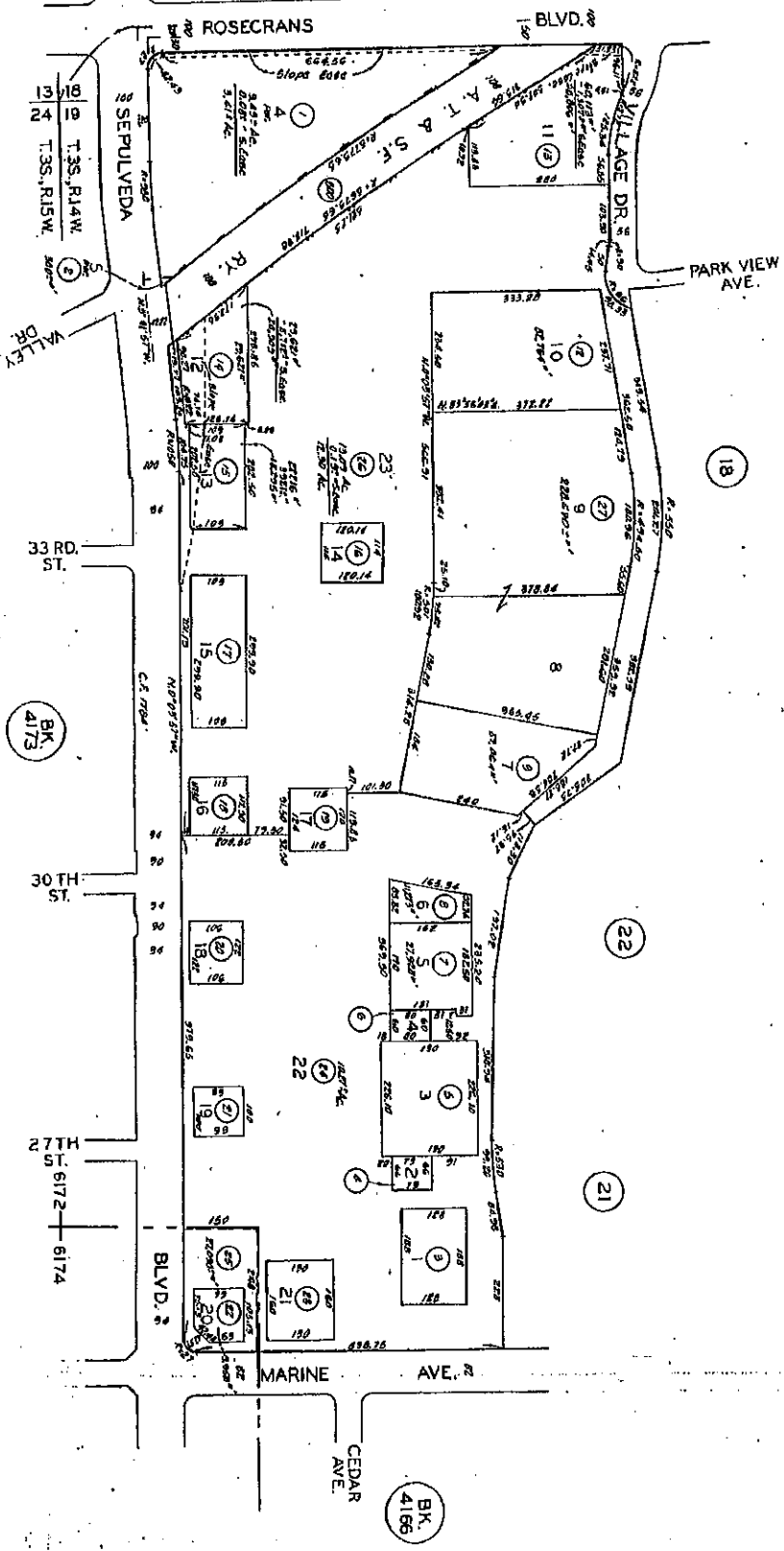
LEASE PLAN

EXHIBIT B, Page 2,

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CODE
 6172
 6174

S. DIVISION OF PART OF THE SAUSAL REDONDO
 MANCHO S.C.C. 11629 C.F. 218
 PARTITION MAP SHOWING PROPERTY FORMERLY



000002706
 00011806
 GEORGE
 031123-00

EXHIBIT "C"

MAXIMUM BUILDING HEIGHTS

- Lot 1 Developer Restaurant
Highest point of building 21.3 feet above finish floor level of 153.5 feet above sea level.*
- Lot 2 Developer non-mall store
Highest point of building 20 feet above finish floor level of 149.5 feet above sea level.
- Lot 3 Developer market
Highest point of building 26 feet above finish floor level of 149.58 feet above sea level.
- Lot 4 Developer non-mall store
Highest point of building 20 feet above finish floor level of 149 feet above sea level.
- Lot 5 Developer drug store
Highest point of building 26 feet above finish floor level of 148.07 feet above sea level.
- Lot 6 Developer non-mall store
Highest point of building 22 feet above finish floor level of 147 feet above sea level.
- Lot 7 Developer Buffums Store
Highest point of building 37 feet above finish floor level of 140.5 feet above sea level.
- Lot 8 Developer mall stores
Highest point of building 26 feet above finish floor level of 140.5 feet above sea level.
- Lot 9 Developer mall store
Highest point of building 26 feet above finish floor level of 138.5 feet above sea level.
Developer restaurant
Highest point of building 37 feet above finish floor level of 138.5 feet above sea level.
- Lot 10 Bullock's Store
Highest point of building 40.5 feet above finish floor level of 136 feet above sea level.

* / As used in this Exhibit "C" "sea level" refers to mean sea level per Los Angeles County Road Department datum.

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MAXIMUM BUILDING HEIGHTS
(Cont.)

- Lot 11 Developer theatre
Highest point of building 30 feet above finish
floor level of 126.5 feet above sea level.
Developer office
Highest point of building 40 feet above finish
floor level of 126.5 feet above sea level.
- Lot 12 Hacienda Store
Highest point of building 41 feet above finish
floor level of 136 feet above sea level.
- Lot 13 Developer store
Highest point of building 26 feet above finish
floor level of 140 feet above sea level.
- Lot 14 Developer store
Highest point of building 26 feet above finish
floor level of 139.5 feet above sea level.
- Lot 15 Developer store
Highest point of building 26 feet above finish
floor level of 144.17 feet above sea level.
- Lot 16 Developer store
Highest point of building 26 feet above finish
floor level of 150 feet above sea level.
- Lot 17 Developer store
Highest point of building 26 feet above finish
floor level of 146.5 feet above sea level.
- Lot 18 Developer store
Highest point of building 26 feet above finish
floor level of 151 feet above sea level.
- Lot 19 Developer store
Highest point of building 26 feet above finish
floor level of 148.8 feet above sea level.
- Lot 20 Developer store
Highest point of building 26 feet above finish
floor level of 155 feet above sea level.
- Lot 21 Developer store
Highest point of building 26 feet above finish
floor level of 155.5 feet above sea level.

SIGN CRITERIA

These criteria have been established for the purpose of assuring an outstanding shopping center, and for the mutual benefit of all Occupants. Conformance will be strictly enforced; and any installed nonconforming or unapproved signs must be brought into conformance at the expense of the Occupant.

The Project Architect is to administer and interpret the criteria, but is not empowered to authorize any departure without written approval of the Prime Parties.

A. GENERAL REQUIREMENTS

1. As used in this Exhibit D, the term "Revised Sign Program" shall mean and refer to the sign program dated February 12, 1979, adopted as a part of Resolution 3685 adopted March 6, 1979, by the City Council of Manhattan Beach as supplemented by a Revised Sign Program adopted by said City Council December 18, 1979, as a part of Resolution 3757. Any sign permitted under the Revised Sign Program shall be permitted under this Sign Criteria.

2. Each Occupant shall submit or cause to be submitted to the Project Architect for approval before fabrication at least three copies of detailed drawings covering the location, size, layout, design and color of the proposed sign, including all lettering and/or graphics. This paragraph 2 shall not apply to Signs permitted under the Revised Sign Program.

3. Except for signs permitted under the Revised Sign Program, no signs shall be permitted outside of the Enclosed Mall areas unless approved by the Project Architect and the Prime Parties.

4. Except as hereinafter provided, all permits for signs and their installation shall be obtained by the Occupant or his representative.

EXHIBIT "D"

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5. Occupant shall be responsible for the fulfillment of all requirements and specifications.

B. DESIGN REQUIREMENTS

Except as permitted by the Revised Sign Program:

1. Signs shall be permitted only within the sign areas as designed by the Project Architect, and as shown on the approved improvement plans.

2. The horizontal dimension of wall signs shall not exceed two-thirds the width of store frontage.

3. The total sign area of wall signs (rectangle enclosing each group of letters, symbols or logos) shall not exceed ten percent of the area of the store front, and shall be located at least 36 inches from each lease line.

4. No signs perpendicular to the face of the building shall be permitted unless uniformly established by the Project Architect, and as shown on the approved improvement plans.

5. No signs of any sort shall be permitted on canopy roofs or building roofs.

6. Wording of signs shall not include the product sold except as a part of Occupant's trade name or insignia.

7. No sign, or any portion thereof, may project above the parapet or top of wall upon which it is mounted.

C. GENERAL SPECIFICATIONS

Unless permitted by the Revised Sign Program and approved by the Project Architect:

1. Painted lettering will not be permitted, except as specified under Article D-2.

2. Flashing, moving or audible signs will not be permitted.

3. Pylon or pole signs will not be permitted except as specifically provided herein or in the Revised Sign Program.

4. All electrical signs shall bear the UL label, and their installation must comply with all local building and electrical codes.

5. No exposed conduit, tubing or raceways will be permitted.

6. No exposed neon lighting shall be used on signs, symbols or decorative elements.

7. All conductors, transformers and other equipment shall be concealed.

8. Except as hereinafter provided, electrical service to all signs shall be on Occupant's meter and not be part of Common Area construction or operation costs.

9. All signs, bolts, fastening and clips shall be of hot dipped galvanized iron, stainless steel, aluminum, brass or bronze, and no black iron materials of any type will be permitted.

10. All exterior letters or signs exposed to the weather shall be mounted with at least 3/4" clearance from the building wall to permit proper dirt and water drainage.

11. Location of all openings for conduit and sleeves in sign panels of building walls shall be indicated by the sign contractor on drawings submitted to the Project Architect. Sign contractor shall install same in accordance with the approved drawings.

12. No signmaker's labels or other identification will be permitted on the exposed surface of signs, except those required by local ordinance which latter shall be in an inconspicuous location.

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13. Except within the Enclosed Mall, all penetrations of the building structure required for sign installation shall be neatly sealed in a watertight condition.

14. Sign contractor shall repair any damage to any work caused by his work.

15. Occupant shall be fully responsible for the operations of Occupant's sign contractors.

D. MISCELLANEOUS REQUIREMENTS

Except as permitted by the Revised Sign Program and approved by the Project Architect:

1. Each Occupant will be permitted to place upon each entrance of its demised premises not more than 144 square inches of gold leaf or decal application lettering, not to exceed two inches in height, indicating hours of business, emergency telephone numbers, etc.

2. Each Occupant who has a non-customer door for receiving merchandise may have uniformly applied on said door in locations, as directed by the Project Architect, in two inches high block letters, the Occupant's name and address. Where more than one Occupant uses the same door, each name and address shall be applied. Color of letters will be as selected by the Project Architect.

3. Occupant may install on the Enclosed Mall front, if required by the U.S. Post Office, the numbers only for the street address in exact location stipulated by the Project Architect. Size, type and color of numbers shall be as stipulated by the Project Architect.

4. Floor signs, such as inserts into terrazzo, etc., shall be permitted without Occupant's lease line in their store fronts, if approved by the Project Architect.

E. DEPARTMENT STORES

1. The provisions of this Exhibit D, except as otherwise expressly provided in this Exhibit D, shall not be applicable to the identification signs of Bullock's and Buffums it being understood and agreed that Bullock's and Buffums may have their usual identification signs on their buildings, as the same exist on similar buildings operated from time to time by them in Southern California provided, however, there shall be no roof-top signs, or signs which are flashing, moving or audible. Enclosed Mall entrance signs at each level shall be similar to those of Bullock's and Buffums in other Enclosed Mall shopping centers in Southern California.

F. ADMINISTRATION

In the event any conflict of interpretation between any Occupant and the Project Architect as to the application of these criteria cannot be satisfactorily resolved, the Project Architect shall submit the design to the Prime Parties; their decision shall be final and binding upon the Occupant.

RULES AND REGULATIONS

A. COMMON AREA

1. The surface of the Automobile Parking Area and sidewalks shall be maintained level, smooth and evenly covered with the type of surfacing material originally installed thereon, or such substitute thereof as shall be in all respects equal thereto in quality, appearance and durability.

2. All papers, debris, filth and refuse shall be removed from the Shopping Center, and paved areas shall be washed or thoroughly swept as required. All sweeping shall be before the Stores shall be open for business to the public, using motor driven parking lot vacuum cleaning vehicles where feasible.

3. All trash and rubbish containers located in the Common Area for the use of Permittees shall be emptied daily and shall be washed frequently enough to maintain the same in a clean condition.

4. All landscaping shall be properly maintained, including removal of dead plants, weeds and foreign matter and such replanting and replacement as the occasion may require.

5. All hard-surfaced markings shall be inspected at regular intervals and promptly repainted as the same shall become unsightly or indistinct from wear and tear, or other cause.

6. All storm drain catch basins shall be cleaned on a schedule sufficient to maintain all storm drain lines in a free-flowing condition and all mechanical equipment related to storm drain and sanitary sewer facilities shall be regularly inspected and kept in proper working order.

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7. All asphalt paving shall be inspected at regular intervals and maintained in a first-class condition.

8. All stairways shall be: (a) swept and washed at intervals sufficient to maintain the same in a clean condition; (b) inspected at regular intervals and (c) promptly repaired upon the occurrence of any irregularities or wear in any portions thereof.

9. All glass, including skylights, plate glass and/or glass-enclosed devices shall be cleaned at intervals sufficient to maintain the same in a clean condition.

10. All surface utility facilities servicing the Common Area, including, but not by way of limitation, hose bibbs, standpipes, sprinklers and domestic water lines, shall be inspected at regular intervals and promptly repaired or replaced, as the occasion may require, upon the occurrence of any defect or malfunctioning.

11. All Common Area amenities, benches, and institutional, directional, traffic and other signs shall be inspected at regular intervals, maintained in a clean and attractive surface condition and promptly repaired or replaced upon the occurrence of any defects or irregularities thereto.

12. Common Area lighting fixtures of the Shopping Center shall be cleaned at regular intervals and shall be promptly relamped and reballasted as needed.

13. The improvements on and to the Common Area shall be repaired or replaced with materials, apparatus and facilities or quality at least equal to the quality of the materials, apparatus and facilities repaired or replaced.

14. The Common Area shall be illuminated in such areas as the Prime Parties shall determine, at least during such hours of darkness as any of the Stores shall be

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open for business to the public, and for a reasonable period thereafter, in order to permit safe egress from the Shopping Center by Permittees, and shall also be illuminated during such hours of darkness and in such manner as will afford reasonable security for the Stores.

15. All Parties shall use their best efforts to arrange with local police authorities to (a) patrol the Common Area at regular intervals, and (b) supervise traffic direction at entrances and exits to the Shopping Center Site during such hours and periods as traffic conditions would reasonably require such supervision.

16. The Parties shall use their best efforts to require their respective Permittees to comply with all regulations with respect to the Common Area, including, but not by way of limitation, posted speed limits, directional markings and parking stall markings.

17. With respect to all mechanical and electrical facilities and systems serving the Enclosed Mall, including, but not by way of limitation, the lighting facilities, vertical transportation facilities, heating, ventilating and cooling systems, and actuated or manually operated doors, Developer shall (a) inspect the same at regular intervals, (b) promptly repair the same upon the occurrence of any failure, defect or malfunctioning, and (c) as respects the said heating, ventilating and cooling systems, maintain the same so as to comply with the performance specifications approved concurrently herewith.

18. The heating, ventilating and cooling systems for the Enclosed Mall shall be operated in accordance with the provisions of the REA and of these Rules and Regulations, at least during the same hours of the same days that the heating, ventilating and cooling system serving the Bullock's or Buffums Stores shall be operating.

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19. All surfaces of the Enclosed Mall which are painted or otherwise finished shall be cleaned at regular intervals, and repainted or otherwise refinished at least once during every five-year period, and the ceiling of the Enclosed Mall shall be regularly cleaned, and painted or repainted, as necessary, giving particular attention to the areas surrounding the diffusers.

B. FLOOR AREA

1. All Occupants shall have their window displays, exterior signs and exterior advertising displays adequately illuminated continuously during such hours as the Bullock's and Buffums shall illuminate their window displays, exterior signs or exterior advertising displays.

2. All Floor Area, including vestibules, entrances and returns, doors, fixtures, windows and plate glass shall be maintained in a safe, neat and clean condition.

3. All trash, refuse and waste materials shall be regularly removed from the premises of each Occupant of the Shopping Center, and until removal shall be stored (a) in adequate containers, which such containers shall be located so as not to be visible to the general public shopping in the Shopping Center, and (b) so as not to constitute any health or fire hazard or nuisance to any Occupant.

4. No portion of the Shopping Center shall be used for lodging purposes.

5. Neither sidewalks nor walkways shall be used to display, store or replace any merchandise, equipment or devices.

6. No advertising medium shall be utilized which can be heard or experienced outside of the Floor Area, including, without limiting the generality of the foregoing,

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flashing lights, searchlights, loud speakers, phonographs, radios or television.

7. No use shall be made of the Shopping Center or any portion or portions thereof which would (a) violate any law, ordinance or regulation, (b) constitute a nuisance, (c) constitute an extra-hazardous use, or (d) violate, suspend or void any policy or policies of insurance on the Stores.

8. Operator shall use best efforts to cause all Occupants of the Shopping Center to cause all trucks servicing the facilities on the Developer Tract to load and unload prior to or after the hours that the Bullock's Store is open for business. All Occupants of the Shopping Center shall use best efforts to cause all trucks servicing the facilities on the Developer Tract to load and unload prior to or after the hours that the Bullock's Store is open for business, and Developer will by agreements with all such Occupants require that such Occupants so covenant.

C. CONDUCT OF PERSONS

The Parties hereto do hereby establish the following rules and regulations for the use of roadways, walkways, Malls, Automobile Parking Areas, and other common facilities provided for the use of Permittees:

1. No person shall use any roadway, walkway or Mall, except as a means of egress from or ingress to any Floor Area and Automobile Parking Areas within the Center, or adjacent public streets. Such use shall be in an orderly manner, in accordance with the directional or other signs or guides. Roadways shall not be used at a speed in excess of 20 miles per hour and shall not be used for parking or stopping, except for the immediate loading or unloading of passengers. No walkway or Mall shall be used for other than pedestrian travel.

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2. No person shall use any Automobile Parking Areas except for the parking of motor vehicles during the period of time such person or the occupants of such vehicle are customers or business invitees of the retail establishments within the Shopping Center. All motor vehicles shall be parked in an orderly manner within the painted lines defining the individual parking places. During peak periods of business activity, limitations may be imposed as to the length of time for parking use. Such limitations may be made in specified areas.

3. No person shall use any utility area, truck court or other area reserved for use in connection with the conduct of business, except for the specific purpose for which permission to use such area is given.

4. No employee of any business in the Shopping Center shall use any area for motor vehicle parking, except the area or areas specifically designated for employee parking for the particular period of time such use is to be made. No employer shall designate any area for employee parking, except such area or areas as are designated in writing by the Prime Parties.

5. No person, without the written consent of the Prime Parties, shall in or on any part of the Common Area:

(a) Vend, peddle or solicit orders for sale or distribution of any merchandise, device, service, periodical, book, pamphlet or other matter whatsoever.

(b) Exhibit any sign, placard, banner, notice or other written material.

(c) Distribute any circular, booklet, handbill, placard or other material.

(d) Solicit membership in any organization, group or association or contribution for any purpose.

(e) Parade, rally, patrol, picket, demonstrate or engage in any conduct that might tend to interfere with or impede the use of any of the Common Area by any Permittee, create a disturbance, attract attention or harass, annoy, disparage or be detrimental to the interest of any of the retail establishments within the Shopping Center.

(f) Use any Common Area for any purpose when none of the retail establishments within the Shopping Center is open for business or employment.

(g) Throw, discard or deposit any paper, glass or extraneous matter of any kind, except in designated receptacles, or create litter or hazards of any kind.

(h) Use any sound-making device of any kind or create or produce in any manner noise or sound that is annoying, unpleasant, or distasteful to Occupants or Permittees.

(i) Deface, damage or demolish any sign, light standard or fixture, landscaping material or other improvement within the Shopping Center, or the property of customers, business invitees or employees situated within the Shopping Center.

The listing of specific items as being prohibited is not intended to be exclusive, but to indicate in general the manner in which the right to use the Common Area solely as a means of access and convenience in shopping at the retail establishments in the Shopping Center is limited and controlled by the Parties in the Shopping Center.

Any Party shall have the right to remove or exclude, or to restrain (or take legal action to do so) any unauthorized person from, or from coming upon, the Shopping Center or any portion thereof, and prohibit, abate and recover damages arising from any unauthorized act, whether or not such act is

in express violation of the prohibitions listed above. In so acting such Party is not the agent of other Parties or Occupants of the Shopping Center, unless expressly authorized or directed to do so by such Party or Occupant in writing.

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Exhibit "F"

PERMITTED TENANT CATEGORIES

COLUMN A
Categories of Tenants Allowed
Within 75 Lineal Feet of the
Bullock's Store

Mens Shoe Stores
Womens Shoe Stores
Childrens Shoes
Mens and Womens Shoes
Giftware Stores
Mens Ready-To-Wear *
Womens Ready-to-Wear *
Childrens Ready-to-Wear
Furriers
Family Ready-to-Wear
Suede and Leather Ready-to-Wear
Luggage and Gift
Housewares, China & Cuttlery
Jewelry Stores
Jewelry, Glassware & Gifts
Book Stores
Womens Handbags & Accessories

COLUMN B
Categories of Tenants Allowed
Between 75 to 100 Lineal Feet of
the Bullock's Store
(in addition to Column A)

Greeting Card Stores
Pipe & Tobacco Shops
Family Shoes
Cosmetics
Lingerie & Sleepwear
Gourmet Wine & Cheese Shops
Records & Tapes
Art Supplies
Banks & Financial Institutions
Toy Stores
Sporting Goods
Candy & Nuts
Stationery & Office Supplies
Curtains & Drapes
Fabrics & Materials
Floor Coverings

* Does not include big, tall &
portly mens ready-to-wear

* Does not include big, tall &
portly womens ready-to-wear

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(Continued)

COLUMN A
Categories of Tenants Allowed
Within 75 Lineal Feet of the
Bullock's Store

Decorative Home Accessories
Full-Service Sit-Down only
Restaurants

COLUMN B
Categories of Tenants Allowed
Between 75 to 100 Lineal Feet of
the Bullock's Store
(in addition to Column A)

Formal Wear (including rentals)
Furniture Stores
Gourmet Food - Packaged
Hobby, Games & Toys
Hosiery
Interior Decorator
(including Furniture)
Liquors & Wines
Sewing Machines & Supplies
Uniform Shops
Big, Tall & Portly Mens Wear
Big, Tall & Portly Womens Wear
Camera & Supplies
Flowers & Plants
Lamps & Light Fixtures
Maternity Wear
Millinery

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RECORDING REQUESTED BY and

WHEN RECORDED MAIL TO:

Federated Department Stores, Inc.
c/o McCutchen, Black, Verleger & Shea
3435 Wilshire Boulevard, 30th Floor
Los Angeles, California 90010
Attn: Byron Hayes, Jr., Esq.

RECORDED IN OFFICIAL RECORDS
OF LOS ANGELES COUNTY, CA
NOV 25 1980 AT 9 AM
Recorder's Office

Mail Tax Statements To:

Federated Department Stores, Inc.
7th West Seventh Street
Cincinnati, Ohio 45202
Attn: Tax Department

PROPERTY TAX
NOT A PUBLIC RECORD

GRANT DEED AND GRANT OF EASEMENTS
WITH COVENANTS RUNNING WITH THE LAND

FEE \$ 3/00 M
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FOR VALUE RECEIVED, the undersigned, MANHATTAN BEACH COMMERCIAL PROPERTIES, a general partnership organized under the laws of the State of California, hereby grants to FEDERATED DEPARTMENT STORES, INC., a corporation organized under the laws of the State of Delaware, the following described real property (hereafter called the "Bullock's Tract"), located in the City of Manhattan Beach, County of Los Angeles, State of California:

Lot 10 of Parcel Map No. 12219, of the City of Manhattan Beach, County of Los Angeles, State of California, as per map recorded in Book 122 Page 33 of Parcel Maps in the Office of the County Recorder of Los Angeles County, California.

SUBJECT ONLY TO: Covenants, conditions, restrictions and a reservation of minerals, without, however, any right of surface entry to explore therefor, as set forth in the deed recorded April 19, 1979, as instrument No. 79-424732, in the Official Records of the County Recorder, Los Angeles County, California.

THIS CONVEYANCE IS MADE BY GRANTOR AND ACCEPTED BY GRANTEE WITH REFERENCE TO: All of the provisions, covenants

"MAIL TAX STATEMENTS AS DIRECTED ABOVE"

and conditions of a certain CONSTRUCTION, OPERATION AND RECIPROCAL EASEMENT AGREEMENT (Manhattan Beach, California) dated as of November 1, 1980 (hereafter called the "COREA"), by and between Grantor, Grantee, and Manhattan Hacienda Property Co., a partnership organized under the laws of the State of California, which is recorded concurrently herewith in the Official Records of the County Recorder of the County of Los Angeles, California, which terms, covenants and conditions are incorporated herein by reference as if fully set forth herein.

THIS CONVEYANCE IS ALSO MADE BY GRANTOR AND ACCEPTED BY GRANTEE WITH REFERENCE TO: All of the provisions, covenants and conditions of a certain unrecorded Agreement dated as of November 1, 1980, by and between Grantor and Grantee, which relates to the use and occupancy of the real property described herein. Pursuant to that unrecorded Agreement, Grantee, among other things, agrees to pay certain sums relating to the construction of Common Area improvements and the maintenance thereof upon the adjacent real property owned by Grantor, consisting of Lots 22 and 23 as shown on Parcel Map No. 12219 recorded in the Official Records of Los Angeles County, California, in Book 122 at page 33. The provisions, covenants and conditions of said unrecorded Agreement are referred to herein by reference although not set forth herein, and said terms, covenants and conditions run with the land and bind and benefit the respective estates of the Grantor and Grantee and their successors in interest in the land conveyed to Grantee hereby and retained by Grantor, respectively.

The following two Articles of this Grant Deed relate to easements granted herein by Grantor.

ARTICLE I GRANTOR GRANTS THE FOLLOWING EASEMENT, AS HEREINAFTER DEFINED, UPON THE FOLLOWING TERMS, COVENANTS, AND CONDITIONS RELATING TO THE EASEMENT AREA, AS HEREINAFTER DEFINED:

DEFINITIONS

As used in this Article I, the term "Owner" shall have the following meaning: The owner(s) in fee simple from time to time of any one of the Benefited Lots, as hereafter defined. Owner shall not include parties having liens, encumbrances, easements or leasehold interests.

As used in this Article I, the term "Grantor" shall refer to the owner(s) in fee simple from time to time of the Easement Area.

As used in this Article I, the term "Operator" shall refer to the Grantor unless the Owner of the Bullock's Tract takes over the maintenance of the Easement Area pursuant to this Article I, in which case Operator shall thereafter refer to the Owner of the Bullock's Tract.

As used in this Article I, the term "Benefited Lots" shall refer individually to the following described real property:

The Bullock's Tract and Lots 11, 12 and 13 of Parcel Map No. 12219, of the City of Manhattan Beach, County of Los Angeles, State of California, as per map recorded in Book 122, at Page 33 of Parcel Maps in the office of the County Recorder of Los Angeles County, California,

(hereafter any reference to Lot 11, Lot 12 or Lot 13 shall mean and refer to such Lot as described above in this paragraph).

GRANT OF EASEMENT

Grantor hereby grants to FEDERATED DEPARTMENT STORES, INC., a Delaware corporation, as the owner of the Bullock's Tract, and to MANHATTAN HACIENDA PROPERTY CO., a California partnership, an easement (herein called the "Easement")

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appurtenant to each of the Benefited Lots, as the benefited property, over the following described property retained by Grantor, which is the servient property, (herein called the "Easement Area") and which is the following described property:

Described on Exhibit "A" hereto, which Exhibit is incorporated herein by reference.

The Easement shall be a non-exclusive, irrevocable easement for vehicular and pedestrian access to the Benefited Lots from surrounding public streets; parking of vehicles; driveways and roads to and from the buildings located on the Benefited Lots; the placement of signs and utilities; loading and unloading area and for other uses hereinafter set forth, all to benefit the Owners of the Benefited Lots, their tenants and licensees and their officers, agents, employees, customers and other business invitees from time to time, on the terms, covenants and conditions set forth in this Article I.

SUBJECT TO THE COREA

For so long as the COREA shall be in effect, the rights and obligations under the COREA will prevail over this Easement. When the COREA terminates, the Easement, covenants and conditions contained in this Article I shall govern the rights and obligations of the Owners and Grantor.

EXTENT OF USE

Grantor and Grantee shall, from time to time, negotiate reasonably and in good faith to agree upon a configuration and plan for the Easement Area, including the location of aisles, roads, signs, utilities, parking driveways and landscaping, which shall be in accordance with governmental requirements, and which shall remain fixed until Grantor and Grantee agree to a change. Until changed, by mutual agreement among Grantor and

Grantee, the configuration in effect upon termination of the COREA shall govern.

The parking spaces on the Easement Area shall be allocated to the Owners of the Benefited Lots in accordance with their respective Proportionate Shares. After termination of the COREA, no use may be commenced of any building or structure on a Benefited Lot and no building or structure may be constructed on a Benefited Lot which would require under applicable governmental laws, rules, ordinances, or regulations, a greater number of parking spaces than is allocated hereunder to such Benefited Lot and is available to such Benefited Lot from other sources. Furthermore, after termination of the COREA, no building on a Benefited Lot may be enlarged to such size so that after such enlargement has been completed the enlarged building would require under applicable governmental laws, rules, ordinances, or regulations a greater number of parking spaces than is allocated hereunder to such Benefited Lot and is available to such Benefited Lot from other sources.

USES OF EASEMENT AREA

The Easement Area may be used only for the following purposes, and the Operator shall use its best efforts to permit the Easement Area to be used only for the following purposes:

- (1) For parking of vehicles for persons entering into any of the buildings located on the Benefited Lots.
- (2) Pedestrian and vehicular ingress and egress to the Benefited Lots by the Owners and their licensees, tenants, officers, agents, employees, customers and other invitees of any of them.
- (3) Parking stalls, private streets, driveways, sidewalks, walls, ramps, curbs, gutters, landscaped areas, traffic and parking lighting facilities and signs, with

appropriate underground electrical connections and all things incidental thereto.

(4) Utility installations serving the Bullock's Tract, the Easement Area, or other Benefited Lots which shall, if reasonably possible, be underground. Above-ground utility installations shall be located in a manner so as not to interfere with free access for the uses of the Easement Area permitted herein.

(5) Ingress and egress of delivery and service vehicles to and from the Benefited Lots, or any portion thereof, and adjacent public streets, and parking in unloading or truck parking areas.

(6) Delivery of goods, wares and merchandise to and from, and the rendition of, services to or by any occupant of, any Benefited Lot.

In addition to the above, portions of the Easement Area adjacent to any Benefited Lot may be used for:

(1) Installation, removal, repairs and maintenance of building canopies extending from any building over pedestrian walks not more than 10 feet, together with appropriate supports;

(2) Installation, removal, repair and maintenance of hose bibs, stand pipes, fire hose connections, down spouts, yard or roof lights and subsurface foundations;

(3) Construction and use of loading ramps, docks, trash rooms and trash bins which shall be located in the service area to the rear of and adjacent to the building served thereby; and

(4) Temporary erection of ladders, scaffolding and store front barricades during construction, remodeling and repair of the buildings and building appurtenances, upon the condition, however, that such construction, remodeling or repair

is diligently performed and such ladders, scaffolding and barricades are promptly removed.

The Easement Area shall be used reasonably so as not to interfere with customer ingress and egress and parking, except that the portion designed for delivery areas shall be used primarily for such purpose.

CHARGE FOR PARKING

No charge of any kind shall ever be made for ingress or egress from or parking on the Easement Area, unless ordered by governmental authority. If so ordered, to the extent permitted by law, any such charge shall not be collected from customers or business invitees, but shall be prorated to the Owners in accordance with their Proportionate Share. If the governmental authority does not permit such a treatment of the charge, but requires that it be collected from the customers or invitees, Operator shall cause such charge to be collected and shall cause the amount received, less collection expenses and less any amount required to be paid to governmental authority, to be credited against Easement Expenses (defined hereinbelow).

EASEMENT AREA OPERATION AND MAINTENANCE

Operator shall operate and maintain, or cause to be operated and maintained, the Easement Area, in good condition and repair, with adequate lighting and with all paving and surface areas in a level and smooth condition, evenly covered with a surface material of equal or superior quality to the kind originally installed thereon, with parking areas thereon properly designated and painted with directional signs and striping and in a neat and clean condition, free from debris and accumulation of trash. Operator's obligations hereunder shall include, but shall not be limited to, the following:

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- (1) Removal of papers, debris, dirt and refuse from the Easement Area;
- (2) Sweeping of the Easement Area by mechanical sweeper;
- (3) Maintenance of lights and light structures in the Easement Area;
- (4) Lighting of the Easement Area;
- (5) Maintenance, care and replacement of all irrigation systems and of shrubs and other landscaping upon the Easement Area; and
- (6) Supervision and security in the Easement Area.

PAYMENT OF EASEMENT EXPENSES

- (1) Each Owner shall pay its Proportionate Share (defined hereinbelow) of the costs (hereinafter "Easement Expenses") of the operation, maintenance, repair, reconstruction following damage to the Easement Area and insurance in respect of the Easement Area, as follows: Operator shall expend those amounts necessary for the operation, maintenance, repair, reconstruction and insurance pertaining to the Easement Area. Easement Expenses shall not include the cost of any sign, unless it is a common sign used by all of the Owners. Otherwise, the costs respecting signs shall be borne by the party or parties who use the sign.
- (2) Operator shall carry fire and extended coverage insurance covering the improvements in the Easement Area, and the premiums for any such insurance shall be an Easement Expense.
- (3) Easement Expenses shall not include Operator's expenses for office overhead, personnel or bookkeeping services, salaries of clerical or administrative personnel, or equipment or property to the extent not used for the maintenance or operation of the Easement Area, however, Operator may

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charge, as an Easement Expense, a management fee which shall not exceed 3% of Easement Expenses, excluding expenses for insurance.

(4) Operator shall, after the end of each calendar month, deliver to each Owner a statement setting forth the Easement Expenses for that month and such Owner's Proportionate Share thereof. Each Owner shall, within ten days of receipt of such statement, pay to Operator an amount equal to its Proportionate Share of the Easement Expenses. Operator shall also after the end of each calendar year submit to each Owner a written statement itemizing the Easement Expenses for the calendar year. Concurrently therewith, Operator shall pay to any Owner who during the calendar year covered by the statement overpaid its Proportionate Share of Easement Expenses the amount, if any, by which the amount payable by such Owner for Easement Expenses for such calendar year is less than the aggregate amount of the monthly payments made by such Owner for such calendar year, or, within ten days after receipt of such statement, any Owner who underpaid its Proportionate Share of Easement Expenses shall pay to Operator the amount, if any, by which such Owner's Proportionate Share of Easement Expenses for such calendar year exceeds the aggregate amount of the monthly payments made by such Owner for such calendar year.

(5) Operator shall keep accurate books and records concerning all Easement Expenses in accordance with generally accepted accounting principles, consistently applied, which books and records shall be kept at an office in Los Angeles County, California, for at least 2 1/2 years after the end of the calendar year to which they apply. Any Owner may, within two years after receiving any such statement, audit such books and records to verify the propriety of any charge.

EASEMENT AREA LIABILITY INSURANCE

Operator shall carry, or cause to be carried, comprehensive general liability insurance, naming each Owner as an additional insured against all claims of liability arising out of Operator's activity in the Easement Area, written by a financially responsible insurance company, with limits of liability in amounts customarily carried by shopping center operators in Southern California for their parking areas, covering both personal injury and death and property damage. Operator's good faith judgment with respect to the limits of liability of such insurance shall be conclusive on all parties.

TAXES AND ASSESSMENTS ON THE EASEMENT AREA

(1) Subject to the right to contest a tax as set forth below, Grantor shall pay prior to delinquency all taxes and assessments affecting or constituting a lien against the Easement Area.

(2) Following Grantor's payment of any taxes or assessments as required above, each Owner shall reimburse Grantor for its Proportionate Share of such taxes and assessments apportioned to the Easement Area as hereinafter provided. Such reimbursement shall be made within ten days of receipt of notice from Grantor requesting reimbursement which notice shall specify the total amount of taxes and assessments paid, and each Owner's Proportionate Share thereof, and the address at which payment is to be made.

(3) If Grantor fails to pay in accordance with this Grant Deed any taxes or assessments affecting or constituting a lien against the Easement Area, then any Owner may pay such taxes or assessments and the entire amount paid minus such Owner's Proportionate Share of such taxes and assessments

apportioned to the Easement Area as hereinafter provided shall be due and payable immediately from Grantor to such Owner.

(4) Grantor shall use its best efforts to obtain segregated tax bills for the Easement Area. If segregated tax bills are not available, then in determining the amounts to be reimbursed to Grantor taxes and assessments shall be apportioned between the Easement Area and other property included in the tax bills separately for land and improvements based upon the Tax Assessor's records. If such records do not provide the necessary information for apportionment, then the taxes and assessments shall be apportioned for land on the basis of the square footage of the land included in the Easement Area to the square footage of land included in the tax bill, and the taxes and assessments for improvements on the basis of the original cost of the improvements on the Easement Area as compared to the original cost of the improvements shown in the tax bill which includes the Easement Area. Grantor upon request from any Owner shall promptly provide such Owner with all information and documents in Grantor's possession used by Grantor in making any such apportionment.

(5) If any taxes or assessments levied or assessed against the Easement Area may be paid in periodic payments or allowed to go to bond and paid in installments, any Owner by notice to Grantor may require Grantor to exercise such right, and thereafter each Owner need only pay its Proportionate Share of the installments, including interest.

(6) Any Owner or Grantor may contest, object to or oppose (a "contest") any tax, assessments, imposition or charge to be reimbursed to Grantor as hereinafter provided. Prompt written notice of any contest shall be given to each of the other Owners and to Grantor. Each party agrees to cooperate, and the Grantor will, upon request of any contesting Owner, pay

any tax, assessments or charge under protest. The expense of the contest shall, as far as possible, be paid from any benefits received therefrom. The contesting party shall not subject a noncontesting party to any penalty, fine, criminal proceeding or to imminent danger of any final sale or seizure of any interest in the Easement Area.

PROPORTIONATE SHARES

Each Owner's Proportionate Share shall be as follows:

Owner of the Bullock's Tract	33%
Owner of Lot 11	51%
Owner of Lot 12	12%
Owner of Lot 13	4%

TAKE-OVER OF MAINTENANCE

If the Owner of the Bullock's Tract at any time, or from time to time, is reasonably dissatisfied with the quality of Operator's maintenance of the Easement Area (including the cost thereof), the Owner of the Bullock's Tract shall have the right, (but not any obligation) after 30 days notice to Grantor of such dissatisfaction, during which such dissatisfaction is not cured, to take over the maintenance of the Easement Area from Grantor, either by itself or by means of a person, firm or corporation hired for such purpose by Grantee. This paragraph does not limit any other rights or remedies any Owner may have for Grantor's failure to perform this covenant.

LIEN ON LOTS

If any amount owing to Operator, any Owner or Grantor pursuant to the terms of this Article I is not paid within 30 days after payment is due, the party to whom the payment is owed may impose a lien upon any or all portions of the Benefited Lots owned by the defaulting party, or if the default is by

Grantor with respect to the payment of taxes or assessments, then against the Easement Area unless, however, the Easement Area is not a separate and legal lot freely transferable under then applicable law. in which case the lien hereof shall be against all of Lot 23 as shown on Parcel Map Number 12219 recorded in Book 122 at Page 33 of Parcel Maps in the Official Records of Los Angeles County, California. Such lien may be imposed by serving notice upon such defaulting party, and by duly recording a copy of said notice in the office of the County Recorder of Los Angeles County. No such lien shall exist until such notice is duly served and recorded as provided herein. Such lien may be foreclosed in accordance with the laws pertaining to foreclosure of mortgages without power of sale. Such lien shall secure not only the amount stated in the aforesaid notice, but also the reasonable costs and expenses of enforcing the same, including interest at the rate of 10% per annum but not exceeding the maximum rate permitted by law and reasonable attorneys' fees.

SERVICE OF NOTICES

Each notice, approval, statement, consent or demand (herein collectively "Notice"), which any party desires to serve upon another party relating to the Easement or the Easement Area must be in writing and shall be deemed served if enclosed in a sealed envelope and delivered or mailed as provided herein to the specified address(es). Except as hereinafter provided, notices shall be addressed to Grantor and the Owner of Lots 11 and 13 at:

Manhattan Beach Commercial Properties
c/o Mr. Alexander Haagen
3500 Sepulveda Boulevard
Manhattan Beach, California 90266

Notices shall be addressed to the Owner of
the Bullock's Tract at:

Federated Department Stores, Inc.
7 West Seventh Street
Cincinnati, Ohio 45202
Attention: Real Estate Department

with a copy to:

Federated Department Stores, Inc.
15760 Ventura Boulevard, Suite 1032
Encino, California 91436
Attention: Real Estate Department

Notices shall be addressed to the Owner of Lot 12 at:

Manhattan Hacienda Property Co.
c/o Mr. Alexander Haagen
3500 Sepulveda Boulevard
Manhattan Beach, California 90266

Any Owner or Grantor may change its address for
the receipt of Notices by notice to Grantor and to all Owners,
which notice to be effective must contain a legal description
of the real property with respect to which the party sending
such notice is the Owner or Grantor. Any mailed Notice shall
be deposited in the United States Post Office, postage prepaid,
registered or certified, return receipt requested. A Notice
shall be effective upon delivery to all addresses designated by
a party for the receipt of Notices or to the address (or
addresses) specified on Los Angeles County tax rolls for the
receipt of tax bills covering the real property whose owner is
to be the recipient of the Notice.

APPOINTMENT OF AGENT

If the Owner of any of the Benefited Lots or Grantor
ever consists of more than one party, they shall at all times
appoint a common agent to act hereunder as the Owner, with
respect to such Lot, or as Grantor, as the case may be, and who
shall have authority to bind all of the parties comprising the

Owner of the Lot or Grantor in all matters in connection with this Article I. The appointment of an agent shall be made by notice to all Owners and to Grantor of such agent and of any change in such agent and by the recordation of such notice in the Official Records of Los Angeles County, California. To be effective, such notice must include a legal description of the Benefited Lot owned by the parties sending such notice, or if the parties sending such notice constitute the Grantor, then such notice shall include the legal description of the Easement Area. No Owner or Grantor shall be required to recognize or deal with any person representing any Owner or Grantor except an agent so appointed. If the owners of a Benefited Lot or the Easement Area fail to appoint a common agent, any other Owner or Grantor may, at its option, send Notices to, make payments to and deal with any party owning a fee interest in such Lot or the Easement Area, as the case may be, and all persons or entities constituting the Owner with respect to such Lot or the Grantor with respect to the Easement Area shall be bound by the actions of such party.

INTEREST

Any amounts owing hereunder by one party to another after the due date shall be paid with interest at the rate of 10% per annum, but not exceeding the maximum amount permitted by law.

PURCHASE OF RIGHTS

This paragraph entitled "Purchase of Rights" shall only operate if one of the following two conditions has occurred:

(1) If at any time, except for periods of time caused by Force Majeure as hereinafter defined, after termination of the COREA, the Bullock's Tract is not being used for a general merchandise retail department store; or

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(2) If at any time after termination of the COREA, the Bullock's Tract is owned in fee by a party other than Federated Department Stores, Inc., or any party which may succeed to Federated Department Stores, Inc.'s Bullock's Division's business in the State of California, or any corporation which may, as the result of reorganization, merger, consolidation or sale of stock or assets succeed to such business.

Following the occurrence of either of those two conditions, the Owner of the Bullock's Tract, in order to be entitled to the use of the Easement Area pursuant to Article I of this Grant Deed, shall pay to Grantor, within 30 days of the occurrence of either of said conditions, a sum equal to \$35.00 for each square foot in an area equal to 33% of the Easement Area. Such Owner shall have no obligation to pay such sum, and if within said 30-day period such payment is not made, then the terms, covenants and conditions of Article I of this Grant Deed shall terminate as of such 30th day. The payment referred to above in this paragraph need only be made following the first to occur of either of said conditions, and thereafter said conditions may occur with no need for any such payment in order for Article I of this Grant Deed to remain in full force and effect.

As used in this paragraph, Force Majeure shall mean and refer to acts of God, fire, earthquake, floods, explosions, actions of the elements, war, invasion, insurrection, riot, mob violence, sabotage, inability to procure or general shortage of labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strikes, lockouts, actions of labor unions, condemnation requisition, laws, orders of governmental or civil or military or naval authorities or any

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other cause whether similar or dissimilar to the foregoing, not within the control of the Owner of the Bullock's Tract.

COVENANTS RUN WITH THE LAND; RELEASE FROM LIABILITY; COMPLIANCE WITH LAWS

The covenants set forth herein are intended to run with the land and bind and benefit Grantor and the Easement Area and all successive Owners and the Benefited Lots. Each of the parties hereto, including Manhattan Hacienda Property Co., shall be released from its obligations under the provisions of Article I of this Grant Deed accruing following a sale by it of all of its fee interest in the Easement Area and the Benefited Lots. If Lot 23 referred to above becomes subject to the lien referred to above, nothing set forth in this paragraph shall relieve that portion of Lot 23 not included within the Easement Area from said lien. The terms, covenants and conditions of this Grant Deed may be enforced in law or at equity by any Owner or by Operator. Grantor shall cause all laws governing or respecting the granting of the Easement to be fully complied with.

Notwithstanding the foregoing, if there exists any delinquency in the payment when due of any Easement Expense or interest thereon by any Owner, or any prior Owner, of a Benefited Lot, then the Owner of such Lot shall not be entitled to utilize or have any of its licensees, invitees, customers, employees, agents, tenants, or officers utilize in any fashion the Easement Area until such delinquency is cured in full. The failure by any Owner to pay when due its Proportionate Share of Easement Expenses to Operator or to pay its Proportionate Share of taxes and assessments to Grantor shall not relieve Operator or Grantor from any of its obligations with respect to the maintenance and operation of the Easement Area or the payment of taxes and assessments with respect to the Easement Area, but

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any failure by Operator or by Grantor to perform such obligations shall not entitle any Owner of any Lot as to which such a delinquency exists or existed to sue Operator or Grantor for any such failure during the period of such delinquency.

ARTICLE II GRANTOR GRANTS THE FOLLOWING SECOND EASEMENT, AS HEREINAFTER DEFINED, UPON THE FOLLOWING TERMS, COVENANTS, AND CONDITIONS RELATING TO THE SECOND EASEMENT AREA, AS HEREINAFTER DEFINED:

GRANT OF EASEMENT

GRANTOR hereby grants to FEDERATED DEPARTMENT STORES, INC., a corporation organized under the laws of the State of Delaware, an easement (the "Second Easement") across and under the following described real property for the purposes and pursuant to the terms provided in this Article II. The real property covered by the easement (the "Second Easement Area") is more particularly described as follows:

That portion of Parcel 23 in the City of Manhattan Beach, County of Los Angeles, State of California, as shown on Parcel Map 12219 filed in Book 122, Pages 33 through 35 inclusive of Parcel Maps in the office of the County Recorder of Los Angeles County, California, described as follows:

Beginning at a point on that certain curve concave northeasterly having a radius of 66.00 feet in the westerly line of Village Drive as shown on said Parcel Map, said point being the intersection of said curve with a line radial to said curve bearing North 83° 23' 21" West, said intersection lies southerly 2.91 feet measured along said curve from the northerly terminus of said curve; thence South 36° 54' 02" West 48.15 feet to a point on the northerly line of parcel 10 of said Parcel map; thence along said northerly line North 89° 56' 03" East 16.94 feet to the northeasterly corner of said parcel 10; thence along the easterly line of said parcel 10 South 09° 29' 33" East 11.48 feet; thence North 36° 54' 02" East 23.31 feet to a point on that certain curve having a radius of 66.00 feet in the westerly line of Village Drive as shown on

said Parcel Map; thence northerly along the arc of said curve through a central angle of 27° 32'16" an arc distance of 31.72 feet to the Point of Beginning.

This Second Easement is perpetual, irrevocable and nonexclusive and is appurtenant to the Bullock's Tract.

USE OF SECOND EASEMENT

The Second Easement may be used by the Grantee hereunder and by Grantee's invitees, agents, employees, licensees, and tenants for the purpose of ingress and egress to and from the Bullock's Tract and adjoining property and may also be used for underground utilities, including water, gas, electricity, and sewer, serving the Bullock's Tract. Such ingress and egress shall include vehicular and pedestrian traffic, and Grantee may make such improvements to the Second Easement Area as Grantee may deem necessary or convenient for Grantee's enjoyment of the Second Easement for the purposes set forth herein. Such improvements may include paving, curbs, gutters, driveways, light standards, fixtures, and utilities. Grantor shall not construct or permit to be constructed on the Second Easement Area any improvements, structures, curbs, light standards, or buildings that would in any way interfere with the use and enjoyment of the Second Easement by Grantee. Following the termination of the COREA and of Article I of this Grant Deed, Grantee shall at no cost to Grantor, maintain in good repair all paving, curbs, gutters, driveways, light standards fixtures and utilities which may from time to time be located on the Second Easement Area.

INDEMNITY

Grantor covenants to defend, indemnify and hold harmless Grantee from and against all claims and all costs, expenses and liabilities (including reasonable attorneys'

fees) incurred in connection with all claims arising from or as the result of the death of, or any accident, injury, loss or damage whatsoever caused to any natural person or to any property as shall occur on the Second Easement Area following termination of the COREA and of Article I of this Grant Deed caused by the negligence or act or omission of Grantor or any tenant, agent, employee, contractor, or licensee of Grantor. Grantee shall indemnify and hold harmless Grantor from and against all claims and all costs, expenses and liabilities (including reasonable attorneys' fees) incurred in connection with all claims arising from or as a result of the death of, or any accident, injury, loss or damage whatsoever caused to any natural person or to any property as shall occur on the Second Easement Area following termination of the COREA and of Article I of this Grant Deed caused by the negligence or act or omission of Grantee or any of Grantee's tenants, agents, employees, contractors, or licensees.

TAXES

The provisions of the COREA and the provisions of Article I of this Grant Deed shall govern the rights and obligations of Grantee and Grantor respecting the payment of real property taxes and assessments affecting the Second Easement Area. When and if the provisions of each of those documents concerning the payment of real property taxes and assessments should no longer be in force and effect, then the following provisions shall govern the payment of property taxes and assessments affecting the Second Easement Area. Grantor shall pay all such taxes prior to delinquency. If Grantor fails to pay in accordance with this Article II any taxes or assessments affecting or constituting a lien against the Second Easement Area, then Grantee may pay such tax or assessment, and

the entire amount paid by Grantee shall be due and payable immediately from Grantor to Grantee. If any amount owing to Grantee by Grantor pursuant to the terms of this paragraph is not paid within 30 days after payment is due, then Grantee may impose a lien upon the Second Easement Area, unless, however, the Second Easement Area is not a separate and legal lot freely transferable under the then applicable law in which case the lien hereof shall be against all of Lot 23 as shown on said Parcel Map No. 12219 referred to above. Such lien may be imposed by serving notice upon the then fee owner(s) of the Second Easement Area and by duly recording a copy of said notice in the Office of the County Recorder of Los Angeles County, California. Any notice mailed to the address or addresses specified in Los Angeles County tax rolls for the receipt of the real property tax bills covering the Second Easement Area shall be conclusively deemed to have been served as required by this paragraph. No such lien shall exist until such notice is duly served and recorded as provided herein. Such lien may be foreclosed in accordance with the laws pertaining to foreclosure of mortgages without power of sale. Such lien shall secure not only the amounts stated in the aforesaid notice, but also the reasonable costs and expenses of enforcing the same, including interest at the rate of 10% per annum but not exceeding the maximum rate permitted by law and reasonable attorneys' fees.

COVENANTS BINDING ON SUCCESSORS

The covenants set forth in this Article II of this Grant Deed are for the benefit of the Bullock's Tract and shall affect and burden the Second Easement Area and are covenants running with the land binding on the Grantor and all successive

owners of the Second Easement Area for the Benefit of the Bullock's Tract.

Grantor shall be released from its obligations under the provisions of Article II of this Grant Deed accruing following a sale by it of its fee interest in the Second Easement Area. If Lot 23 referred to above becomes subject to the lien referred to in this Article II, nothing set forth in this paragraph shall relieve that portion of Lot 23 not included within the Second Easement Area from said lien. Furthermore, Grantee shall be released from its obligations under the provisions of Article II of this Grant Deed accruing following a sale by it of all of its fee interest in the Bullock's Tract.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed by its general partners thereunto duly authorized as of the 7th day of November, 1999.

MANHATTAN BEACH COMMERCIAL PROPERTIES

By Sepulveda Properties, Inc., a
California Corporation, General
Partner

By [Signature] President

By _____ Secretary

By Alexander Haagen Manhattan
Beach Company, General Partner

By [Signature] General Partner

Grantee hereby agrees to the terms, covenants, and conditions of this Grant Deed and agrees to be bound by those terms, covenants, and conditions.

FEDERATED DEPARTMENT STORES, INC.

By James B. Schuch
Its Senior Vice President

Attest Book 2 / 10/1/13
Its Asst. Secretary

The undersigned, sometimes referred to in this Grant Deed as the Owner of Lot 12, hereby agrees to the terms, covenants, and conditions of this Grant Deed and agrees to be bound by those terms, covenants, and conditions.

HANNAH HACIENDA PROPERTY CO.

By Michaela M. M. M.
General Partner

By _____
General Partner

EXHIBIT "A"
to Grant Deed

LEGAL DESCRIPTION

Those portions of Parcel 23 in the City of Manhattan Beach, County of Los Angeles, State of California, as shown on a map filed in Book 122, Pages 33 through 35 inclusive of Parcel Maps in the office of the County Recorder of Los Angeles County, California, described as follows:

Parcel A: Easement for Ingress and Egress and Parking:

Beginning at the southerly terminus of that certain course shown as South 0°03'58" East 160.45 feet in the westerly line of Village Drive as shown on said parcel map; thence along said westerly line, also being the easterly boundary of said Parcel 23, North 0°03'58" West 103.90 feet to the southeasterly corner of Parcel 11 of said Parcel Map; thence along the southerly boundary of said Parcel 11 and along the westerly prolongation of said southerly boundary South 89°56'03" West 370.85 feet to a tangent curve concave southeasterly having a radius of 158.60 feet; thence southwesterly along the arc of said curve through a central angle of 38°01'33" an arc distance of 105.26 feet; thence tangent to said curve South 51°54'30" West 316.15 feet to a point in the easterly line of Parcel 12 of said Parcel Map; thence along said easterly line South 00°03'57" East 234.08 to the southeasterly corner of said Parcel 12; thence westerly along the southerly line of said Parcel 12 South 89°56'03" West 6.06 feet to the northeasterly corner of Parcel 13 of said Parcel Map; thence southerly along the easterly boundary of Parcel 13 South 00°03'57" East 202.50 feet to the southeasterly corner of said Parcel 13; thence along the southerly line of said Parcel 13 South 89°56'03" West 129.00 feet to the westerly line of said Parcel 23; thence along said westerly line South 0°03'57" East 88.00 feet to the westerly prolongation of the northerly line of Parcel 15 of said Parcel Map; thence along said prolongation, said northerly line and the easterly prolongation thereof North 89°56'03" East 277.43 feet to the westerly line of Parcel 14 of said Parcel Map; thence along said westerly line and the northerly prolongation thereof North 0°03'57" West 207.00 feet; thence North 89°56'03" East 220.37 feet to the westerly line of parcel 9 of said Parcel Map; thence along said westerly line and along the westerly line of parcel 10 of said Parcel Map North 0°03'57" West 337.00 feet to the northwesterly corner of said parcel 10; thence along the northerly and easterly line of said parcel 10 North 89°56'03" East 333.28 feet and South 09°29'33" East 237.71 to the southeasterly corner of said parcel 10; thence along the easterly prolongation of the southerly line of said parcel 10 North 89°56'03" East 56.26 feet to the easterly line of said parcel 23; thence along said easterly line North 09°29'33" East 203.97 feet to the southeasterly terminus of that certain curve having a radius of 66.00 feet in said westerly line of Village Drive; thence along said westerly line the following courses: Northerly along the arc of said curve through a central angle of 85°21'36" an arc distance of 98.33 feet, tangent to said curve North 09°08'00" East 50.00 feet to a tangent curve concave westerly having a radius of 90.00 feet, northerly along the arc of said curve through a central angle of 9°11'58" an arc distance of 14.45 feet to the Point of Beginning.

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STATE OF Ill. }
County of (HAMILTON) } ss.

On November 22, 1980, before me, the under-
signed, a Notary Public in and for said State, personally
appeared James R. Sobczak, known to me to
be the Asst. Vice President, and Jack L. Kowalski,
known to me to be the Asst. Secretary Secretary of
FEDERATED DEPARTMENT STORES, INC., the corporation
that executed the within instrument, known to me to be the
persons who executed the within instrument on behalf of such
corporation, and acknowledged to me that such corporation
executed the within instrument pursuant to its by-laws or a
resolution of its board of directors.

WITNESS my hand and official seal.

[SEAL]

Donald J. Johnson
Notary Public

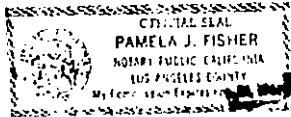
82-1188654

STATE OF CALIFORNIA)
County of *Los Angeles*) **.

On *November 24*, 1980, before me, the undersigned, a Notary Public in and for said County and State, personally appeared *Jerry R. Buschhoff*, known to me to be the *Vice* President, and *[Signature]*, known to me to be the *Secretary*, of SEPULVEDA PROPERTIES, INC., the corporation that executed the within instrument, and known to me to be the persons who executed the within instrument on behalf of said corporation, said corporation being known to me to be one of the partners of MANHATTAN BEACH COMMERCIAL PROPERTIES, the partnership that executed the within instrument, and acknowledged to me that such corporation executed the same as such partner pursuant to its by-laws or a resolution of its board of directors and that such partnership executed the same.

Pamela J. Fisher
Notary Public

[SEAL]



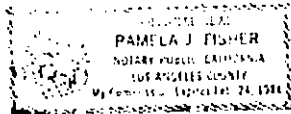
80-1188654

STATE OF CALIFORNIA)
County of *Los Angeles*) ss.

On *November 24*, 1980, before me, the undersigned, a Notary Public in and for said County and State, personally appeared ALEXANDER HAAGEN, known to me to be one of the partners of Alexander Haagen Manhattan Beach Co., a partnership, known to me to be the person who executed the within instrument on behalf of Alexander Haagen Manhattan Beach Co., said partnership being known to me to be one of the partners of Manhattan Beach Commercial Properties, a partnership, and acknowledged to me that the partnership first above mentioned executed the within instrument on behalf of Manhattan Beach Commercial Properties and that Manhattan Beach Commercial Properties executed the within instrument.

Pamela J. Fisher
Notary Public

[SEAL]



8C-1188654

STATE OF CALIFORNIA)
County of *Los Angeles*) ss.

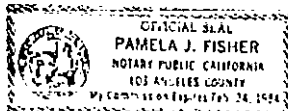
On *November 24*, *1980*, before me,
the undersigned, a Notary Public in and for said State,
personally appeared *Alexander Haagen*

known to me to be one of the partners of Manhattan Hacienda
Property Co., the partnership that executed the within
instrument, and acknowledged to me that such partnership
executed the same.

WITNESS my hand and official seal.

[SEAL]

Pamela J. Fisher
Notary Public



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RESOLUTION NO. PC 13-10

**RESOLUTION OF THE PLANNING COMMISSION OF THE
CITY OF MANHATTAN BEACH APPROVING A MASTER USE
PERMIT AMENDMENT AND HEIGHT VARIANCE FOR
REMODELING AND EXPANSION OF THE MANHATTAN
VILLAGE SHOPPING CENTER LOCATED AT 2600
THROUGH 3600 SEPULVEDA BOULEVARD AND 1220
ROSECRANS AVENUE (RREEF AMERICA REIT CORP BBB II
(RREEF))**

**THE PLANNING COMMISSION OF THE CITY OF MANHATTAN BEACH DOES HEREBY
RESOLVE AS FOLLOWS:**

SECTION 1. The Planning Commission of the City of Manhattan Beach hereby makes the following findings:

- A. On November 7, 2006 RREEF submitted a Master Use Permit Amendment and Variance for building height, (the "Project") as part of a remodel and expansion of the Manhattan Village Shopping Center ("Shopping Center"). Revised Project applications, plus a Sign Exception/Master Sign Program and Development Agreement were then submitted in 2012. The Development Agreement was subsequently withdrawn. Over the past six and a half years RREEF and their team of consultants have been meeting with the neighbors, tenants, other site property owners, staff, and community leaders to review the proposed Project and to make revisions to address their concerns, as well as the needs of a changing consumer market.
- B. On February 12, 2009, the City held a public Scoping Meeting to introduce the Project to the community, and provide an overview of the Project and the CEQA process.
- C. A 45 day public review and comment period was held between June 7, 2012 and July 23, 2012 for the Draft Environmental Impact Report (EIR). The Final EIR is complete and was distributed for public review on April 2, 2013.
- D. The Planning Commission of the City of Manhattan Beach conducted public hearings on June 27, and, October 3, 2012, as well as March 13, April 24, May 22, June 26, and July 24, 2013 to consider the applications for the Master Use Permit Amendment, Variance, and Sign Exception/Master Sign Program at the subject property. Said hearings were advertised pursuant to applicable law, and testimony was invited and received.
- E. Noticing for the hearings exceeded the minimum requirements with notices for the May 22 and June 26, 2013 meetings being sent to residential occupants as well as all property owners within a 500 foot radius of the 44-acre Project site. The June 26, 2013 meeting was advertised with a ½ page display advertisement in the Beach Reporter. Standard legal advertisements in the Beach Reporter and standard notices to all property owners were provided for all other public hearings. The June 26, 2013 public hearing was continued until July 24, 2013, and the July 24th meeting was conducted as a continued public hearing.
- F. The subject Shopping Center property is legally described as Lots 1 – 23, of Parcel Map 12219, Map Book 122, pages 33-35 and Portion of Lot 4, Section 10, Ranch Sausal Redondo Tract, addressed as 2600 through 3600 Sepulveda Boulevard (3200 Sepulveda Boulevard being the enclosed mall) and 1220 Rosecrans Avenue, in the City of Manhattan Beach.

- G. The subject site, located on approximately 44-acres includes an enclosed, main mall building and several freestanding buildings. The Shopping Center site currently has a total of approximately 572,837 square feet of gross leasable area (GLA) including outdoor dining areas for restaurants that provide full table service. When accounting for common areas, the Shopping Center site has approximately 614,151 square feet of gross building area (GBA). There are currently 2,393 surface parking spaces on the site. In addition, there are 210 leased parking spaces that are located immediately east of the subject site and are available to the Shopping Center as well as other surrounding uses, but are not included in Shopping Center parking counts.
- H. The site is a former Chevron Tank Farm and was developed as retail commercial in the 1970s.
- I. The Project site is zoned Community Commercial (CC) with the exception of the northwest corner of the property (3600 Sepulveda- Fry's site) that is approximately 3.6 acres in size and is zoned Commercial General (CG). The property is located in Area District II.
- J. The General Plan designation for the Shopping Center property is Manhattan Village and General Commercial.
- K. The surrounding area includes a variety of land uses and zones. The properties to the west and south across Sepulveda Boulevard, and Marine Avenue respectively, are zoned Commercial General with single family residential and a Senior housing development adjacent to the Veterans parkway public Greenbelt beyond to the west. To the east is Manhattan Village homes single and multi-family uses zoned Residential Planned Development, as well as a Senior housing development, and a commercial development zoned Planned Development. Both Senior housing developments are zoned Residential Senior Citizen. To the north across Rosecrans Avenue in the City of El Segundo is partially vacant industrial uses planned for future commercial-retail with the first phases completed further to the north (Plaza El Segundo). To the northwest across Sepulveda Boulevard and Rosecrans Avenue in the City of El Segundo is the Chevron Oil Refinery.
- L. There are three separate Shopping Center property owners each of whom owns a portion of the Shopping Center property. These owners are RREEF America Reit Corp BBB II (RREEF) that owns the majority of the 44-acre site, 3500 Sepulveda LLC that owns the 0.7 acre 3500 Sepulveda Boulevard (Hacienda building) property and Bullocks Properties Corp that owns their site, 3400 Sepulveda Boulevard for the 1.9 acre Macy's main department store.
- M. The applicant requests a Master Use Permit Amendment, Variance, and Sign Exception/Master Sign Program. Specifically, the Project Description proposed by the applicant is to:
1. Amend the Master Use Permit to allow the construction of Phase I- Village Shops, Phase II- Northeast Corner (Macy's Expansion), and Phase III-Northwest Corner (Fry's Area) to add approximately 123,672 square feet (133,389 square feet with the Equivalency Program) of net new retail, restaurant and other commercial area [addition of approximately 194,644 (204,361 with the Equivalency Program) square feet of new gross leasable area and demolition of approximately 70,972 square feet of existing retail, restaurant, and cinema] within an approximately 18.4 acre development area within the Shopping Center site. The Equivalency Program is as described within the Certified Final Environmental Impact Report. Upon completion of all three Phases, the entire 44-acre Shopping Center site would include a total of approximately 696,509 (706,226 with the Equivalency Program) square feet of gross leasable area. The

1 proposed Project will also include new on-site parking structures and surface parking
2 areas for a total of approximately 2,928 parking spaces on site.

3 2. Request a Variance to construct building and parking improvements in the Project area
4 that exceed the maximum allowed height (22 feet, and up to 30 feet with structured
5 parking) by a range of 2 to 26 feet (for required equipment). The Phase I Village shops
6 buildings are proposed to be up to 32 feet in height. Phase II Northeast Corner (Macy's
7 Expansion) building is proposed to be up to 42 feet in height to match and maintain
8 consistency with the height of the existing buildings that were entitled by a previous
9 height variance. The Phase III- Northwest corner buildings are proposed to be up to 40
10 feet in height. The parking decks on all phases are not proposed to exceed the height
11 of the buildings. Mechanical, elevator overruns, architectural features, and parapets
12 (on top of the parking structures) are proposed to exceed the height limit with the
13 Building Safety Division-required elevator overruns at up to 56 feet in height.

14 3. Request for a Sign Exception/Master Sign Program for all three Phases of the Project
15 to amend the 2002 Mall Master Sign Program as well as the separate 1991 Fry's sign
16 approval, to reflect and correspond to expansion of the Shopping Center's street
17 frontage through the addition of the Fry's parcel, the addition of new buildings and
18 parking structures, and installation/updating of existing monument, pole, and wall
19 signs, temporary, directional, and Project banner signs, and a City "Gateway" Element
20 sign at Sepulveda and Rosecrans. In general, the existing Signage on the Shopping
21 Center site is permitted under the above mentioned sign approvals. Specifically, the
22 Sign Exception/Master Sign Program requests:

23 a. **Maximum Square Footage Increase**—An increase in the maximum square footage
24 of allowed signage. Currently there is 7,600 SF of signage on the site, the Code
25 allows 5,100 square feet of signage (based on the total frontage of 2,600 lineal feet)
26 and the applicant is requesting an additional 1,900 square feet above the existing for
27 a total of 9,500 square feet of signage.

28 b. **Multiple Pole Signs**- Eight total pole signs are proposed while there are seven
29 existing (four to remain and three to be replaced) plus one new pole sign on the
30 3500 Sepulveda (Hacienda Building) site. The three new signs would replace the
31 Fry's signs after Fry's vacates the site, and generally be consistent with the existing
32 2002 approved site signs; these signs would be multi-tenant plus Project
33 identification signs. Seven signs are proposed with 60 square feet of signage per
34 side, 240 square feet each (per Code calculations) for tenant signage plus 80
35 square feet (per Code calculations) of project identification signage, up to 15'-6" tall.
36 Additionally, one sign at the corner of Sepulveda and Rosecrans up to 30 feet tall
37 with 96 square feet of signage per side, 384 square feet each (per Code
38 calculations) is proposed. The Code allows only one pole sign, 150 square foot
39 maximum, up to 30 feet tall in lieu of monument/wall/awning signs.

40 c. **Non-Department Store Anchor Wall Signs**—Up to 150 square feet in size each
41 proposed, with potentially more than 2 signs per tenant and no more than 2 square
42 feet of signage per linear foot of store frontage. The Code limits the signs to a
43 maximum of 150 square feet in area and no more than 2 square feet of signage per
44 linear foot of store frontage.

45 d. **Signs Over 150 Square Feet to Remain**—Allow Macy's Men's Store two signs to
46 remain or be replaced over the 150 square foot limit, consistent with their current
47 approval at 300 square feet each.

- e. **Tenant Wall Signs on Parking Structures**—Allow signs facing Sepulveda Blvd, Rosecrans Ave, and Marine Ave, a maximum of 60 square feet each, while the Code does not permit signs on parking structures as they are not located on a business.
 - f. **Monument Signs**—Allow 13 existing and four new monument signs up to 6 feet tall each. No exception needed for the number and height, just the overall site sign square footage.
 - g. **Project Identification Signs**—Allow additional Project identification signs on the buildings, while the current approval only allows two at the enclosed Mall entrances and the Code allows none.
 - h. **Directional Wall Signs on Parking Structures**—Allow wall signs on the parking structures, one at each vehicular entry, without Project identification, while the Code does not permit signs on parking structures as they are not located on a business.
 - i. **Directional Signs**—Allow directional signs up to 6 feet high and 12 square feet while the Code allows 4 feet high and 6 square feet.
 - j. **Project Banners on Light Poles**—Allow the continuation and addition of Project banners at the light poles as allowed under the current approval but not allowed under the Code.
 - k. **Temporary Signs**—Allow A-frame, portable, sidewalk or other temporary signs on the interior of the Project not visible from the public right-of-way up to 365 days a year, while the Code limits the number and size and allows 90 days maximum per year.
 - l. **Exclude Certain Square Footage**—Allow the following sign area to be excluded from counting towards the total allowed square footage: Project graphic banners, Parking Deck Entry signs, Directional Signs, Sidewalk Signs, Temporary “A” Frame/Sign Holder Signs, and non-tenant oriented portions of Gateway Element Sign.
 - m. **City Gateway Sign**—Allow a City Gateway Sign at the corner of Rosecrans Ave and Sepulveda Blvd over 30 feet (up to 46 feet) in height.
- N. Specifically, a portion of the Master Use Permit approval as provided in this Resolution includes the following square footage details which differ from the applicant’s request:
- 1. The applicant requests restaurants up to 109,000 square feet GLA. The EIR evaluated allowing a maximum of 89,000 square feet total GLA of restaurant uses on the site, with an overall parking supply of 4.1 stalls per 1,000 square feet of GLA. The EIR also evaluated up to a maximum of 109,000 square feet with an increased parking supply of 6.7 stalls per 1,000 square feet of GLA for the square footage that exceeds 89,000. Restaurant use exceeding 89,000 square feet GLA will require an amendment of the Master Use Permit at a duly noticed public hearing to evaluate parking and other potential impacts.
 - 2. The applicant requests general offices up to 69,277 square feet of GLA, plus an increase in square footage of existing Medical and Dental office uses above the approximate 21,678 square feet currently on the site. The EIR evaluated adding up to 57,750 square feet of general offices (excluding Medical and Dental) for a maximum of 69,277 square feet of general offices with an overall parking supply of 4.1 stalls per

1 1,000 square feet of GLA. The EIR also evaluated a maximum of 21,712 square feet
2 total GLA of Medical or Dental office uses on the site (maintaining the existing square
3 footage), with an overall parking supply of 4.1 stalls per 1,000 square feet of GLA. Any
4 increase in the square footage of the Medical or Dental uses on the site over the
5 maximum 21,712 square feet allowed would approximately double the parking demand
6 for that square footage over the existing, for a demand of about eight stalls per 1,000
7 square feet of GLA. Over approximately 21,780 square feet (existing rounded) GLA of
8 Medical or Dental offices will require an amendment of the Master Use Permit at a duly
9 noticed public hearing to evaluate parking and other potential impacts.

6 O. The Manhattan Village Shopping Center planning/zoning entitlement history is as follows:

- 7 1. An Environmental Impact Report (EIR) was prepared (1978) and certified for a phased
8 Project, of which Manhattan Village Shopping Center and the subject property was a
9 part. Mitigation measures were identified and adopted in several issue areas.
- 10 2. On March 6, 1979 the City Council adopted Resolution No. 3685, establishing the
11 Commercial Planned Development (CPD) District for First Phase construction and
12 operation of a community Shopping Center (Manhattan Village Mall) consisting of
13 approximately 150,000 square feet of retail establishments providing community
14 convenience goods and services, and approximately 300,000 square feet of retail
15 establishments providing goods and services customarily found in malls associated
16 with department stores.
- 17 3. On December 18, 1979 the City Council adopted Resolution No. 3757, approving
18 Second Phase construction and operation of a community Shopping Center
19 (Manhattan Village Mall).
- 20 4. Subsequent use permits were approved for individual uses within the Shopping
21 Center.
- 22 5. On September 13, 1989, the Planning Commission approved Resolution No. PC 89-
23 54 to allow construction of a 6,190 square-foot restaurant within the Mall (Island's).
- 24 6. On December 18, 1990 the City Council adopted Ordinance No. 1832, repealing the
25 CPD zoning District and establishing the CC (Community Commercial) zoning district
26 for the Shopping Center and subject property.
- 27 7. On February 14, 1991, the Planning Commission adopted Resolution No. PC 91-1
28 approving a proposal to change uses from research and development office to
29 specialty retail at 3600 Sepulveda Boulevard (Fry's).
- 30 8. On October 23, 1991, the Planning Commission adopted Resolution No. PC 91-30
31 approving a sign appeal to allow additional signage not included in an approved sign
32 program for 3600 Sepulveda Boulevard (Fry's).
9. On November 16, 1993 City Council adopted Resolution No. 5044, allowing the
establishment of a restaurant/bakery with retail sales and outdoor seating at 3014
Sepulveda Boulevard (East Coast Bagel Company).
10. On April 5, 1994 the City Council adopted Ordinance No. 1902, establishing a
provision for a Master Use Permit for multiple tenant Projects to replace obsolete
Commercial Planned Development (CPD) Permits.

11. On January 3, 1995 the City Council adopted Resolution No. 5142, approving the conversion of all previous Commercial Planned Development and individual Use Permit entitlements for the Shopping Center to a Master Use Permit consistent with provisions of Ordinance No. 1902.
12. On December 12, 2001 the Planning Commission adopted Resolution No. PC 01-27 which superseded and replaced all the previous approvals on the Manhattan Village Shopping Center site. Although the Project description, plans and tenant/building square footages list submitted by the Shopping Center owner at the time (Madison Marquette) included the 3500 Sepulveda site (Hacienda or Haagen building) the property owner of 3500 Sepulveda at the time did not sign the application and it is not clear if they were notified or aware of the pending application. The 3500 Sepulveda Blvd property owner at the time did not participate in the public hearing process. The current owners of the subject property (3500 Sepulveda, LLC, 13th & Crest Associates, LLC and 6220 Spring Associates, LLC) purchased the property in 2005.
13. On February 27, 2002 the Planning Commission adopted Resolution No. PC 02-07 approving a Master Sign Program and Sign Exception for the Manhattan Village Shopping Center.
14. On August 8, 2007, the Planning Commission adopted Resolution No. PC 07-12 approving on-site wine tasting at an existing supermarket at 2700 Sepulveda Boulevard (Ralph's). The applicant did not implement this amendment, withdrew their ABC application in 2008 and it has thus expired.
15. A Master Use Permit application was submitted by the 3500 Sepulveda Blvd property owner on April 4, 2008, to request the approvals for: 1) clarification that the 3500 Sepulveda Boulevard property (Hacienda/Haagen) was included as part of the Master Use Permit (Resolution No. PC 01-27) and all other related entitlements for the Manhattan Village Shopping Center, and 2) allow on-site alcohol consumption for a proposed new restaurant (Tin Roof Bistro).
16. The 3500 Sepulveda Blvd property owners entered into a Settlement Agreement with RREEF American REIT II Corp. BBB, current owner of the Manhattan Village Shopping Center, in October 2008 regarding the existing Master Use Permit entitlements on the properties, as well as other private issues. A summary of the facts related to that Settlement Agreement are included in PC Resolution No. PC 08-15. The City determined that with the clarification of PC Resolution 08-15, the Master Use Permit (PC Resolution 01-27) applies to the 3500 Sepulveda Property and accordingly, the property owner application for a separate Master Use Permit was administratively withdrawn.
17. On November 12, 2008, the Planning Commission adopted PC Resolution 08-15 for 3500 Sepulveda which confirmed, clarified, and acknowledged that a) the Master Use Permit (PC Resolution 01-27) and other entitlements for the Shopping Center apply to the property, and b) amended the Shopping Center Master Use Permit (PC Resolution 01-27) to allow on-site consumption of alcohol at the new restaurant (Tin Roof Bistro).
18. On January 6, 2009, through Resolution No. 6171, the City Council denied an appeal of the Planning Commission approval of Resolution No. PC 08-15. Specifically, the applicant appealed the condition to submit an irrevocable offer to dedicate land for the Sepulveda Boulevard bridge widening Project.
19. On June 23, 2010, the Planning Commission adopted PC Resolution No. 10-03, approving a new retail wine and beer shop at 3500 Sepulveda Boulevard (Vintage

1 Wine Shoppe) to allow beer and wine sales for off-site consumption with on-site
 2 consumption of beer and wine for tastings only.

3 20. On February 12, 2012, the Planning Commission adopted Resolution No. PC 12-02,
 4 approving the expansion of the existing restaurant at 3500 Sepulveda Boulevard (Tin
 5 Roof Bistro) to add a private dining room/event space with on-site beer and wine
 6 consumption.

7 P. The Project will not individually nor cumulatively have an adverse effect on wildlife
 8 resources, as defined in Section 711.2 of the Fish and Game Code.

9 Q. This Resolution, upon its effectiveness, constitutes the Master Use Permit and Variance for
 10 the Shopping Center site (2600 through 3600 Sepulveda Boulevard and 1220 Rosecrans
 11 Avenue) and replaces all previous site-wide and individual land use approvals stated
 12 above (Section 1, Item E), with the exception of the Sign approval (PC 02-07). The facts,
 13 findings, and Project descriptions for these Projects still stand as detailed in the applicable
 14 Resolutions. Specifically, this Resolution replaces Resolutions PC 01-27, PC 10-03 and
 15 PC 12-02 and City Council Resolution No. 6171.

16 **Master Use Permit Findings**

17 R. Pursuant to Section 10.84.060A of the Manhattan Beach Municipal Code, the following
 18 findings are made regarding the Master Use Permit Amendment application.

19 **1. The proposed location of the use is in accord with the objectives of this title and**
 20 **the purposes of the district in which the site is located;**

21 a. The property is located within Area District II and is zoned Community Commercial
 22 (CC) and Commercial General (CG). The purpose of the CC zoning district, is to
 23 provide sites for planned commercial centers which contain a wide variety of
 24 commercial establishments, including businesses selling home furnishings,
 25 apparel, durable goods and specialty items generally having a city-wide market
 26 area. Support facilities such as entertainment and eating and drinking
 27 establishments are permitted, subject to certain limitations to avoid adverse effects
 28 on adjacent uses. The Project site is the only site in the City of Manhattan Beach
 29 that is zoned CC. A portion of the northwest corner of the site (3.6 Acres Fry's site)
 30 is zoned CG General Commercial. The purpose of the CG Zone is to provide
 31 opportunities for the full range of retail and service businesses deemed suitable for
 32 location in Manhattan Beach, including businesses not permitted in other
 commercial districts because they attract heavy vehicular traffic or have certain
 adverse impacts; and to provide opportunities for offices and certain limited
 industrial uses that have impacts comparable to those of permitted retail and
 service uses to occupy space not in demand for retailing or services.

b. The Project is consistent with the purpose of the CC and CG zones as follows.

i. A wide variety of uses, such as retail, services, restaurants, grocery store,
 banks and offices will continue to be provided on the site.

ii. This wide variety of uses will expand the existing type of services already
 provided on the site, while providing more diversity and options for the
 customer.

iii. The Project will aid in attracting and maintaining a diverse mix of high-quality
 tenants to provide a broad range of shopping and dining options with enhanced

amenities to serve the needs of the community and ensure the continued success of the Shopping Center.

- iv. Bars, convenience stores, gyms, liquor stores and similar uses will not be allowed as the traffic and/or parking demand will exceed the on-site capacity which could cause adverse impacts on adjacent uses and the surrounding street systems.
 - v. Restaurants (eating and drinking establishments) will be limited in square footage. Exceeding 89,000 square feet will increase the parking demand and will exceed the on-site capacity which could cause adverse impacts on adjacent uses and the surrounding street systems.
 - vi. Medical and Dental offices will be limited in square footage. Exceeding 28,800 square feet (7,000 square feet above the existing square footage) will increase the parking demand and will exceed the on-site capacity which could cause adverse impacts on the site, adjacent uses and the surrounding street systems.
- c. Some of the specific purposes of the Commercial Districts, and how the Project is consistent with those purposes are as follows:
- i. ***Provide appropriately located areas consistent with the General Plan for a full range of office, retail commercial, and service commercial uses needed by residents of, and visitors to, the City and region.*** The Project will continue to provide a full range of office, retail, service and other commercial uses on the site, and expand those commercial opportunities.
 - ii. ***Strengthen the City's economic base, but also protect small businesses that serve City residents.*** Due to the scale of the development there is an opportunity for retailers and other commercial users that require larger spaces which cannot be provided in the other smaller scale commercial areas in town. Small businesses will continue to be provided in Downtown, the North End and other commercial areas with smaller sites. Small businesses in the Shopping Center will benefit from the presence of diverse commercial uses which will attract a diverse customer base.
 - iii. ***Create suitable environments for various types of commercial and compatible residential uses, and protect them from the adverse effects of inharmonious uses. And- Minimize the impact of commercial development on adjacent residential districts.*** Although there are no residential uses on the site, the residential uses in close proximity are protected with conditions related to traffic and circulation, parking, lighting, landscaping, land uses, and building scale and design. The Project's pedestrian and bicycle improvements will create improved linkages internally and to the surrounding community.
 - iv. ***Ensure that the appearance and effects of commercial buildings and uses are harmonious with the character of the area in which they are located.*** The architectural style and design features will be compatible with the existing Shopping Center site, while updating it to look towards the future by providing a contemporary architecture, buildings that are consistent in height with the existing buildings, and parking structures that are architecturally designed to reflect the rhythm and design features of the commercial buildings, as well as minimizing the scale.

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v. **Ensure the provision of adequate off-street parking and loading facilities.**

The Project will provide parking at a ratio of 4.1 spaces per 1,000 square feet consistent with the parking demand study, based on the mix of uses on the site. Uses with high parking demand will be limited in square footage (restaurants and Medical/Dental offices) and some uses will be prohibited due to the high parking demand (gyms, trade schools, liquor stores, etc.). Loading facilities in close proximity to stores, adequate in size and number are also required.

d. The proposed Project and future tenant improvements to the remainder of the site will be consistent with each of the eleven development criteria outlined in the Sepulveda Boulevard Development Guide, as conditioned, specifically:

i. **Reciprocal Access**—Circulation within and off the Shopping Center site, including vehicular, bicycle, pedestrian and transit will be integrated, and connected.

ii. **Right-turn Pockets**—Provided internally as required throughout the Shopping Center site. Dedication on Sepulveda Boulevard near Rosecrans Avenue will bring the area up to current ADA and other standards, improve pedestrian circulation, provide an improved deceleration lane per Caltrans requirements for the possible retention of the Fry's Sepulveda Boulevard driveway (3600 Sepulveda Blvd) as a right-turn entry only, and allow the future Sepulveda bridge widening to function effectively.

iii. **Driveway Throats**—To minimize traffic and circulation impacts to Sepulveda Boulevard and allow the bridge widening to function effectively, Sepulveda Blvd driveway access will be modified on the Fry's site.

iv. **Sidewalk Dedication**—Sidewalk dedication and related improvements on Sepulveda Boulevard will bring the area up to current ADA and other standards and improve pedestrian circulation.

v. **Building Orientation**—The Sepulveda Boulevard and Rosecrans Avenue corner buildings and other improvements will be designed as an architectural entry statement to emphasize the importance of this key corner Gateway into the City.

vi. **Visual Aesthetics**—Review of architectural plans is required, including material boards, samples, renderings, and assurance that there is a high quality of design and materials as reflected in the concept plans. The site plan and layout of the buildings and parking structures provide landscaping and architectural features along Sepulveda Boulevard.

vii. **Residential Nuisances**—Minimized through Project design and conditions related to lighting, landscaping, traffic, multi-modal transportation, design, and allowed land uses.

viii. **Pedestrian Access**—Encouraged with strong on- and off-site linkages, a network that connects to transit, under the Sepulveda bridge, as well as a Village-pedestrian oriented design.

ix. **Landscaping**—Mature shade trees and other landscaping will soften and complement the buildings, provide shade for parking, and screen, buffer and soften uses.

- x. **Signs**—Subject to a future Sign Program, no harsh light, blinking, moving, or flashing signs, consistent with the scale of the development, comprehensive site-wide consistent plan, complementary to the site and building architecture, and removal of obsolete and outdated pole signs.
 - xi. **Utility Undergrounding**—Required to be provided for all new construction.
2. ***The proposed location of the use and the proposed conditions under which it would be operated or maintained will be consistent with the General Plan; will not be detrimental to the public health, safety or welfare of persons residing or working on the proposed Project site or in or adjacent to the neighborhood of such use; and will not be detrimental to properties or improvements in the vicinity or to the general welfare of the city;***
- a. The Project is consistent with the following Goals and Policies of the General Plan: A summary of the reasons for consistency are provided for each of the five categories.

Land Use

The MVSC enhancements will provide visually interesting architecture, constructed with quality materials that facilitate a diverse mix of uses and services that residents and patrons can enjoy year round. The buildings and open spaces are designed to create hubs of activity that are mindful of resource usage, landscape location and create community gathering places worthy of Manhattan Beach.

Design and operational project components regarding noise, lighting, signage, odors, parking, architectural articulation, and circulation are either a part of the project description or the subject of conditions of approval to limit any potential impacts.

The design of the Shopping Center utilizes buffer zones, appropriately located uses, and smart site planning to ensure compatibility with surrounding land uses. Buildings are clustered together to create pedestrian-dominant areas and parking decks have been distributed to provide parking adjacent to uses allowing patrons to park once and walk to multiple destinations. The Shopping Center expansion has been designed to provide a wide range of lease depths, square footages, and locations to encourage both national retailers as well as local business owners to locate within the Project. Enhanced bike and pedestrian paths are proposed to encourage alternative transportation and clearly delineate their respective areas and alert vehicles that they are sharing the roads.

- Policy LU-1.2: Require the design of all new construction to utilize notches, balconies, rooflines, open space, setbacks, landscaping, or other architectural details to reduce the bulk of buildings and to add visual interest to the streetscape.
- Goal LU-2: Encourage the provision and retention of private landscaped open space.
- Goal LU-2.3 Protect Existing mature trees throughout the City, and encourage their replacement with specimen trees whenever they are lost or removed.
- Policy LU-2.4: Support appropriate stormwater pollution mitigation measures.

- 1 Goal LU-3: Achieve a strong, positive community aesthetic.
- 2 Policy LU-3.1: Continue to encourage quality design in all new construction.
- 3 Policy LU-3.2: Promote the use of adopted design guidelines for new
- 4 construction in Downtown, along Sepulveda Boulevard, and
- 5 other areas to which guidelines apply.
- 6 Policy LU-3.5: Ensure that the sign ordinance provides for commercial signage
- 7 that is attractive, non-intrusive, safe, and consistent with overall
- 8 City aesthetic goals.
- 9 Goal LU-4: Preserve the features of each community neighborhood, and
- 10 develop solutions tailored to each neighborhood's unique
- 11 characteristics.
- 12 Goal LU-5: Protect residential neighborhoods from the intrusion of
- 13 inappropriate and incompatible uses.
- 14 Policy LU-5.1: Require the separation or buffering of residential areas from
- 15 businesses which produce noise, odors, high traffic volumes,
- 16 light or glare, and parking through the use of landscaping,
- 17 setbacks, or other techniques.
- 18 Policy LU-5.2: Work with all commercial property owners bordering residential
- 19 areas to mitigate impacts and use appropriate landscaping and
- 20 buffering of residential neighborhoods.
- 21 Policy LU-5.3: Consider using discretionary review for any public gathering
- 22 place or institutional use proposed within or adjacent to a
- 23 residential neighborhood.
- 24 Goal LU-6: Maintain the viability of the commercial areas of Manhattan
- 25 Beach.
- 26 Policy LU-6.2: Encourage a diverse mix of businesses that support the local tax
- 27 base, are beneficial to residents, and support the economic
- 28 needs of the community.
- 29 Policy LU-6.3: Recognize the need for a variety of commercial development
- 30 types and designate areas appropriate for each. Encourage
- 31 development proposals that meet the intent of these
- 32 designations.
- Goal LU-8: Maintain Sepulveda Boulevard, Rosecrans Avenue, and the
- commercial areas of Manhattan Village as regional-serving
- commercial districts.
- Policy LU-8.1: Ensure that applicable zoning regulations allow for commercial
- uses that serve a broad market area, including visitor-serving
- uses.
- Policy LU-8.2: Support the remodeling and upgrading needs of businesses as
- appropriate within these regional serving commercial districts.

Infrastructure

The Project includes significant upgrades to either maintain or improve the supporting infrastructure and utility systems and provides solutions that: facilitate circulation for pedestrians, bicyclists, mass transit riders and cars; treat storm water run-off on-site to the degree feasible; and manage the frequency and location of cars and service trucks during both construction and operation of the center.

A significant number of on- and offsite improvements will result in significantly improved on- and off-site traffic circulation and parking. The project unites the Fry's and other Shopping Center parcels and improves traffic circulation for cars, bikes and pedestrians. Caltrans has been consulted to coordinate the Sepulveda bridge widening project.

Bio-filtration will be used to avoid potential contamination of runoff due to the existence of the underlying hydrocarbon contamination and achieve clean storm water run-off prior to reaching the public storm drain system.

The Shopping Center site currently exceeds the code minimum percentage of landscape and the proposed project will also provide a higher percentage than required.

Best Management Practices (BMPs) will be used during construction to reduce soil loss, sedimentation and dust/particulate matter air pollution. Outreach has been a multi-year component and has achieved support or neutrality from various homeowner associations, NGOs, and nearby residents. Finally, the Construction Parking Plan will take into account parking for patrons, employees as well as construction vehicles and construction buffer areas. Parking counts will be monitored to ensure appropriate ratios are maintained throughout all phases of construction.

- Goal I-1 Provide a balanced transportation system that allows the safe and efficient movement of people, goods and services throughout the City.
- Policy I-1.1: Review the functioning of the street system on a regular basis to identify problems and develop solutions.
- Policy I-1.3: Encourage the development of Transportation Demand Management (TDM) plans for all major developments or facility expansions to encourage ride-sharing and other improvements, thereby reducing vehicle trips.
- Policy I-1.4: Work with neighboring communities and other South Bay cities, as well as state and other agencies, to develop regional solutions to traffic problems that are regional in nature, and to mitigate impacts of development in neighboring communities that impact the City of Manhattan Beach.
- Policy I-1.5: Investigate and encourage the use of alternative transportation systems such as intra/inter-city shuttle or trolley systems.
- Policy I-1.6: Support dial-a-ride or other para-transit systems for the senior and disabled members of the community.
- Policy I-1.8: Require property owners, at the time new construction is proposed, to either improve abutting public right-of-way to its full required width or to pay in-lieu fees for improvements, as appropriate.
- Policy I-1.9: Require property owners, at the time of new construction or substantial remodeling, dedicate land for roadway or other public

- 1 improvements, as appropriate and warranted by the Project.
- 2 Policy I-1.12: Monitor and minimize traffic issues associated with construction
- 3 Policy 1-1.13 Consider implementing a development impact fee program to
- 4 collect funds from developers constructing new Projects. Such
- 5 Policy I-2.3: Upgrade all major intersections and arterial streets to keep traffic
- 6 moving efficiently.
- 7 Policy I-2.4: Require additional traffic lanes and/or other traffic improvements
- 8 for ingress and egress for new development along arterials
- 9 where necessary for traffic and safety reasons.
- 10 Policy I-2.5: Work with the neighboring cities and regional and sub-regional
- 11 agencies to widen and upgrade all major intersections and
- 12 associated street segments within the City and adjacent
- 13 jurisdictions to optimize traffic flows.
- 14 Policy I-2.6: Encourage the use of Intelligent Transportation Systems (ITS),
- 15 such as advanced signalization, motorist information, advanced
- 16 transit, advanced emergency vehicle access, and intelligent
- 17 parking systems, as well as other appropriate communication
- 18 technologies, to direct through traffic.
- 19 Policy I-2.7: Monitor and minimize traffic issues associated with construction
- 20 activities.
- 21 Goal I-3: Ensure that adequate parking and loading facilities are available
- 22 to support both residential and commercial needs.
- 23 Policy I-3.4: Review development proposals to ensure potential adverse
- 24 parking impacts are minimized or avoided.
- 25 Policy I-3.5: Encourage joint-use and off-site parking where appropriate.
- 26 Policy I-3.8: Monitor and minimize parking issues associated with
- 27 construction activities.
- 28 Goal I-4: Protect residential neighborhoods from the adverse impacts of
- 29 traffic and parking of adjacent non-residential uses.
- 30 Policy I-4.2: Carefully review commercial development proposals with regard
- 31 to planned ingress/egress, and enforce restrictions as approved.
- 32 Policy I-4.3: Encourage provision of on-site parking for employees.
- Policy I-4.4: Ensure that required parking and loading spaces are available
- and maintained for parking.
- Goal I-6: Create well-marked pedestrian and bicycle networks that
- facilitate these modes of circulation.
- Policy I-6.6: Incorporate bikeways and pedestrian ways as part of the City's
- circulation system where safe and appropriate to do so.
- Policy I-6.7: Encourage features that accommodate the use of bicycles in the
- design of new development, as appropriate.
- Policy I-7.2: Ensure that all new development or expansion of existing
- facilities bears the cost of providing adequate water service to
- meet the increased demand which it generates.
- Policy I-8.2: Ensure that all new development or expansion of existing
- facilities bears the cost of expanding the sewage disposal
- system to handle the increased load, which they are expected to
- handle.
- Goal I-9: Maintain a storm drainage system that adequately protects the
- health and safety and property of Manhattan Beach residents.

- Policy I-9.2: Evaluate the impact of all new development and expansion of existing facilities on storm runoff, and ensure that the cost of upgrading existing drainage facilities to handle the additional runoff is paid for by the development which generates it.
- Policy I-9.3: Support the use of storm water runoff control measures that are effective and economically feasible.
- Policy I-9.4: Encourage the use of site and landscape designs that minimize surface runoff by minimizing the use of concrete and maximizing the use of permeable surface materials.
- Policy I-9.5: Support appropriate storm water pollution mitigation measures.

Community Resources

The Applicant has committed to build the project to a U.S. Green Building Council Leadership in Energy and Environmental Design (LEED) Silver standard, or equivalent, as required by the Manhattan Beach Municipal Code. Protection and enhancement of existing landscape and mature trees is a part of the project description. Extensive outreach has resulted in the proposed enhancement and promotion of alternative transportation to and from the Shopping Center site.

Additional sustainable and energy-efficient project components include potable water use reduction of at least 20%, Electrical Vehicle (EV) charging stations, reduction in the use of utilities, and minimized generation of non recyclable waste

- Policy CR-4: Preserve the existing landscape resources in the City, and encourage the provision of additional landscaping.
- Policy CR-4.1: Protect existing mature trees throughout the City and encourage their replacement with specimen trees whenever they are lost or removed.
- Policy CR-4.3: Recognize that landscaping, and particularly trees, provide valuable protection against air pollution, noise, soil erosion, excessive heat, and water runoff, and that they promote a healthy environment.
- Policy CR-4.5: Discourage the reduction of landscaped open space and especially the removal of trees from public and private land.
- Policy CR-5.1: Employ principles of a sustainable environment in the development, operation, and maintenance of the community, emphasizing the importance of respecting and conserving the natural resources.
- Policy CR-5.3: Encourage water conservation, including landscaping with drought-tolerant plants, use of reclaimed water, and recycling of cooling system water, in all development.
- Policy CR-5.7: Encourage the use of energy-saving designs and devices in all new construction and reconstruction.
- Policy CR-5.8: Encourage utilization of “green” approaches to building design and construction, including use of environmentally friendly interior improvements.
- Policy CR-5.10: Encourage and support the use of alternative fuel vehicles, including support of charging or “fueling” facilities.
- Policy CR-5.11: Support sustainable building practices.

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Policy CR-6.1: Encourage alternative modes of transportation, such as walking, biking, and public transportation, to reduce emissions associated with automobile use.

Policy CR-6.2: Encourage the expansion and retention of local serving retail businesses (e.g., restaurants, family medical offices, drug stores) to reduce the number and length of automobile trips to comparable services located in other jurisdictions.

Community Safety

Providing enhanced safety for shoppers and employees is a high priority for the Project. The Applicant will continue to utilize its own private security force that works closely with the City Police Department. Regular patrols will continue, and will be tailored to the new improvements.

Each of the new parking structures and throughout the surface parking lots will have security cameras installed for added security and evidence. The City Fire Department will continue to work closely with the Applicant to insure that bridge and building heights, as well as roadway widths allow emergency vehicle access safely throughout the Project site. Response times for both Police and Fire will continue to meet or exceed current levels.

Policy CS-1.3: Ensure that public and private water distribution and supply facilities have adequate capacity and reliability to supply both everyday and emergency fire-fighting needs.

Policy CS-1.5: Require that new developments minimize stormwater and urban runoff into drainage facilities by incorporating design features such as detention basins, on-site water features, or other strategies.

Policy CS-2.3: Continue to monitor underground emissions and associated hazards in Manhattan Village and in other areas adjacent to industrial uses.

Policy CS-3: Maintain a high level of City emergency response services.

Policy CS-3.2: Cooperate with other jurisdictions in the South Bay area to maintain an up-to-date emergency response system for the region.

Policy CS-3.7: Support the use of the best available equipment and facilities to ensure safety that meets the changing needs of the community.

Policy CS-3.10: Strive to reduce emergency response time.

Policy CS-4: Maintain a high level of police protection services.

Policy CS-4.6: Support proactive measures to enhance public safety, such as use of increased foot or bicycle police patrols.

Policy CS-4.7: Strive to reduce police response time.

Noise Element

Measures are included to insure no unmitigated construction or operational impacts on surrounding commercial and residential receptors. Construction hours are limited, and construction is phased to minimize synergistic noise that could exceed codified standards. Buildings to be constructed along major

arterials will be designed to meet reasonable interior noise levels.

- Policy N-2.5: Require that the potential for noise be considered when approving new development to reduce the possibility of adverse effects related to noise generated by new development, as well as impacts from surrounding noise generators on the new development.
- Policy N-3.6: Monitor and minimize noise impacts associated with construction activities on residential neighborhoods.

b. The proposed Project will not be detrimental as follows:

- i. The proposed Project, including the construction and the on-going physical and operational upgrades associated with tenant improvements and redevelopment across the entire Shopping Center site, has been designed to minimize impacts. The conditions of approval for the Project will ensure that the Project is not detrimental.
- ii. The features incorporated into the Project will ensure that there are no detrimental impacts. Such impacts include appropriate scale, layout, massing, articulation, height, architectural design and details of the buildings, parking structures, lighting design, signage design, LEED sustainability features, as well as pedestrian, bike, and transit linkages all of which are intended to ensure compatibility with surrounding uses.
- iii. Green-building components addressing water conservation, increased energy efficiency, and pollution reduction are included in the Project description. LEED silver construction will be required.
- iv. The Project conditions will ensure that there are no detrimental impacts as a result of the following: lighting modifications, removal of obsolete pole signs, reduction of visual impact of parking structures, Project phasing, architectural detail review, land use compatibility, alcohol service and square footage limits, fire emergency response upgrades, improved security features, improved on- and off-site pedestrian, bike and transit linkages, parking management programs, traffic, parking and circulation improvements, trash enclosures improvements, and utility upgrades.
- v. The Project conditions will also ensure that there are no detrimental impacts through off-site improvements to the surrounding roadway network as the Project is surrounded on all three sides by arterial streets: Sepulveda Boulevard and Rosecrans Avenue, being the largest arterials in the City. Sepulveda Boulevard is a State highway, classified as a Regional Arterial, with the highest traffic volumes in the City. Rosecrans Avenue, also a Major Arterial, has the second highest traffic volume in the City. Both streets have intersections that currently operate at unacceptable levels of service, with Sepulveda Boulevard and Rosecrans Avenue being the second worst Level of Service in the City both during the midweek PM peak hour and on Saturdays. Marine Avenue is a minor arterial with an inadequate driveway width that impacts on-site circulation, emergency vehicle access, and delivery truck access to the site. The roadways are not to current ADA standards and cannot adequately accommodate future needs for emergency vehicle access, pedestrian, bicycle, and transit linkages.

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The City has no traffic or development impact fees, as contemplated by the General Plan Policies, for regional growth and planned improvements which need to be provided. Improvements to surrounding roadways will benefit the Project as more than half of the new square footage and about one-third of the new parking will be concentrated in the northeast corner of the site, which will be accessed from Rosecrans Avenue and Village Drive. The valet parking and pick-up/drop-off areas will be located near Sepulveda Boulevard and 33rd Street, which will focus new vehicle traffic at this intersection. The area will also provide two-thirds of the new parking. The existing Fry's driveway on Sepulveda Boulevard impacts the regional plan to widen the Sepulveda Boulevard Bridge (just south of the driveway). Improvements are needed to allow the driveway to remain in place and serve the current tenant while allowing the proposed bridge widening anticipated in 2015. Providing roadway dedication, improvements, and fair-share contributions will improve the regional roadway networks surrounding and servicing the Project site. The improvements are needed for safety, to accommodate emergency vehicles, improve flow of traffic, and improve the regional transportation network on surrounding arterials.

- vi. The conditions will be consistent with General Plan Infrastructure Goals and Policies that require the following:
 - Provision of a balanced transportation system that allows the safe and efficient movement of people, goods, and services throughout the City;
 - Dedication of land for roadway or other public improvements by property owners at the time of new construction or substantial remodeling, as appropriate and warranted by the Project;
 - Upgrade of all major intersections and arterial streets to keep traffic moving efficiently;
 - Addition of traffic lanes and/or other traffic improvements for ingress to and egress from new developments along arterials, where necessary, for traffic and safety reasons;
 - Coordinate with the neighboring cities and regional and sub-regional agencies to widen and upgrade all major intersections and associated street segments within the City and adjacent jurisdictions to optimize traffic flows.
- 3. The proposed use will comply with the provisions of this title, including any specific condition required for the proposed use in the district in which it would be located; and**
- a. Existing and proposed improvements within the site are or will be developed in accordance with the purpose and standards of Zoning District in which it is located. A variety of retail, restaurant, office, and specialty uses exist and are proposed to continue. Parking and landscaping will be provided at a rate above that required by code.
 - b. A variety of commercial uses will be allowed, but limitations and prohibitions will be placed on certain uses to ensure that the Project complies with the intent and purpose of the Code.
 - c. The proposed Project and future improvements to the Shopping Center site will be consistent with each of the eleven Sepulveda Boulevard Development Guide development criteria as previously outlined in this document.

- d. Conditions of approval as discussed above will ensure consistency with the provisions of the Code, and other guiding Policy documents.
4. ***The proposed use will not adversely impact nor be adversely impacted by nearby properties. Potential impacts are related but not necessarily limited to: traffic, parking, noise, vibration, odors, resident security and personal safety, and aesthetics, or create demands exceeding the capacity of public services and facilities which cannot be mitigated.***
- a. The proposed Project will not result in adverse impacts as the Project description considers nearby properties by considering design features, site planning, layout of buildings, and parking structures in a manner which is sensitive to the surrounding uses.
- b. The Project includes conditions of approval related to traffic, parking, noise, security, landscaping, lighting, signage, utilities, and other provisions to ensure that there will not be adverse impacts.
- c. The Project will not be adversely impacted by nearby properties, as the surrounding land uses are commercial and residential and will not impact the site. The industrial land use, Chevron Refinery in the City of El Segundo to the northwest of the site is separated by two major arterial streets (Sepulveda Boulevard and Rosecrans Avenue) as well as a large landscaped berm. These features address any potential adverse impacts.
- d. Proposed lighting will produce minimal off-site illumination onto nearby residential properties while still accomplishing the goals of enhancing security, pedestrian and vehicular path of travel, and parking space illumination. Residentially-zoned properties are located more than 250 feet to the south and east of the nearest proposed parking deck light source. Residences to the west of Sepulveda Boulevard are approximately 200 feet from existing or proposed lighting in the Project area. Lighting is also screened by mature vegetation, oblique orientation of buildings, light standards, LED fixtures with shielding and direct (not dispersed) lighting patterns, as well as screening by existing buildings. Buffering is also achieved by the difference in ground elevation relative to the nearest residential properties. Project lighting is consistent with the Code standards which regulate lighting.

Variance Findings

S. Pursuant to Section 10.84.060B of the Manhattan Beach Municipal Code, the following findings are made regarding the Variance application.

1. ***Because of special circumstances or conditions applicable to the subject property—including narrowness and hollowness or shape, exceptional topography, or the extraordinary or exceptional situations or conditions—strict application of the requirements of this title would result in peculiar and exceptional difficulties to, or exceptional and/or undue hardships upon, the owner of the property;***
- a. The Project site is developed as a regional Shopping Center that is unique in that it is the largest commercial retail building and site, with 44 acres, in the City of Manhattan Beach. The majority of the site is zoned Community Commercial due to its size, variety of uses and market area. This is the only site in the City of Manhattan Beach with this zoning. Because the site is so large there is a varying topography. Additionally, the northwest corner of 3.6 acres is separated by a deep

- 1 culvert, a former railroad right-of-way, that creates significant topographic
2 challenges.
- 3 b. The large site and the exceptional topographic variety make it difficult to construct
4 large commercial buildings, and to integrate the new buildings into the site where
5 the existing buildings already have a Variance to exceed the height limit, without
6 exceeding the height limits with the new construction. Additionally the Macy's
7 expansion adds onto a building that exceeds the height limit and matches the
8 height and floor plates of the existing two-story building.
- 9 c. The historic hydrocarbon soil contamination on the site limits the ability to grade
10 down significantly as well as significantly limits the ability to expand parking or
11 commercial buildings below the ground.
- 12 **2. The relief may be granted without substantial detriment to the public good;
13 without substantial impairment of affected natural resources; and not be
14 detrimental or injurious to property or improvements in the vicinity of the
15 development site, or to the public health, safety or general welfare; and**
- 16 a. The granting of the variance to allow additional building height will not obstruct
17 views from surrounding properties and is generally consistent with the height and
18 massing of existing Shopping Center structures.
- 19 b. The site is situated in an area of the City that is fully developed and relatively
20 devoid of natural resources. Project improvements will be constructed to meet
21 LEED silver standards, will include shade trees to increase energy efficiency,
22 electric vehicle charging facilities and will provide water quality upgrades to protect
23 natural resources.
- 24 c. The proposed height variance would not be substantially detrimental to properties
25 in the vicinity as they will not be impacted by aesthetics, shade/shadow, and visual
26 impacts due to the Project design, site conditions, screening, landscaping, and
27 architectural features. Additionally, the rolling topography of Sepulveda Boulevard,
28 Rosecrans Avenue, and Marine Avenue streets alleviates adverse impacts
29 generally seen with increased building heights.
- 30 d. Some existing building heights extend to 42 feet, 20 feet higher than the 22 foot
31 maximum height, as approved with the current Master Use Permit and Variance.
32 Application of the 22-foot height restriction (due to a roof pitch of less than 4:12),
and 30 feet in areas with structure parking, creates difficulties to balance the
community's interest in a Shopping Center with the provision of ample parking,
attractive architecture, improved circulation, and diverse land uses.
- e. The historic hydrocarbon soil contamination on the site limits the ability to grade
down and significantly limits the ability to expand parking or commercial buildings
below ground.
- f. The buildings over the height limit have relatively large setbacks from adjacent land
uses, are adjacent to major arterial roadways, and will not create adverse light,
shadow or massing impacts.
- g. Most of the new buildings that are 26 to 32 feet in height are setback more than
180 feet from Sepulveda Boulevard and there is a row of existing buildings between
Sepulveda Boulevard and the new structures that exceed the height limit. The
Macy's expansion at 42 feet in height, plus limited features up to 56 feet in height,

is more than 500 feet from Sepulveda Boulevard. All new buildings are more than 900 feet from Marine Avenue. The Macy's parking structure at the Northeast corner is about the same height as the existing Medical building at 1220 Rosecrans, immediately adjacent to the east, is setback about 20 to 30 feet from Rosecrans Avenue and the frontage on Rosecrans Avenue is limited and consistent with surrounding the buildings mass, scale and height. The corner of Sepulveda Boulevard and Rosecrans Avenue is a major Gateway into the City of Manhattan Beach, and Rosecrans Avenue defines the border of the City of El Segundo and the City of Manhattan Beach on large arterial streets. A taller building design is needed at this corner to create an architectural statement and a City gateway entry.

- h. The proposed maximum height of 56 feet is limited to a few elevator overruns which have relatively small mass in comparison to the rest of the structure(s). The proposed buildings are 42 feet tall and a maximum of 44 feet tall with architectural features. The parking decks are approximately 26 feet plus up to 32 feet with architectural features. These maximum structure heights are similar to existing heights of 42 feet for the Macy's and main Mall buildings.
- i. The high quality of design will attract new tenants and maintain a diverse and quality mix of tenants. It is not reasonably feasible to accomplish the Project without increasing the height envelopes of new development. Without these increases in the height envelopes, it is difficult to re-orient key parking, maintain or enhance vehicular, pedestrian and bicycle circulation, provide significant new landscaping, plaza areas, open space and upgrade the overall site. The additional height needed for the expansion Project is integral to the continuing improvement of the Shopping Center.

3. Granting the application is consistent with the purposes of this title and will not constitute a grant of special privilege inconsistent with limitations on other properties in the vicinity and in the same zoning district and area district.

- a. The subject property is the largest single commercial development in the City. There are no other similarly-sized properties in the same zoning area and district. This property is the only property in the City that is zoned Community Commercial. The additional height needed for the expansion Project is integral to the continuing improvement of the Mall for attractive architecture, fluid circulation, and diverse commercial land uses, with adequate parking. The proposed Project enhances the ability and willingness for anchor tenants to remain on the site and expand, consistent with the purpose of providing quality commercial uses in the area.

SECTION 2. The Planning Commission of the City of Manhattan Beach hereby **APPROVES** the subject Master Use Permit Amendment and Variance (for building height), for a remodel and expansion of the Manhattan Village Shopping Center, subject to the following conditions:

GENERAL/PROCEDURAL

- 1. **Compliance.** Use and development of the Shopping Center property shall be in substantial compliance with the MVSC Enhancement Project Entitlement Request: MUP/MSP/Sign Exception Amendment/Height Variance dated July 24, 2013 ("Approved Plans") and the application material, and project descriptions set forth in the Master Land Use Application and the Final EIR submitted to and approved by the Planning Commission on July 24, 2013, subject to any conditions set forth within this Resolution. Any substantial deviation from the Approved Plans, application material, project descriptions set forth in the Master Land Use Application and the Final EIR, except as provided in this Resolution, shall require review by the Director of Community Development and a determination if Planning

- 1 Commission review and an amendment to the Master Use Permit or other approvals are
2 required.
- 3 2. **Lapse of Approval.** The Use Permit shall lapse four (4) years after its date of approval
4 unless implemented or extended in accordance with Manhattan Beach Municipal Code
5 (MBMC) Section 10.84.090.
- 6 3. **Terms and Conditions are Perpetual.** These terms and conditions shall be perpetual,
7 and it is the intention of the Director of Community Development and the permittee to bind
8 all future owners and possessors of the subject property to the terms and conditions.
9 Further, the Applicant shall record the conditions of approval of this Resolution with the
10 Office of the County Clerk/Recorder of Los Angeles. The format of the recording
11 instrument shall be reviewed and approved by the City Attorney.
- 12 4. **Review.** All provisions of the Master Use Permit and Variance are subject to review by the
13 Community Development Department six months after occupancy and yearly thereafter. At
14 any time in the future, the Planning Commission or City Council may review the Master Use
15 Permit and Variance for the purposes of revocation or modification, subject to the provisions
16 in Chapter 10.84.090 - Lapse of approval—Transferability—Discontinuance—Revocation of
17 the Manhattan Beach Municipal Code.
- 18 5. **Interpretation.** Any questions of intent or interpretation of any condition will be resolved
19 by the Planning Commission.
- 20 6. **Fish and Game.** Pursuant to Public Resources Code section 21089(b) and Fish and
21 Game Code section 711.4(c), the project is not operative, vested or final until the required
22 filing fees are paid.
- 23 7. **Effective Date.** Unless appealed to the City Council, the subject Use Permit, and
24 Variance, shall become effective when all time limits for appeal as set forth in MBMC
25 Section 10.100.030 have expired.
- 26 8. **Tenant Space Chart.** Upon submittal of any request for business license, or application for
27 building permit, which involves the alteration or enlargement of any tenant space, or the
28 introduction of any new business within an existing tenant space, the Applicant shall
29 provide to the Community Development Department an up to date site-wide tenant space
30 chart which includes all of the tenants and properties within the Shopping Center. The
31 space chart shall include detailed area breakdowns. The required space chart shall be
32 consistent in format and information provided with Exhibit A (Manhattan Village Shopping
Center Leasable Area Tabulation- June 18, 2013) attached hereto. The space chart shall
also include any outdoor dining areas. The information shall include tenant street
addresses and suites, existing and proposed tenant, and evidence that the proposed
alteration / tenant will provide adequate parking and loading as required by applicable
parking standard.
9. **Legal.** Applicant shall defend, indemnify, and hold harmless the City, its elected officials,
officers, employees, volunteers, agents, and those City agents serving as independent
contractors in the role of City officials (collectively "Indemnitees") from and against any
claims, damages, actions, causes of actions, lawsuits, suits, proceedings, losses,
judgments, costs, and expenses (including, without limitation, attorneys' fees or court
costs) in any manner arising out of or incident to this approval, related entitlements, or the
City's environmental review thereof. Applicant shall pay and satisfy any judgment, award
or decree that may be rendered against City or the other Indemnitees in any such suit,
action, or other legal proceeding. The City shall promptly notify the Applicant of any claim,
action, or proceeding and the City shall reasonably cooperate in the defense. If the City

fails to promptly notify the Applicant of any claim, action, or proceeding, or if the City fails to reasonably cooperate in the defense, the Applicant shall not thereafter be responsible to defend, indemnify, or hold harmless the City or the Indemnitees. The City shall have the right to select counsel of its choice. Applicant shall reimburse the City, and the other Indemnitees, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Nothing in this Section shall be construed to require Applicant to indemnify Indemnitees for any Claim arising from the sole negligence or willful misconduct of the Indemnitees. In the event such a legal action is filed challenging the City's determinations herein or the issuance of the approval, the City shall estimate its expenses for the litigation. Applicant shall deposit said amount with the City or enter into an agreement with the City to pay such expenses as they become due.

AESTHETICS

10. **Landscape/Hardscape/Lighting Sitewide Plan.** The Applicant shall submit a detailed Landscape/Hardscape/Lighting Plan, including a construction schedule, to the City Police, Fire, Public Works and Community Development Departments and the City Traffic Engineer for review and approval with the submittal of plans for Phase I that provides for the following:
- a. The Applicant shall provide and maintain consistent drought tolerant landscape, shade trees, hardscape, and lighting improvements throughout the Development Area, as well as certain areas of the entire Shopping Center property as required in these conditions. The improvements shall generally be consistent with the Approved Plans, application material, and project descriptions.
 - b. Mature trees and other landscaping shall be provided near parking structures, particularly in the areas without buildings adjacent to the perimeter of the structures, to screen and soften the parking structures. Landscaping also shall be provided on the roofs of the structures. Landscaping shall be planted and maintained throughout the surface parking lots. A minimum of 1 tree per 10 parking spaces in a parking structure and 1 tree per 6 surface parking spaces within the Shopping Center property, minimum 24-inch box size, shall be provided.
 - c. The Applicant agrees to provide and maintain consistent drought tolerant landscape, shade trees, hardscape, and lighting improvements throughout the Shopping Center property as improvements are made in those portions of the Shopping Center property outside of the Development Area, as detailed in the Landscape/Hardscape/Lighting Sitewide Plan.
 - d. All new light fixtures on the top levels of parking structures shall be no taller than 15 feet, shall utilize LED fixtures, and include shields to reduce glare. All other new exterior lighting, except signage lighting, shall include shields as necessary to reduce glare so that there are no adverse impacts on surrounding properties.
 - e. As determined in the Police Security Plan, approximately one hour after all businesses on the Shopping Center have closed, the light fixtures on and in the parking lots and structures shall automatically be dimmed or lowered in intensity.
 - f. The Applicant shall evaluate the feasibility of modifying or replacing existing lighting fixtures on the Shopping Center property to reduce off-site illumination and be more energy efficient.

1 g. Improvements shall be installed per the approved Landscape/Hardscape/Lighting
 2 Sitewide Plan, including the approved construction schedule, and improvements
 3 associated with the off-site linkages and on-site improvements outside of the
 4 Development Area as identified in the Final EIR shall be installed prior to the
 5 completion of Phase I, as determined to be feasible by the Community Development
 6 Director.

7 **11. Signage Site-wide Plan/Master Sign Program.** The signage is not a part of this approval
 8 with the exception of the provisions for the existing Fry's pole signs. The Project shall
 9 provide consistent signage improvements throughout the Shopping Center property.

10 a. The Applicant shall submit a Sign Exception and Master Sign Program, including a
 11 construction schedule and an inventory of the existing tenant signs, for review and
 12 action to the Planning Commission prior to the submittal of plans for Phase I. The City
 13 will review and take action on the Sign Exception and Master Sign Program, and the
 14 applicant shall install and maintain the improvements per the approved Program.

15 b. All new interior and exterior signs at the Shopping Center shall be approved by the
 16 property owner or designated representative. All new signs at 3500 Sepulveda
 17 Boulevard and Macy's shall be subject to review and approval under the provisions set
 18 forth in the Code for consistency with the existing Master Sign Program based on
 19 application by their respective property owners or representatives.

20 c. The Fry's pole sign adjacent to the Sepulveda Boulevard bridge shall be removed, or
 21 relocated if Fry's is still occupying the Northwest Corner, by the Applicant upon 90
 22 days' notice from the City when determined necessary as part of the Sepulveda Bridge
 23 Widening and at the sole cost of the Applicant. The relocation location shall be within
 24 the Shopping Center property along the Northwest Corner fronting Sepulveda
 25 Boulevard. This Sepulveda Boulevard Fry's pole sign, as well as the two Fry's pole
 26 signs along Rosecrans Avenue, shall be removed when Fry's vacates the Northwest
 27 Corner

28 **12. Construction Screening.** The Applicant shall provide construction screening of 6 feet or
 29 greater in height as reasonably determined necessary by the Community Development
 30 Director to screen the construction site from view. Graphics shall be provided on the
 31 screening to enhance the aesthetics of the Shopping Center property and provide Project
 32 information. The screening may potentially include announcements for new Shopping
 33 Center tenants if approved by the Director of Community Development through a
 34 Temporary Sign Permit application. The screening shall be maintained in good condition
 35 at all times. The Applicant shall submit plans for the screening to the Community
 36 Development Department, for review and approval, with the submittal of plans for each
 37 Phase. The City will review and approve the Plan, and the Applicant shall install the
 38 screening, per the approved Plan, prior to the initiation of construction for each applicable
 39 Phase.

40 **LAND USE**

41 **13. Phase I (Village Shops)** requires the following:

42 a. The Village Shops building and the North and South parking structures may be
 43 constructed in substantial compliance with the Approved Plans. The North parking
 44 structure shall be designed to reduce the mass and visual impact of the appearance of
 45 the three level parking structure on the west side, adjacent to the 3500 Sepulveda
 46 Boulevard building. The revision shall consider providing commercial buildings on the
 47 west side, mature tall landscaping, architectural features, stepping the levels of the

structure, or other design solutions as determined by the Director of Community Development to minimize the visual impact and provide compatibility with other structures on the site. The revisions do not need to reduce the number of parking spaces in Phase I.

- b. All conditions within this Resolution that require submittals with Phase I shall be submitted.
- c. The Applicant shall provide a U-turn, traffic circle, or other connection at the Rosecrans Avenue entrance in the lower level parking lot with a minimum outside turning radius of 30 feet, to internally connect both drive aisles.
- d. Further separate Planning Preliminary Plan Check Review, as defined in Condition No. 17.

14. **Phase II (Northeast corner)** requires the following:

- a. Macy's consolidates their store to the north end of the Main Mall, expanding its Macy's Fashion store by as much as 60,000 square feet, and another tenant or tenants, occupy the space currently occupied by Macy's Men's at the south end of the Main Mall in substantial compliance with the Approved Plans.
- b. All conditions within this Resolution that require submittals with Phase II shall be submitted.
- c. Existing utilities that are impacted by the construction shall be rerouted to be within the private streets on site or other locations approved by the Public Works Department and any other responsible agencies.
- d. The Site Plan Review applications for the design of Phase III-Northwest corner, including a construction schedule, shall be submitted to the City prior to Fry's vacating their current Northwest corner location, or the end of 2016, whichever comes first, and the City shall take action on the applications in a timely manner.
- e. The vehicular access ramp between the Medical Building at 1200 Rosecrans Avenue and new parking structure shall be redesigned to accommodate two-way traffic to connect the lower level parking lot to the main Shopping Center level surface parking.
- f. Further separate Planning staff Preliminary Plan Check Review as defined in Condition No. 17.

15. **Phase III (Northwest corner)**. Phase III is conceptually approved, but it is subject to future Site Plan Review, through a Planning Commission public hearing process. The Site Plan Review shall include, but not be limited to, site and detail plans, aerials, perspectives, sections, elevations, layout and design of the buildings, parking, open spaces, Shopping Center site parking and circulation integration and connectivity, and other site design aspects. An above ground parking structure shall not be included on the portion of the Northwest corner immediately adjacent to the corner of Rosecrans Avenue and Sepulveda Boulevard. An above ground parking structure may be located elsewhere on the Northwest corner. The architectural design and features of the buildings and other improvements at the corner of Rosecrans Avenue and Sepulveda Boulevard shall highlight and enhance this major entryway and key corner in the City of Manhattan Beach.

16. **Development Area Envelopes and Maximum Heights**. The Development Area Envelopes and Maximum Heights as shown in the Final EIR and the Approved Plans are

1 approved in concept, subject to the project conditions. Planning Staff review is required for
2 the site improvement details through the Preliminary Plan Check Review process.

3 17. **Preliminary Plan Check Review.** The Applicant shall submit to the City Planning staff for
4 Preliminary Plan Check Review of architectural plans, to show that the Project is consistent
5 with the architecture, quality and concept plans in the Approved Plans. The architectural
6 plans shall include, but not be limited to, plans, material boards, color samples, renderings,
7 and other visual displays to provide the following:

- 8 a. Building and parking site plan-layout within the Development Area Envelopes.
- 9 b. Facades/elevations design motifs.
- 10 c. Colors, textures, and materials as concept design.
- 11 d. Landscaping, lighting, signage, and common area treatments as concept design.
- 12 e. Streetscape and common-outdoor plaza areas design- pavement treatment, sidewalks,
13 pedestrian crosswalks, street/courtyard furniture, as concept design.

14 18. **Land Uses and Square Footages.** The following land uses and maximum square
15 footages are approved for the entire Shopping Center property. The existing Shopping
16 Center contains approximately 572,837 square feet gross leasable area (GLA). The project
17 may add a maximum of 123,672 net new square feet GLA (133,389 square feet with the
18 Equivalency Program) within the Development Area. The Shopping Center property may
19 not exceed 696,509 square feet GLA (706,226 with the Equivalency Program).

20 For any proposed square footage that exceeds 696,509 square feet, up to the 706,226
21 square foot cap, the Applicant shall submit traffic and parking data for review by the
22 Community Development Department and the City Traffic Engineer to determine if the
23 proposal is consistent with the trip generation and parking thresholds established in the
24 Certified Final EIR and the Equivalency Program. The study shall include an update of the
25 sitewide list of tenants in Exhibit "A", uses and GLA, and the Applicant shall pay the cost of
26 the City Traffic Engineers review.

27 The Shopping Center property may provide the following land uses, not to exceed the
28 maximum square footage for each land use type:

- 29 a. Retail Sales (including drug stores)
- 30 b. Personal Services (e.g., Beauty salons, Dry-Cleaners, Shoe repair)
- 31 c. Food and Beverage Sales (including Grocery Stores, but excluding high traffic
32 generating or high parking demand land uses such as liquor or convenience stores as
determined by the Director of Community Development)
- 33 d. Offices, Business and Professional-69,300 square feet maximum for Business and
34 Professional offices. Additionally, 28,800 square feet maximum for Medical and Dental
35 offices (existing square footage rounded, plus an additional 7,000 square feet allowed).
- 36 e. Banks and Savings and Loans- 36,200 square feet maximum (existing square footage,
37 no additional allowed).
- 38 f. Eating and Drinking Establishments (restaurants). 89,000 square feet maximum,
39 which includes outdoor dining areas for restaurants that provide full table service.

- g. Uses identified as permitted (by right) in the underlying zoning district (CC) which are not included in this Master Use Permit shall be left to the discretion of the Director of Community Development to determine if Planning Commission review is required.

The following uses are not permitted by this Master Use Permit:

- a. Personal Improvement Services (Gyms, Dance studios, Trade schools, etc).
 - b. High traffic generating or parking demand land uses, including but not limited to, liquor stores and convenience stores as determined by the Director of Community Development.
 - c. Bars
19. **Fry's future tenant.** Any new tenant proposed to occupy the building on the Fry's 3600 Sepulveda Boulevard site shall require Planning Commission review and approval. Criteria and potential impacts to consider include but are not limited to, traffic, parking, access, land use compatibility including architectural entryway enhancement, length of tenancy, security/crime, noise, light, hazards, vibrations, odors, aesthetics, and demand on public services.
20. **Alcohol Off-site Sales.** The sale of alcohol other than for on-site consumption at an eating and drinking establishment shall require an amendment to the Master Use Permit at a duly noticed public hearing, unless otherwise permitted in this Resolution. Tenants with existing ABC licenses and City approval for off-site alcohol sales – i.e., Ralphs, CVS, and the Wine Shoppe – may continue to sell alcohol for off-site consumption in accordance with their approvals.
21. **Restaurant Drive-Through.** There shall be no Restaurant drive-through service allowed in conjunction with any existing or proposed Eating and Drinking Establishment.
22. **Restaurant Hours.** Restaurant uses, including the service of alcoholic beverages, shall limit their hours of operation to be open a maximum of 6:00 a.m. to 2:00 a.m., seven days a week.
23. **Restaurant Alcohol.** Any restaurant may provide full alcohol service, which is incidental to, and in conjunction with, the service of food provided that such use does not include a retail bar, to a maximum area of 89,000 square feet site-wide as set forth in Condition No. 18. This approval shall operate within all applicable State, County and City regulations governing the sale of alcohol. Any violation of the regulations of the Department of Alcohol and Beverage Control as they pertain to the subject location, or of the City of Manhattan Beach, as they relate to the sale of alcohol, may result in the revocation and/or modification of the subject Master Use Permit.
24. **Entertainment.** Any entertainment proposed (with the exception of background music, television and no more than 3 games or amusements) shall be required to obtain a Class I Entertainment Permit consistent with the provision of Section 4.20.050 of the Manhattan Beach Municipal Code.
25. **Landscape Maintenance.** Landscaping and maintenance activities (including, but not limited to, parking lot cleaning, grounds-keeping and outdoor equipment and shopping cart cleaning) shall occur in accordance with a Landscape Maintenance Plan ("The Maintenance Plan") approved by the Director of Community Development. The Maintenance Plan shall establish permitted hours of operation for specific maintenance

1 activities and areas of the shopping center, based on compatibility with nearby land uses,
2 both on and adjacent to the center. All landscaping materials shall be maintained to the
3 satisfaction of the Director of Community Development.

3 **NOISE**

4 26. **Deliveries.** Delivery activities that are contiguous to residentially zoned and improved
5 properties shall be limited to between 7:00 a.m. and 10:00 p.m. Monday through Friday
6 and between 8:00 a.m. and 10:00 p.m. on Saturdays, Sundays and major holidays,
7 including New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving
8 Day, and Christmas Day. Delivery operations shall be conducted in such a manner so as
9 not to exceed applicable residential noise standards. The term "delivery activities" shall
10 include, but not be limited to the presence of workers or delivery trucks at the business site
11 even if not actual delivery work or unloading is being done. It shall also include vehicles or
12 delivery equipment being started or idled, playing of radios or other devices, loud talking,
13 and unloading of materials. Business delivery doors shall not be opened before hours of
14 permitted deliveries as specified herein. Delivery vehicles shall park in designated
15 commercial loading areas only and shall not obstruct designated fire lanes.

16 27. **Trash Collection.** Routine trash collection on the entire site shall occur after 9:00 a.m. and
17 before 10:00 p.m. Construction material trash collection activities (drop off and pick-up)
18 shall be limited to hours of permitted construction as specified in the City's Noise
19 Ordinance, or between 7:30 and 6:00 p.m. Mondays through Fridays, and between 9:00
20 a.m. and 6:00 p.m. on Saturdays.

21 **FIRE**

22 28. **Fire Emergency Response Plan.** A Fire Emergency Response Plan for fire lanes, fire
23 sprinklers, fire hydrants, and other Fire emergency response requirements shall be
24 provided and maintained for the Shopping Center property. The Fire Emergency Response
25 Plan shall include, but not be limited to, the following:

- 26 a. Provide a minimum vertical clearance of 15 feet and horizontal clearance of 20 feet for
27 Fire vehicle access under all bridges and other overhead structures on Village Drive,
28 Cedar Way, Carlotta Way, Fashion Boulevard, and within the lower level parking lot. In
29 the lower level parking lot, the horizontal clearance of 20 feet for Fire vehicle access is
30 required in only one of the two drive aisles. This is intended to allow ambulance-
31 paramedic vehicle access throughout the Shopping Center property, but not within the
32 parking structures. Village Drive, Cedar Way, Carlotta Way, Fashion Boulevard, and
within the lower level parking area, and any other required roadways, shall be
designated as Fire lanes as determined by the Fire Department, shall allow "no
stopping" on both sides of roadways, and be clearly marked. Additional lane width will
be required in certain areas to accommodate vehicle turning movements and bicycles.
- b. All parking structures shall provide a minimum vertical clearance as required by the
current Code at the time of Building Permit approval for disabled/ADA access at grade
level. All parking structures shall also have the required stand pipes, sprinklers,
hydrants, perimeter and internal access, gurney size elevators, and exterior stairs for
Fire suppression.
- c. The applicant shall provide a "gator" or similar gurney transport vehicle on the site to
provide Fire Department access within the parking structures and other remote areas.
- d. Fire hydrants shall be located within 15 feet of the Fire Department Connections
(FDC), and the FDC and related double check valve assembly shall be integrated into

the design of the buildings to screen the valves but allow clear visibility and access to the FDC, subject to Fire and Community Development Department approval.

- e. Upgrade to current standards the Opticom emergency vehicle preemption devices at all signalized intersections adjacent to the project site.
- f. An Emergency Response Plan that includes 24/7 on-site personnel to direct emergency response teams to the exact location of incidents shall be provided.
- g. The Applicant shall work cooperatively with the Fire Department to provide, if feasible, a pedestrian ramp or at-grade access at the rear of the existing enclosed main Shopping Center to facilitate the safe removal of patients from that location.

The Applicant shall submit the Fire Emergency Response Plan to the City Fire and Community Development Departments with the submittal of plans for each Phase, including an implementation and maintenance schedule. The City will review and approve the Plan, and the Applicant shall install, implement and maintain the improvements and requirements per the approved Plan.

POLICE

- 29. **Police Holding Office.** The Project shall lease at no rent to the City a separate and secure Police "holding" office within the main, enclosed Mall approximately 100-150 square feet in area. The location of the office is subject to Police Department review and approval but it must have access from the interior of the Mall during Mall operating hours, such as from a corridor, and exterior access is not required. This will be separate from the Mall Security staff office. The intent and use of this area will be for the exclusive use of the Police Department to have a safe, secure, convenient, comfortable and private area for interviewing and consulting with victims, witnesses, and others with security issues and concerns. The area will provide for storage of Security and Safety Educational material for Police use. The Applicant shall submit a Police Holding Office Plan to the City Police and Community Development Departments with the submittal of plans for Phase I. The City will review and approve the Police Holding Office Plan, and the Applicant shall install the improvements, which shall include drywall, paint, and electrical utilities, but shall not include plumbing, per the approved plan prior to the issuance of the first building final for Phase I. If the City Police Department determines it no longer needs the "holding" office, or its use ceases, the lease shall terminate.
- 30. **Security Cameras.** The Project shall provide security cameras throughout the parking structures and surface parking lots within the entire Shopping Center property to the reasonable satisfaction of the Police Department. A Security Camera Plan as part of the Security Plan, for the installation of the cameras that considers construction Phasing on the Shopping Center property, shall be provided. Cameras shall be placed at parking structure entrances, exits, stairwells, elevators, and distributed throughout the parking areas pursuant to a plan to be provided by the Applicant's security consultant. Cameras shall be located so that license plate numbers are readable. Some cameras shall be capable of being relocated as needed to monitor Special Events. Cameras are not required to be manned, and a holding period for archival of recordings shall be agreed upon. The Applicant shall submit the Security Camera Plan as part of the Security Plan to the City Police and Community Development Departments with the submittal of plans for Phase I. The City will review and approve the Plan, and the Applicant shall install the improvements per the approved Plans. The approved Security Camera Plan shall be reviewed annually by the City.

1 31. **Police Special Event/Security and Cedar Way Plan.** The Applicant shall provide a
 2 Holiday/Sales-Special Events/Peak Customer Security, Traffic and Parking Control Plan as
 3 part of the overall Security Plan. The Plan shall include a provision for reimbursement of
 4 Police services when additional services are requested by the Applicant. The Plan shall
 5 include an update and amendment to the existing Vehicle Code and Parking Enforcement
 6 Agreement (June 1, 1987) between the City and the Mall to ensure adequate enforcement
 7 mechanisms are in place. The Plan shall provide for the Applicant to install repeaters or
 8 other devices in the parking structure if it is determined that they are necessary for cell
 9 phone and emergency communication needs. The Plan shall also provide for the possibility
 10 of closing Cedar Way during Special Events. The Applicant shall submit the Plan to the
 11 City Police, Fire and Community Development Departments with the submittal of plans for
 12 Phase I. The City will review and approve the Plan, and the Applicant shall implement the
 13 provisions as detailed in the approved Plan.

14 **Periodic Review of Cedar Way.** The City may request a periodic review of the operations
 15 of Cedar Way to determine if the core area should be closed to vehicular traffic and limited
 16 to pedestrians, bikes and emergency vehicle access only.

17 32. **Package Check.** The Project shall provide a central package check service for customer
 18 use for purchases within the Mall. The Plan for the secure location and operation of the
 19 service shall be subject to the City Police Department review and comments and the
 20 Community Development Department review and approval. The intent of this condition is
 21 for security and convenience in a central location near the valet and loading/unloading
 22 area, or other central location, so packages can be held and then loaded directly into the
 23 customers' vehicle. The applicant shall submit Plans to the City Police and Community
 24 Development Departments with the submittal of plans for Phase I. The City will review and
 25 comment/approve the Plan, and the applicant shall install the improvements per the
 26 approved Plan prior to the issuance of the first building final for Phase I.

27 **TRANSPORTATION, CIRCULATION AND PARKING**

28 33. **Veterans Parkway Linkage Plan.** The Applicant shall submit a Veterans Parkway Linkage
 29 Plan as depicted in the Approved Plans to provide bicycle and pedestrian paths under the
 30 Sepulveda bridge and onto the Shopping Center property that link the Shopping Center
 31 property and Veterans Parkway. The Veterans Parkway Linkage Plan shall include lighting,
 32 signage, and other improvements to enhance the aesthetics, usability and security of the
 33 area, to create an inviting entry and secure environment, and to connect the site. The
 34 Veterans Parkway Linkage Plan shall coordinate with the construction of the improvements
 35 on the Shopping Center property and the Sepulveda Bridge widening project. The
 36 Applicant shall submit the Plan to the City Police, Fire, Public Works and Community
 37 Development Departments, the City Traffic Engineer, and if necessary Caltrans, with the
 38 submittal of plans for Phase I. The City, and any other agency with jurisdiction, will review
 39 and approve the Plan, and the Applicant shall install the improvements per the approved
 40 Plan. The City shall maintain the public portions, and the Mall shall maintain the private
 41 portions.

42 34. **Bicycle and Pedestrian Plan.** The Applicant shall submit a Bicycle and Pedestrian Plan to
 43 provide bicycle and pedestrian improvements throughout the Shopping Center property as
 44 depicted in the Approved Plans, including the perimeter of the property, with
 45 interconnected walkway and bicycle networks and linkages to off-site improvements and
 46 transit (including pavement treatment, raised intersections, improved pedestrian crossings,
 47 bike parking, and arrows). Crosswalks with activated flashing beacons on key uncontrolled
 48 crossings on Carlotta Way, such as at Carlotta Way in the vicinity of the 3500 Sepulveda
 49 Boulevard building, shall be provided. A dedicated separate bikeway under the Sepulveda
 50 bridge, through the Shopping Center Property, and connecting to Village Drive shall be
 51 provided.

provided. The bikeway in the lower level parking lot shall connect from under the Sepulveda Bridge and up to the Fry's site, but it does not need to continue and connect to Rosecrans Avenue. A separate pedestrian pathway (maximum width of six feet clear) shall link the entire length of the lower level parking lot (Sepulveda Bridge to Rosecrans Avenue). The bike path on Cedar Way shall extend south from Rosecrans Avenue to Village Circle; a sharrow shall be provided from Village Circle to Marine Avenue. The bike network shall connect on and off site and to the bike racks/lockers/facilities, with racks distributed in key locations. The Plan shall include an active "Walk to the Mall" program to encourage non-motorized access to the Shopping Center. The Plan shall include a component of working and partnering with groups that promote walking and alternative forms of transportation. The improvements shall generally be consistent with the Approved Plans, although the pavement treatments shall be provided throughout Cedar Way from Macy's Fashion store to Ralph's. Additional improvements shall be provided at the Ralph's/CVS building at the south end of the Shopping Center to enhance pedestrian accessibility and safety from the parking lot to the buildings. All access shall meet ADA requirements.

Improvements shall be installed per the approved plans with each Phase, except that the off-site linkages and on-site improvements outside of the Development Area as identified in the Approved Plans shall be installed prior to the completion of Phase I, as determined to be feasible by the Community Development Director.

The Applicant shall submit the Plan to the City Police, Fire, Public Works and Community Development Departments and the City Traffic Engineer with the submittal of plans for Phase I. The Plan shall include a phasing plan for construction of the improvements that considers construction Phasing on the property, as well as the Sepulveda Bridge widening project. The City will review and approve the Plan, and the Applicant shall install the improvements, and the Applicant shall maintain the improvements, except for those located on public land such as the extension of Veteran's Parkway under the Sepulveda Bridge as set forth in Condition 33, which shall be maintained by the City, per the approved Plan.

35. **Pedestrian Off-site Linkage Plan.** The Applicant shall provide improvements to the City leased parking lot to encourage and enhance use of the parking lot for employees and customers. Such improvements shall include and be limited to: wayfinding signage and lighting on the staircase serving the City leased parking lot; wayfinding signage and lighting on the staircase between the Village homes and the Shopping Center site; wayfinding signage from the Senior Housing; and maintenance of landscaping on the slope. The Applicant shall submit a Pedestrian Off-site Linkage Plan to the City Police, Fire, Public Works and Community Development Departments and the City Traffic Engineer with the submittal of plans for Phase I. The City will review and approve the Plan, and the Applicant shall install the improvements per the approved plan prior to the issuance of the first building final for Phase I.
36. **Employee Parking Management Program.** The Project shall provide an Employee Parking Management Program to encourage remote parking, parking in the lower level parking lot, off-site parking, walking, biking, transit use, carpooling and other forms of alternative and non-motorized transportation, and incentives to reduce employee parking. Street or other public parking, other than the leased City parking lot off of Village Drive, shall not be used for employee parking. The Program shall actively promote reducing employee parking, shall prohibit parking in structures and certain surface lots during the peak parking season, and shall include active enforcement by Shopping Center personnel. The Program shall be submitted to the Community Development Department and the City Traffic Engineer for review and approval with the submittal of plans for Phase I and annual reporting shall be provided. The City will review and approve the Program, and the

1 Applicant shall implement the Program and install any required improvements per the
2 approved Program prior to the issuance of the first building final for Phase I. The City may
3 request periodic review and adjustment of the Employment Parking Management Program,
in cooperation with the Applicant, if needed to ensure the goals of this condition and the
Program are being met.

4 **37. Valet Parking Management Plan.** The Applicant shall provide a Valet Parking
5 Management Plan to designate valet parking areas, circulation, hours, days, rates,
6 validations, operations, terms, remote drop-off/pick-up location, signage, passenger drop-
7 off and pick-up, implementation schedule, etc. The Plan shall be submitted to the
8 Community Development Department and the City Traffic Engineer for review and
9 approval with the submittal of plans for Phase I. The City will review and approve the Plan
and the applicant shall implement the Plan during Phase I, in accordance with the
approved implementation schedule in the Plan. If it is determined that the valet parking is
not being fully utilized, the Applicant may modify or cease providing valet parking with the
approval of the Director of Community Development.

10 **38. Electric Vehicle (EV) Charging.** The Applicant shall install and maintain for public use EV
11 parking/charging stations within the parking structures and/or parking lots at a ratio of a
12 minimum of 1 percent of the total on-site parking spaces, and phased up to 3 percent as
13 usage demands. The installation of stations up to 1 percent may also be phased. The
14 Applicant shall provide a minimum of 8 EV parking/charging stations in Phase I. The
15 number of EV parking/charging stations shall be increase in minimum groups of 8 up to 1
16 percent based on usage. Electrical conduit to support additional charging stations
17 (resulting in a supply of charging stations of up to 3 percent of the total on-site parking
18 spaces) will be installed throughout the Shopping Center site, as is deemed appropriate
19 during initial construction, for future conversion based on usage. The EV parking/charging
20 stations shall be reviewed on an annual basis and will evaluate usage, and phasing of
21 future installation of additional EV parking/charging stations. The stations shall provide a
22 Level 2 charging capacity (208-240 volts), may charge prevailing rates for the purchase of
23 the energy, and the parking spaces will be designated for the exclusive use of EV
24 charging. The Applicant shall submit plans to the Community Development Department
25 with the submittal of plans for each parking structure. The City will review and approve the
26 Plan, and the Applicant shall install the improvements per the approved Plan with each
27 parking structure.

28 **39. Sepulveda Boulevard.** The retention, modification, relocation and/or removal of the
29 existing Fry's driveway off Sepulveda Boulevard that accesses the Northwest Corner
30 parcel is subject to review and approval of Caltrans and the City Public Works, Fire, Police
31 and Community Development Departments.

32 The Applicant shall reimburse the City the \$12,455 cost of the Caltrans required Traffic
Stimulation Study that evaluated the impact of the Fry's driveway to the traffic flow on
Sepulveda Boulevard.

The retention, modification, relocation, and/or removal of the existing Fry's driveway off
Sepulveda Boulevard that accesses the Northwest Corner may be phased as follows: (a)
Through the end of 2016, or when Fry's vacates the site, whichever comes first, the
existing driveway condition (entry and exit, right in and out) may remain; (b) At the end of
2016, or when Fry's vacates the site, whichever comes first, the driveway must be
reconfigured/relocated to be entry, right-in only; (c) At the end of 2016, if Fry's continues to
occupy the site or if at any time another tenant occupies the existing site, the Sepulveda
driveway must be reconfigured/relocated to be entry, right-in only; (d) If at any time the site
is vacant the driveway shall be barricaded from use or removed; (e) If at any time the site
is vacant for 12 months the driveway shall be removed. If the driveway is removed then the

curb, gutter, sidewalk and any other required improvements shall be installed by the Applicant as soon as possible, as determined by the City, unless building plans for Phase III have been approved; and (f) If the driveway is removed any future driveway for Phase III- Northwest Corner development shall be entry right-in only. Prior to December 31, 2016, plans for the driveway modifications or removal/relocation and related improvements shall be submitted to the City and Caltrans and shall include a schedule for completion of the improvement. The driveway modifications or removal/relocation and related improvements shall be completed by the Applicant per the approved Plan.

The Applicant shall also be required to dedicate land or submit and record an irrevocable offer to dedicate (IOD) land, and construct, or fund the construction of, any required improvements related solely to the driveway on Sepulveda Boulevard, subject to the City of Manhattan Beach Public Works and Caltrans approval. The required lane width, sidewalk, driveway access design, disabled accessibility, acceleration/deceleration lane, and other improvement details shall be subject to City of Manhattan Beach Public Works and Community Development Departments and Caltrans approval. The Applicant, City, and Caltrans shall coordinate improvements related to the Sepulveda Boulevard driveway with the Sepulveda Bridge widening project. The schedule for the dedication or IOD and related improvements shall be included with the Plans for the driveway modifications or removal/relocation. The City shall submit the Sepulveda Boulevard bridge widening plans to Applicant 120 days prior to the City's need for the dedication or IOD.

The Applicant shall also submit a dedication, or irrevocable offer to dedicate (IOD), required for Sepulveda bridge widening, subject to the City of Manhattan Beach Public Works and Community Development Departments and Caltrans review and approval.

The Applicant shall provide a temporary, construction easement for the temporary construction staging area associated with the Sepulveda bridge widening project, subject to the City of Manhattan Beach Public Works and Community Development Departments and Caltrans review and approval. The temporary construction staging area shall be located in the lower level parking lot immediately adjacent to the northeast of the bridge for bridge construction, and access from the staging area shall be provided through the lower level parking lot to Rosecrans Avenue.

The IODs shall be submitted prior to the submittal of plans for Phase I and the easements shall be submitted 6 months prior to the beginning of the Sepulveda Bridge widening project. The City and Caltrans, if required, will review and approve the dedication and easements, and the Applicant shall implement the provisions as detailed in the approval.

40. **Rosecrans Avenue.** The Applicant shall provide an irrevocable offer to dedicate (IOD), for a new acceleration/deceleration lane and improved sidewalk on the south side of Rosecrans Avenue, beginning a minimum of 165 feet west of the future westernmost (Phase III) driveway to the easternmost driveway off of Rosecrans Avenue prior to issuance of permits for Phase I. The IOD shall provide for a 12 foot curb lane width and 8 foot sidewalk; however, the sidewalk shall be continuous from Sepulveda Boulevard to Village Drive. The Applicant shall submit plans for the improvements to the Public Works, Fire, Police and Community Development Departments and the City Traffic Engineer, for review and approval, for the eastern portion serving as a turn lane into the lower level parking driveway with the submittal of plans for Phase 1. The Applicant shall submit plans for the improvements to the Public Works, Fire, Police and Community Development Departments and the City Traffic Engineer, for review and approval, for the portion adjacent to the westernmost (Phase III) driveway and for the easternmost driveway portion not already constructed with the submittal of plans for Phase III, or six months from when Fry's vacates the site, whichever comes first. The City will review and approve the Plan, and the Applicant shall dedicate the property and construct the improvements, or cause

1 the improvements to be constructed, per the approved plans with the construction of
2 Phase I for the eastern portion serving as a turn lane into the lower level parking driveway,
3 and with the construction of Phase III for the portion adjacent to the westernmost (Phase
4 III) driveway.

5 **41. Rosecrans Avenue Median.** The existing median break and left-turn pocket from
6 westbound Rosecrans Avenue, southbound into the existing Fry's driveway that accesses
7 the Northwest Corner parcel, shall be closed and restored/reconstructed as a median
8 when Fry's vacates the site. The existing median break and left-turn pocket from
9 eastbound Rosecrans Avenue, northbound into an existing curb-cut and driveway apron on
10 the north side of Rosecrans Avenue shall also be closed and restored/reconstructed when
11 Fry's vacates the site. If the developer of The Point at El Segundo submits plans for the
12 Rosecrans Avenue median prior to Fry's vacating the site, the City will work cooperatively
13 with the Applicant, the City of El Segundo, and The Point developer to support the
14 continuation of the median break into Fry's driveway (westbound Rosecrans Avenue,
15 southbound into the Fry's driveway) while Fry's occupies the site. If the developer of The
16 Point at El Segundo has not submitted plans for the Rosecrans Avenue median work when
17 Fry's vacates the site, the Applicant shall submit plans for the improvements to the Public
18 Works, Fire, Police and Community Development Departments and the City Traffic
19 Engineer, as well as the City of El Segundo if any of the improvements are located within
20 that City, for review and approval, when Fry's vacates the site and shall include a schedule
21 for the completion of the improvements. The City will review and approve the Plan, and the
22 Applicant shall construct the improvements, or cause the improvements to be constructed,
23 per the approved Plans.

24 **42. Rosecrans Avenue Left-turn Prohibitions.** On Rosecrans Avenue, no left turns are
25 allowed out of any driveways from the project site to westbound Rosecrans Avenue. The
26 applicant shall submit plans for signage and/or other improvements to the Public Works,
27 Police, Fire and Community Development Departments and the City Traffic Engineer, for
28 review and approval, with the submittal of plans for Phase I. Any portions of the
29 improvements within another jurisdiction shall also require a permit from that jurisdiction.
30 The City will review and approve the Plan, and the applicant shall install the improvements
31 per the approved plans when Fry's vacates the site.

32 **43. Sepulveda Boulevard and Rosecrans Avenue Corner.** The Applicant shall provide an
irrevocable offer to dedicate (IOD) at the southeast corner of Sepulveda Boulevard and
Rosecrans Avenue for future road and sidewalk widening with an 8 foot sidewalk width,
corner improvements, including a 40 foot diagonal corner cut off measured from the back
of the new sidewalks, ADA access, traffic signal and utility modifications and other
improvements as needed to transition and tie together the Sepulveda Boulevard and
Rosecrans Avenue improvements, and upgrade the area to current standards for
pedestrian access, upon completion of the Sepulveda Bridge Widening, or the submittal of
plans for Phase III, whichever comes first. The Applicant shall submit concept plans for
the improvements to the Public Works, Fire, Police and Community Development
Departments, the City Traffic Engineer, and Caltrans for review and approval, with the
submittal of the IOD, and shall include a schedule for the completion of the improvements.
The schedule for completion of the improvements shall be coordinated with the Sepulveda
Boulevard (Fry's) driveway, the Rosecrans Avenue improvements, and other applicable
improvements in the area including construction of Phase III. The City will review and
approve the Plan and schedule, and the Applicant shall dedicate the property and
construct the improvements per the approved Plan. Any improvements along Sepulveda
Boulevard or at the corner of Sepulveda Boulevard and Rosecrans Avenue shall consider
the Applicant's desire to provide a right-in only turn from Sepulveda Boulevard into the
Northwest Corner of the Shopping Center Property.

44. **Village Drive at Rosecrans Avenue.** The Applicant shall provide an irrevocable offer to dedicate (IOD) at the southwest corner of Rosecrans Avenue and Village Drive to accommodate improvements for future dual-left turn lanes and improved truck-turning radii from westbound Rosecrans Avenue to southbound Village Drive provided that the dedication and improvements will not impact the structural integrity or conformance with applicable Codes of the Medical Building at 1200 Rosecrans Avenue. The IOD and a concept plan for the improvements shall be submitted to the Public Works and Community Development Departments, and the City Traffic Engineer, prior to the first building permit being completed (building permit final) for Phase I, and shall include a schedule for the completion of the improvements. The schedule for completion of the improvements shall be coordinated with other planned improvements for the area, including additional improvements at the intersection of Rosecrans Avenue and Village Drive anticipated to be completed by the developer of The Point at El Segundo. The City will review and approve the Plan, and the Applicant shall dedicate the property and construct, or cause to be constructed, the improvements during construction of Phase II and/or as otherwise provided in the approved Plan.
45. **Village Drive at Rosecrans Avenue (future).** The Applicant shall provide an irrevocable offer to dedicate (IOD) to provide for future road and sidewalk widening including a minimum of a six foot dedication on Village, a 40 foot diagonal corner cut off, and a 12 foot dedication on Rosecrans Avenue, to accommodate a wider (6 foot to 8 foot) sidewalk, landscaping, disabled access ramps, traffic signal and utility modifications and other improvements on Village Drive and Rosecrans Avenue, as determined feasible from Traffic Engineering standards prior to the first building permit being completed (building permit final) for Phase I This dedication would accommodate a total of two lanes Northbound and two lanes Southbound on Village Drive and the required corner transition improvements at Rosecrans Avenue and Village Drive if the Medical Building at 1200 Rosecrans Avenue is no longer at the Shopping Center property. If the Medical Building at 1200 Rosecrans Avenue is no longer at the Shopping Center property and the City determines to construct these improvements, the Applicant shall dedicate the property and shall provide a fair-share contribution to fund the construction of the improvements.
46. **Irrevocable Offer to Dedicate (IOD).** All IODs shall be recorded with the Los Angeles County Recorder's office. All IODs shall have a project description and include a metes and bounds legal description, prepared by the Applicant. All IODs shall be submitted to the City for review and approval and shall be recorded when required by the City as set forth in the applicable Condition. The dedication of property included in an IOD shall only include the property required to construct the improvements per the applicable Plan.
47. **Rosecrans Avenue U-turn at Village Drive.** The City and the Applicant will work cooperatively to secure a "U-Turn" movement from eastbound Rosecrans Avenue at Village Drive if the U-turn can be designed to Traffic Engineering standards, all safety criteria is met, and traffic flow is not significantly impacted. The Applicant is not required to install these improvements; however, if the Applicant seeks to install these improvements, the Applicant shall submit plans for the improvements to the Public Works, Police, Fire and Community Development Departments and the City Traffic Engineer, for review and approval. Any portions of the improvements within another jurisdiction shall also require a permit from that jurisdiction. The City will review and approve the plan, and the Applicant shall install the improvements per the approved plans.
48. **Marine Avenue-Cedar Way.** The existing driveway access at Marine Avenue and Cedar Way shall be improved to provide one or two inbound lane and three outbound lanes, and shall be designed to accommodate emergency vehicle access. The widening shall include all related public and private improvements, and dedication of land if necessary, to accommodate the improvements. The Applicant shall submit plans for the improvements

1 to the Public Works, Fire, Police, and Community Development Departments and the City
 2 Traffic Engineer, for review and approval, with the submittal of plans for Phase I. The City
 3 will review and approve the Plan, and the Applicant shall construct the improvements per
 4 the approved plans prior to the issuance of a certificate of occupancy for Phase I.

5 **49. Construction Traffic and Parking Management Plans.** The required Construction
 6 Parking Management Plan shall be implemented during all construction activity. The
 7 required Construction Traffic Management Plan shall address, but not be limited to the
 8 following; the management of all construction traffic during all phases of construction,
 9 including delivery of materials and parking of construction related vehicles; driver-less
 10 vehicles blocking neighbors' driveways without written authorization; the overnight storage
 11 of materials in the roadway; and limiting the hours of construction deliveries on weekend
 12 mornings where such activities including driving, parking and loading/unloading in areas
 13 adjacent to residential uses. The Applicant shall submit the Plans, and an implementation
 14 schedule to the Public Works, Fire, Police, and Community Development Departments and
 15 the City Traffic Engineer, for review and approval, with the submittal of plans for Phase I.
 16 The City will review and approve the Plans, and the Applicant shall implement the Plans in
 17 accordance with the approved schedule.

18 **50. Traffic, Circulation, and Parking Plan.** A Traffic, Circulation, and Parking Plan for all
 19 parking and roadway striping, signage, pavement treatment (including sharrow markings),
 20 pedestrian and bike access shall be provided throughout the Shopping Center property as
 21 depicted on the Approved Plans. The Plan shall include but not be limited to the following:

- 22 a. No compact parking spaces shall be allowed unless approved by the Director of
 23 Community Development in limited situations when there are no other design options
 24 and the compact spaces will maximize use of the parking structure or lot.
- 25 b. Disabled access parking spaces that exceed the minimum number of required spaces,
 26 evenly distributed throughout the site at convenient locations.
- 27 c. Parking structures shall have a minimum of two vehicle entry-exit points and three if
 28 over 600 spaces, and shall provide parking occupancy systems with permanent
 29 electronic displays in proximity to parking structure entrances showing unoccupied
 30 spaces on each level.
- 31 d. Parking shall be provided at a minimum ratio of 4.1 spaces per 1,000 square feet of
 32 gross leasable floor area (GLA).
- 33 e. Parking shall not be reserved for any particular user, except for disabled parking
 34 spaces, EV charging stations, as designated in the approved Employee Parking
 35 Management Plan, including in instances where designated parking is required in a
 36 tenant's lease, and any Valet Parking Plans.
- 37 f. Passenger loading zones shall be provided near the Village Shops.
- 38 g. At a minimum, the central core portion of Cedar Way (between buildings "E" and "F"
 39 and the main Mall building) shall be constructed with decorative pavement. Curbs,
 40 landscaping, bollards or other architectural or hardscaping improvements shall be used
 41 to prevent vehicles from driving onto pedestrian only walkways. Stopping, parking and
 42 loading shall be prohibited in the decorative pavement area, but accessed by vehicles
 43 through the decorative pavement area shall be permitted.
- 44 h. Separate pedestrian walkways shall be provided to all parking structures.

- i. Truck loading spaces shall be provided close to all buildings.
- j. The Applicant shall provide a U-turn, traffic circle or other connection at the Rosecrans Avenue entrance in the lower level parking lot with a minimum outside turning radius of 30 feet to internally connect both drive aisles.
- k. Northbound left-turn pockets shall be provided on Carlotta Way at 27th and 30th Street entry points. An east-west two-way internal drive aisle will be provided as far south as feasible between Carlotta Way and Cedar Way. No dead-end aisles may be permitted.
- l. Cedar Way, Carlotta Way and Fashion Boulevard shall provide a minimum 25 foot width for adequate vehicle circulation and turning movements. Roadways with separate bike lanes (not sharrows) shall provide a minimum 30 foot roadway width.
- m. Fashion Boulevard at Carlotta Way, shall be designed to line up east to west and not be off-set.

The Applicant shall submit plans for the improvements, and an implementation schedule to the Public Works, Fire, Police, and Community Development Departments and the City Traffic Engineer, for review and approval, with the submittal of plans for the applicable Phase. The City will review and approve the Plan, and the Applicant shall construct the improvements per the approved Plan, generally prior to the issuance of a building permit final for the applicable Phase.

51. **Transit Plan.** The Applicant shall submit a Transit Plan to provide a transit route through the Shopping Center property between Rosecrans Avenue and Village Drive via Fashion Boulevard with the plans for Phase II. The plans for Phases II and III shall be consistent with the Transit Plan. The Applicant shall coordinate with transit providers and the City to provide a transit route through the Shopping Center including cooperating on grant applications and the design and implementation of improvements within the Shopping Center property to accommodate the transit route. If a transit provider agrees to route through the Shopping Center, the Applicant shall make the necessary improvements within the Shopping Center site to accommodate transit through turning radius, clearance, transit stops, shelters, linkages, signage, and similar improvements. Public transit improvements, as detailed above, shall be installed on the property, and on adjacent public property if feasible, providing connectivity on and off-site with transit, pedestrians and bikes. If a transit provider agrees to route through the Shopping Center, the Applicant shall construct the improvements, or cause the improvements to be constructed, per the approved Plan.

WASTEWATER /UTILITIES

52. **Cleaning Outside.** No outside cleaning of kitchen floor mats or shopping carts will be permitted on the site. All kitchen floor mats shall be cleaned in such a manner that the run-off wastewater drains only to a private sewer drain on the premises.
53. **Grease inceptors and trash enclosure Plan.** The Applicant shall upgrade any existing grease inceptors to current standards, as feasible, in areas of new construction. The Applicant shall also upgrade any existing trash enclosures to provide covers, and adequate room for solid waste, recyclables and food waste recycling. Existing trash enclosures shall also be tied into sanitary sewers, if feasible. The Applicant shall work with Waste Management, or the current waste provider, and Public Works to develop a Plan for the improvements to the existing facilities. The Applicant shall then submit plans for the improvements to the Public Works, Fire and Community Development Departments, for review and approval, with the submittal of plans for Phase I and shall include a schedule for the completion of the improvements. The City will review and approve the Plan, and the

1 Applicant shall construct the improvements, or cause the improvements to be constructed,
2 per the approved Plan, as part of its phase of construction as appropriate.

3 54. **Utilities.** All private utilities on the site shall be maintained by the property owner not the
4 City of Manhattan Beach.

5 **SPECIAL CONDITIONS FROM PRIOR APPROVALS-3500 SEPULVEDA**

6 Tin Roof Restaurant—Alcohol (CC Resolution No. 6171)

7 55. The property owner of 3500 Sepulveda Boulevard property (Hacienda/Haagen) shall work
8 cooperatively with the Mall owner in future applications that affect both parties and sign
9 any Master Use Permit Amendment or other entitlement applications that affect both
10 parties as required by the Municipal Code and Resolution PC 12-02.

11 56. The property owner shall dedicate the land identified in the irrevocable offer to dedicate
12 (IOD) recorded on the property on March 12, 2009, when determined to be necessary by
13 the City. The property owner shall cooperate fully with the City in the future roadway
14 widening. The City shall make a good faith effort to work with the property owner, RREEF,
15 Caltrans, and other involved agencies to resolve any noise impacts to the subject property
16 related to the dedication and the Sepulveda Boulevard widening.

17 Tin Roof Restaurant—Separate Private Dining Room/Event Space with Beer and Wine (PC
18 Resolution No. 12-02)

19 57. In the event that the business known as Tin Roof should vacate the premises, the adjacent
20 event space at 3500 Sepulveda Boulevard, may be occupied by another similar use, if
21 upon its review, the Department of Community Development determines that the
22 replacement use has the same use characteristics as the event space, including type of
23 service provided, peak hours of activity and is in conjunction with the main restaurant. The
24 intent of this condition is to ensure that any replacement use would be part of the main
25 restaurant and would only be allowed to serve beer and wine for on-site consumption in
26 the event space.

27 58. Prior to the issuance of a Certificate of Occupancy or building permit completion (a
28 building permit final) the owner of the Tin Roof Bistro shall obtain approval from the State
29 Department of Alcoholic Beverage Control (ABC) for the on-site consumption of alcohol at
30 the private dining room/event space. The owner of Tin Roof shall comply with all conditions
31 of the approval.

32 59. Noise emanating from the site shall be in compliance with the Municipal Noise Ordinance.
Any sound or amplification system or equipment is prohibited outside.

Vintage Shoppe-Wine Shop (PC Resolution No. 10-03)

60. In the event that the business known as Vintage Shoppe should vacate the premises, the
tenant space Suite 140 at 3500 Sepulveda Boulevard, may be occupied by another similar
use, if upon its review, the Department of Community Development determines that the
replacement use has the same use characteristics as the wine shop, including type of
service provided, and peak hours of activity. The intent of this condition is to ensure that
any replacement retail tenant, if exercising a Type-42 ABC license for on-site consumption
of beer and wine and Type-20 ABC license for sale of beer and wine for off-site
consumption, would be a use similar to the Vintage Shoppe.

- 61. The on-site wine tasting shall be conducted only in the designated area (maximum area of 100 square feet) from Monday to Saturday 11am to 9pm and 11am to 8pm on Sunday and shall have no seating furniture, tables or fixtures. No exterior tables or seating will be allowed. The wine counter shall be the only level surface for placing wine glasses, and other wine tasting items. The "wine sampling designated area" shall include customers, employees, serving, sampling and associated support use. Wine tasting shall be limited to a maximum of five (5) one ounce sips per person. Sips shall be poured only by store employees. No direct exterior access from the wine sampling area shall be allowed. No special events, wine tasting parties or similar functions will be allowed, with the exception of winemaker events, visits and presentations.
- 62. The wine tasting and area will be restricted only to patrons at least 21 years in age and not become a "wine bar" use. Persons under 21 years of age are not allowed within the wine cellar.
- 63. The owner of the Vintage Shoppe shall obtain approval from the State Department of Alcoholic Beverage Control and shall comply with all related conditions of approval.
- 64. Noise emanating from the site shall be in compliance with the Municipal Noise Ordinance. Any outside sound or amplification system or equipment is prohibited.

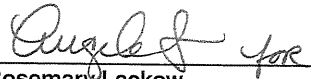
SECTION 3. Pursuant to Government Code Section 65009 and Code of Civil Procedure Section 1094.6, any action or proceeding to attack, review, set aside, void or annul this decision, or concerning any of the proceedings, acts, or determinations taken, done or made prior to such decision or to determine the reasonableness, legality or validity of any condition attached to this decision shall not be maintained by any person unless the action or proceeding is commenced within 90 days of the date of this resolution and the City Council is served within 120 days of the date of this resolution. The City Clerk shall send a certified copy of this resolution to the applicant, and if any, the appellant at the address of said person set forth in the record of the proceedings and such mailing shall constitute the notice required by Code of Civil Procedure Section 1094.6.

I hereby certify that the foregoing is a full, true, and correct copy of the Resolution as adopted by the Planning Commission at its regular meeting of July 24, 2013 and that said Resolution was adopted by the following vote:

AYES: Chairperson Conaway, Paralusz, Gross, Andreani
NOES: Ortmann
ABSTAIN: None
ABSENT: None



Richard Thompson,
 Secretary to the Planning Commission



Rosemary Lackow
 Recording Secretary *Rosemary Lackow*

Exhibit A

Manhattan Village Shopping Center Leasable Area Tabulation – June 18, 2013

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Exhibit A
Manhattan Village Shopping Center
Leaseable Area Tabulation - June 18, 2013

Tenant	Space Number	sq feet	od sf	Tenant	Space Number	sq feet	od sf
Macy's Buildings				Neighborhood Center			
Macy's Main Store	M1	108,977		Anchor			
Macy's Men's & Home	M2	67,077		Ralph's Grocery	2700	43,278	
	Sub Total Macy's	176,054		CVS Pharmacy	2900	25,500	
Mall Shops						<i>subtotal</i>	68,778
Janie & Jack	A1	1,885		Retail			
Gymboree	A2	2,144		Corner Cleaners	2660 (M2)	2,042	
Aerosoles	A4	1,086		Jenny Craig	2970 (K1)	2,000	
Secret to Beauty	A5	2,158		Super Sports	2930 (K2)	4,973	
Chlco's / Soma	A6	6,659		SuperCuts	2920 (K6)	1,220	
Williams Sonoma	A10	5,332				<i>subtotal</i>	10,235
Pottery Barn	B1	10,452		Restaurants			
Pottery Barn Kids	B2	7,271		Open Sesame	2640 (M1)	2,217	300
Sephora	C2	4,420				<i>subtotal (+ OD Dining sf)</i>	2,517
Harry & David	C3	2,111				Sub Total Neighborhood Center	81,530
Lucy's	C4	2,200		Freestanding Commercial (Parcel 17 Bldg)			
Vacant	C5	2,158		Retail			
Ann Taylor Loft	C8	5,428		Great Earth Vitamins	3010 (S1)	1,108	
Victoria's Secret	C10	6,000		See's Candies	3004 (S2)	1,216	
The Walking Co.	C12	1,379		Diane's Swimwear	(H1)	1,500	
Hallmark	C14	2,917		Apple Break Room	3294 (J2)	2,369	750
Angl	C15	1,624				<i>subtotal</i>	6,941
Gigi's	D3	955				** 750 Apple held for retail use	
J. Jill	D4	2,907		Restaurants			
Apple	D6	3,985		Coffee Bean & Tea Leaf	3008 (S3)	1,216	
Bath & Body	D8	2,818		California Pizza Kitchen	3280 (J1)	5,750	1,896
Lady Footlocker	D9	1,709		China Grill	3282 (H2)	2,000	450
Francesca's	D10	870		East Coast Bagel	3012 (S4)	1,106	
Origins	D12	900				<i>subtotal (+ OD Dining sf)</i>	12,418
Thee Cutlery	E1	294				Sub Total Freestanding Commercial	19,359
Prestige Jewelers	E2	815		Out Parcels - Commercial			
Godiva	E3	627		Anchor			
Stein Optical	E4	1,885		Pacific Theatres	3560 (X2)	17,500	(vacant)
Claires	E5	726		Fry's Electronics		46,200	
White House Black Market	E6	1,498				<i>subtotal</i>	63,700
Ann Taylor	E8	3,594		Commercial			
The Gap	E10	8,431		US Bank	3300 (V)	5,000	
Destination Maternity	E14	2,556		Wells Fargo	3110 (U)	8,000	
Talbot's/Talbot's Petites	E18	6,470		Bank of America	3016 (T)	7,650	
Engravable U	W1	200		Union Bank	2910 (R)	6,250	
Sunglass Hut	W3	150		Citibank	2710 (Q)	4,661	
	Mall Shops	106,614		Chase Bank	2600 (P)	4,580	
Tacome	B3	305				<i>subtotal</i>	36,151
Islands	D1	5,222	1,000	Restaurants			
Vlki Café	D11	580		Baja Fresh	3562 (X3)	1,323	
	Mall Restaurants + OD Dining	7,107		Johnnys Smokehouse BBQ	3564	1,105	200
Exterior Adjacent Mall Shops				Olive Garden	2610 (O)	8,500	
Retail				Coco's	2620 (N1)	7,345	
Oakwood Drive	3212 (Suite B)	744		Chill's	2622 (N2)	6,520	
Tommy Bahama's	3208 (Suite A)	3,700				<i>subtotal (+ OD Dining sf)</i>	24,893
Coach	3208 (Suite B)	2,580				Sub Total Out Parcels	124,844
	<i>Sub Total</i>	7,024		Out Parcels - Office / Other			
Restaurants				a MVSC Medical Bldg.	(X1) Gen'l office	1,394	
LA Food Show (vacate 2/4/12)	3212 (Suite A)	7,000	485		Medical office	18,571	
Corner Bakery	3208 (Suite C)	3,000	238	b Hacienda Office Bldg.	3500 Gen'l office	7,904	
	<i>Sub Total (+OD Dining sf)</i>	10,723			Medical office	3,141	
	Sub Total Exterior Shops	17,747		Tin Roof Bistro	restaurant	4,250	662
	Total Macy's, Mall and Exterior	307,522		Tin Roof Banquet Room	restaurant	1,240	
TOTALS				Wine Shoppe	retail	910	
<i>Inventory as of May 2013</i>				Susie Cakes (bakery)	retail	1,510	
						Sub Total Office Bldgs (+ OD sf)	39,582
				a MVSC MOBldg	total SF = 19,965		
				b Hacienda Bldg	total SF = 19,617		
				By user type:			
				Macy's Buildings	176,054		
				Retail Anchors (3)	114,978		
				Retail Shops	133,234		
				Retail Subtotal = 424,266			
				Restaurants	63,910		
				Cinema	17,500		
				Bank Outparcels	36,151		
				Gen'l Office	9,298		
				Medical Office	21,712		
				Total Manhattan Village GLA			
				572,837			

Balance of Restaurant SF:			
1. Liquor serve SF cap:	68,000		
Rest's serving liquor, W & B	56,142		
Liquor serve SF balance:	11,858		
Capped balance, if less=	11,090		
2. Current Non-LW&B max sf	18,858	} 1st come 1st use up to:	11,090
Not serving liquor W&B current	7,768		
Non-LW&B avail SF balance:	11,090		

Restaurants Tally			
Restaurants serving liquor	L	52,452	
Restaurants serving only beer&wine	B	3,690	
Restaurants not serving L, W&B	R	7,768	
Restaurant SF:		63,910	
of which, Active OUTDOOR Dining SF =	D	5,231	
Total Rest SF Cap:			
75,000			
Restaurant SF Utilized:			
63,910			
Restaurant SF balance:			
11,090			

rev:
May-13

1 RESOLUTION NO. PC 13-09

2 A RESOLUTION OF THE PLANNING COMMISSION OF THE
3 CITY OF MANHATTAN BEACH CERTIFYING THE FINAL
4 ENVIRONMENTAL IMPACT REPORT FOR THE MANHATTAN
5 VILLAGE SHOPPING CENTER ENHANCEMENT PROJECT
6 LOCATED AT 3200-3600 SOUTH SEPULVEDA BOULEVARD,
7 ADOPTING FINDINGS PURSUANT TO THE CALIFORNIA
8 ENVIRONMENTAL QUALITY ACT, AND ADOPTING A
9 MITIGATION MONITORING AND REPORTING PROGRAM

10 The Planning Commission of the City of Manhattan Beach hereby finds and resolves
11 as follows:

12 Section 1. The Manhattan Village Shopping Center Enhancement Project consists of
13 proposed improvements to the Manhattan Village Shopping Center located at 3200 – 3600
14 South Sepulveda Boulevard in the City of Manhattan Beach. The enhancement would involve
15 an increase of approximately 123,672 square feet of net new retail and restaurant gross
16 leasable area and demolition of approximately 70,972 square feet of existing retail, restaurant,
17 and cinema gross leasable area within an approximately 18.4 acre development area of the
18 44.4 acre site. The Project also would include new on-site parking facilities and surface
19 parking areas. The Project would require an amended Master Use Permit, a variance for
20 building height, an amended Master Sign Permit and sign exceptions, demolition, grading, and
21 possibly other permits. All of the components required to implement the Manhattan Village
22 Shopping Center Enhancement Project shall collectively be known as the “Project.”

23 Section 2. On January 29, 2009, a Notice of Preparation (“NOP”) was distributed to the
24 State Office of Planning and Research, responsible agencies, and other interested parties. In
25 addition, a public scoping meeting was held on February 12, 2009 to provide information and
26 to provide a forum where interested individuals, groups, public agencies and others could
27 provide verbal input in an effort to assist in further refining the intended scope and focus of the
28 Environmental Impact Report (“EIR”).

29 Section 3. In June of 2012, a Draft Environmental Impact Report (the “DEIR”) was
30 prepared and released for the Project. In accordance with the California Environmental
31 Quality Act (CEQA) and the CEQA Guidelines, the Project’s potential impacts on the
32 environment were analyzed in the DEIR.

Section 4. The DEIR and the Appendices for the project were circulated to the public and
other interested parties for a 45-day comment period, consistent with the 45-day public
comment period required by CEQA Guideline Section 15105, from June 7, 2012 to July 23,
2012. The City held six additional public meetings regarding the Project and DEIR on June 27
and October 3, 2012, and March 13, April 24, May 22, and June 26, 2013.

Section 5. The City prepared written responses to all comments received on the DEIR and
those responses to comments are incorporated into the Final Environmental Impact Report
(the “Final EIR”).

Section 6. The Final EIR is comprised of the DEIR dated June 2012 and all appendices
thereto, the Executive Summary, Errata and Clarifications to the DEIR, written Responses to
Comments received on the DEIR, and the Mitigation Monitoring and Reporting Program.

Section 7. The findings made in this Resolution are based upon the information and
evidence set forth in the Final EIR and upon other substantial evidence that has been
presented at the hearings and in the record of the proceedings. The documents, staff reports,

technical studies, appendices, plans, specifications, and other materials that constitute the record of proceedings on which this Resolution is based are on file for public examination during normal business hours at the City of Manhattan Beach, 1400 Highland Avenue, Manhattan Beach, CA 90266. Each of those documents is incorporated herein by reference. The custodian of these records is Angela Soo, Community Development Department Executive Secretary.

Section 8. The Planning Commission finds that agencies and interested members of the public have been afforded ample notice and opportunity to comment on the EIR and the Project.

Section 9. Section 15091 of the State CEQA Guidelines requires that the City, before approving the Project, make one or more of the following written finding(s) for each significant effect identified in the Final EIR accompanied by a brief explanation of the rationale for each finding:

1. Changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effects as identified in the Final EIR; or,
2. Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency; or,
3. Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or project alternatives identified in the final EIR.

Section 10. Environmental impacts identified in the Initial Study to have no impact or a less than significant impact and do not require mitigation are described in Section III of Exhibit A, attached hereto and incorporated herein by reference.

Section 11. Environmental impacts identified in the Final EIR as less than significant and that do not require mitigation are described in Section IV of Exhibit A, attached hereto and incorporated herein by reference.

Section 12. Environmental impacts identified in the Final EIR as significant but mitigable are described in Section V of Exhibit A, attached hereto and incorporated herein by reference.

Section 13. Alternatives to the Project that might eliminate or reduce significant environmental impacts are described in Section VI of Exhibit A, attached hereto and incorporated herein by reference.

Section 14. Public Resources Code section 21081.6 requires the City to prepare and adopt a mitigation monitoring and reporting program for any project for which mitigation measures have been imposed to assure compliance with the adopted mitigation measures. The Mitigation Monitoring and Reporting Program is attached hereto as Exhibit B, and is hereby incorporated herein by reference.

Section 15. The Planning Commission hereby certifies that prior to taking action, the Planning Commission reviewed and considered the Final EIR and all of the information and data in the administrative record, and all oral and written testimony presented to it during meetings and hearings and certifies that the Final EIR reflects the City's independent judgment

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and analysis, is adequate and was prepared in full compliance with CEQA. No comments or any additional information submitted to the City have produced any substantial new information requiring recirculation or additional environmental review of the Project under CEQA.

Section 16. The Planning Commission of the City of Manhattan Beach, California, hereby certifies the Final Environmental Impact Report, adopts findings pursuant to the California Environmental Quality Act as set forth in Exhibit A attached hereto and incorporated herein by reference; and adopts the Mitigation Monitoring and Reporting Program attached hereto as Exhibit B and incorporated herein by reference.

Section 17. The Community Development Director shall certify to the adoption of this Resolution.

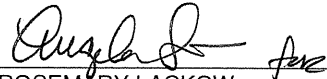
PASSED, APPROVED AND ADOPTED by the Planning Commission of the City of Manhattan Beach on this 26th day of June, 2013.

I hereby certify that the foregoing is a full, true, and correct copy of the Resolution as adopted by the Planning Commission at its regular meeting of June 26, 2013 and that said Resolution was adopted by the following votes:

AYES: Chairperson Conaway, Paralusz, Gross, Andreani
NOES: None
ABSENT: Ortmann
ABSTAIN: None



RICHARD THOMPSON
Secretary to the Planning Commission



ROSEMARY LACKOW
Recording Secretary *Rosemary Lackow*

1 **EXHIBIT A**

2 **FINDINGS AND FACTS IN SUPPORT OF FINDINGS**

3 **I. Introduction**

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

- 9
- 10 A. Changes or alterations have been required in, or incorporated into, the project which
11 avoid or substantially lessen the significant environmental effects identified in the EIR.
 - 12 B. Such changes or alterations are within the responsibility of another public agency and
13 not the agency making the finding. Such changes have been adopted by such other
14 agency or can and should be adopted by such other agency.
 - 15 C. Specific economic, social, or other considerations make infeasible the mitigation
16 measures or project alternatives identified in the EIR.¹

17 Pursuant to the requirements of CEQA, the Planning Commission hereby makes the following
18 environmental findings in connection with the proposed Manhattan Village Shopping Center
19 Enhancement Project (the "Project"). These findings are based upon evidence presented in the record
20 of these proceedings, both written and oral, including, without limitation, the DEIR, and all of its
21 contents, the Comments and Responses to Comments on the EIR, and staff and consultants' reports
22 presented through the hearing process, which comprise the Final EIR ("FEIR").

23 **II. Project Objectives**

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

- 26 A. Create a high-quality, architectural design that fits the character of the surrounding uses
27 in terms of building placement and articulation and is compatible with the existing
28 architectural components of the Shopping Center.
- 29 B. Maintain the unique open area characteristics of the Shopping Center with the addition
30 of the new "Village Shops," open air promenades, and improved landscaping, thus
31 providing open space for patrons and the surrounding community.
- 32 C. Integrate the various uses and structures on-site with an emphasis on improving
vehicular access within and adjacent to the site while promoting a pedestrian friendly
design.
- D. Integrate the Fry's Electronics parcel; i.e., "Fry's Corner," into the Shopping Center site.
- E. Enhance spatial relationships that promote pedestrian access within the Shopping
Center site.
- F. Improve pedestrian access, mobility and ADA facilities on the project perimeter.
- G. Provide new and enhanced landscaping in the Shopping Center and along the borders
of the site to improve and enhance the street appearance and revitalize the site
frontage along Sepulveda Boulevard and Rosecrans Avenue.

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

- H. Maximize site opportunities by integrating a range of building types and uses within the existing Shopping Center development.
- I. Minimize environmental impacts by locating new development within an area that is currently developed and that has the existing infrastructure to support the development.
- J. Improve site access by providing new or re-aligned access driveways to reduce vehicular queuing and interference with traffic flows on adjacent streets.
- K. Enhance existing parking areas and provide additional parking with direct access to the development.
- L. Identify potential green building opportunities for the upcoming development with emphasis on water conservation, energy efficiency, and pollution reduction.
- M. Generate additional tax revenues to the City of Manhattan Beach.
- N. Maximize the value of the site and ensure the future economic vitality of an existing Shopping Center through revitalization, consistent with market demands.
- O. Provide a broad range of shopping and dining options with featured amenities to serve the needs of the nearby community.
- P. Strengthen the economic vitality of the region by creating new jobs and attracting new workers, through construction, revitalization, and operation of the Project.

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

A Notice of Preparation (NOP) and Initial Study were conducted to determine the potential environmental effects of the Project. In the course of this evaluation, the Project was found to have no impact in certain impact categories because a project of this type and scope would not create such impacts or because of the absence of project characteristics producing effects of this type. The following effects were determined not to be significant or to be less than significant for the reasons set forth in the Initial Study, and were not analyzed in the EIR because they require no additional analysis to determine whether the effects could be significant.

A. AESTHETICS

- 1. The Project will not substantially damage scenic resources, including but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway.

B. AGRICULTURAL RESOURCES

- 1. The Project will not convert prime farmland, unique farmland, or farmland of statewide importance, as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use.
- 2. The Project will not conflict with existing zoning for agricultural use, or a Williamson Act contract.
- 3. The Project will not involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland to non-agricultural use.

C. AIR QUALITY

- 1. The Project will not create objectionable odors affecting a substantial number of people.

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D. BIOLOGICAL RESOURCES

1. The Project will not have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service.
2. The Project will not have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or U. S. Fish and Wildlife Service.
3. The Project will not have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means.
4. The Project will not interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident migratory wildlife corridors, or impede the use of native wildlife nursery sites.
5. The Project will not conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance.
6. The Project will not conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan.

E. CULTURAL RESOURCES

1. The Project will not cause a substantial adverse change in the significance of a historical resource as defined in California Code of Regulations, Section 15064.5.
2. The Project will not cause a substantial adverse change in the significance of an archaeological resource pursuant to Section 15064.5.
3. The project will not directly or indirectly destroy a unique paleontological resource or site or unique geologic feature.
4. The Project will not disturb any human remains, including those interred outside of formal cemeteries.

F. GEOLOGY AND SOILS

1. The Project will have a less than significant impact with regard to rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault.
2. The Project will have a less than significant impact with regard to exposure to strong seismic ground shaking.
3. The Project will have a less than significant impact with regard to seismic-related ground failure, including liquefaction.
4. The Project will not result in landslides.
5. The Project will not result in substantial soil erosion or the loss of topsoil.
6. The Project will not be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the Project, and potentially result in on- or off-site landslide, lateral spreading, collapse, or rockfall hazards.

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7. The Project site is not located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property.
 8. The Project will not have soils incapable of supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water.

G. HAZARDS AND HAZARDOUS MATERIALS

1. The Project will have a less than significant impact with regard to creating a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials.
2. The Project will not emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school.
3. The Project is not located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, and thus would not result in a safety hazard for people residing or working in the Project area.
4. The Project is not within the vicinity of a private airstrip, or heliport, and thus would not result in a safety hazard for people residing or working in the Project area.
5. The Project will not expose people or structures to a significant risk of loss, injury or death involving wildland fires.

H. HYDROLOGY AND WATER QUALITY

1. The Project will have a less than significant impact related to water quality standards and waste discharge requirements.
2. The Project will not substantially alter the existing drainage pattern of the site or area, including through the alteration of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-site.
3. The Project will not otherwise substantially degrade water quality.
4. The Project will not place housing within a 100-year flood hazard area, as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map.
5. The Project will not place within a 100-year flood hazard area structures which would impede or redirect flood flows.
6. The Project will not expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam.
7. The Project will not cause inundation by seiche, tsunami, or mudflow.

I. LAND USE AND PLANNING

1. The Project will not physically divide an established community.
2. The Project will not conflict with any applicable habitat conservation plan or natural community conservation plan.

J. MINERAL RESOURCES

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

- 1 2. The Project will not result in the loss of availability of a locally-important mineral resource
- 2 recovery site delineated on a local general plan, specific plan or other land use plan.
- 3 **K. NOISE**
- 4 1. The Project is not located within an airport land use plan or within two miles of a public airport or
- 5 public use airport, and thus would not expose people residing or working in the project area to
- 6 excessive noise levels.
- 7 2. The Project is not within the vicinity of a private airstrip, and thus would not expose people
- 8 residing or working in the Project area to excessive noise levels.
- 9 **L. POPULATION AND HOUSING**
- 10 1. The Project will not induce substantial population growth in the area, either directly or indirectly.
- 11 2. The Project will not displace substantial numbers of existing housing, necessitating the
- 12 construction of replacement housing elsewhere.
- 13 3. The Project will not displace substantial numbers of people, necessitating the construction of
- 14 replacement housing elsewhere.
- 15 **M. PUBLIC SERVICES**
- 16 1. The Project will not result in substantial adverse physical impacts associated with the provision
- 17 of new or physically altered school facilities, park facilities, or other governmental facilities
- 18 (including roads).
- 19 **N. RECREATION**
- 20 1. The Project will not increase the use of existing neighborhood or regional parks or other
- 21 recreation facilities such that substantial physical deterioration of the facility would occur or be
- 22 accelerated.
- 23 2. The Project does not include recreational facilities or require the construction or expansion of
- 24 recreational facilities that might have an adverse physical effect on the environment.
- 25 **O. TRAFFIC AND TRANSPORTATION**
- 26 1. The Project will not result in a change in air traffic patterns, including either an increase in traffic
- 27 levels or a change in location that results in substantial safety risks.
- 28 2. The Project will not substantially increase hazards due to a design feature (e.g., sharp curves or
- 29 dangerous intersections) or incompatible uses (e.g. farm equipment).
- 30 **P. UTILITIES AND SERVICE SYSTEMS**
- 31 1. The Project will have a less than significant effect with respect to whether it will be served by a
- 32 landfill with sufficient permitted capacity to accommodate the Project's solid waste disposal
- needs.
- 2. The Project will have a less than significant effect with respect to compliance with federal, state,
- and local statutes and regulations related to solid waste.
- IV. Effects Determined to be Less Than Significant Without Mitigation in the EIR**
- The EIR found that the proposed Project would have a less than significant impact without the
- imposition of mitigation on a number of environmental topic areas listed below. A less than significant

environmental impact determination was made for each of the following topic areas listed below, based on the more expansive discussions contained in the EIR.

A. AESTHETICS

1. The Project will have a less than significant effect on views.
2. The Project will have a less than significant effect on shading.

B. AIR QUALITY

1. The Project will have a less than significant effect on local emissions during both construction and operation.
2. The Project will have a less than significant effect on toxic air contaminants during both construction and operation.
3. The Project will have a less than significant effect on objectionable odors during both construction and operation.
4. The Project will have a less than significant effect on regional emissions during the operation phase.
5. The Project will have a less than significant effect on global climate change.

C. HYDROLOGY AND SURFACE WATER QUALITY

1. The Project will result in a less than significant impact to surface water hydrology during both construction and operation.
2. The Project will result in a less than significant impact to surface water quality during both construction and operation.

D. LAND USE AND PLANNING

3. The Project will not result in a substantial alteration of the present or planned land uses in the area.
4. The Project will not be inconsistent with the site's existing or proposed zoning.
5. The Project will not be incompatible with existing surrounding zoning.
6. The Project will be compatible with existing and planned surrounding land uses.
7. The Project will be consistent with the land use designations and policies of the comprehensive General Plan.

E. NOISE

1. The Project will have less than significant noise impacts during the operation phase.

F. TRANSPORTATION AND CIRCULATION/PARKING

1. The Project will have a less than significant impact on intersections, freeway segments, access and circulation, and parking during the operation phase.

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G. UTILITIES

- 1. The Project will have a less than significant impact on water supply during both the construction and operation phases.
- 2. The Project will have a less than significant impact on wastewater during both the construction and operation phases.

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

The EIR identified the potential for the Project to cause significant environmental impacts in the areas of aesthetics, air quality, hazards and hazardous materials, noise, public services related to fire and police protection, and transportation and circulation. For all of the impacts identified in the Final EIR, measures were identified that would mitigate all of these impacts to a less than significant level.

The Planning Commission finds that the feasible mitigation measures for the Project identified in the FEIR would reduce the Project's impacts to a less than significant level. The Planning Commission will adopt all of the feasible mitigation measures for the Project described in the FEIR as conditions of approval of the Project and incorporate those into the Project, if approved.

A. AESTHETICS

1. Aesthetics/Visual Quality

Both construction and operation of the Project have the potential to create aesthetic impacts. During construction, the visual appearance of the site would be altered due to the removal of existing buildings, surface parking areas, and/or landscaping. The presence of construction equipment and materials, as well as temporary fencing, also would affect the visual quality of the area during construction. The removal of existing trees also could cause significant impacts during the operation phase. Mitigation measures will be imposed, however, to ensure that all aesthetic impacts remain less than significant.

a. Findings

Changes or alterations have been required in, or incorporated into, the Project that avoid or substantially lessen any visual impacts. Specifically, the following mitigation measures are imposed upon the Project to ensure that any aesthetic impacts remain less than significant:

Mitigation Measure A-1: The Applicant shall ensure through appropriate postings and daily visual inspections that no unauthorized materials are posted on any temporary construction barriers or temporary pedestrian walkways, and that such temporary barriers and walkways are maintained in a visually attractive manner throughout the construction period.

Mitigation Measure A-2: Temporary fencing with screening material (e.g., a chain link fence with green or black screen material) approximately 6 feet in height shall be used around the perimeter of construction activities within the Development Area to buffer views of construction equipment and materials. In addition, construction activities internal to the site shall be screened by temporary construction fencing located within 5 to 10 feet of the vertical construction areas.

Mitigation Measure A-4: A landscape plan for the Development Area shall be prepared to the satisfaction of the Community Development Department. The landscape plan shall provide for the replacement of any significant tree removed with a minimum of one 36-inch box tree, with the specific number and size to be determined by the Community

Development Department. The landscape plan shall also include an automatic irrigation plan.

b. **Facts in Support of Findings**

The EIR undertook an analysis of both construction and operational impacts to aesthetics and the visual quality of the area. The EIR identified potentially significant impacts during construction. Construction activities, including site preparation/grading, staging of construction equipment and materials, and the unfinished construction could have aesthetic impacts. The visual inspections and fencing/screening required by Mitigation Measures A-1 and A-2, however, will ensure that the site will remain visually attractive during construction. Thus, aesthetic impacts during construction will remain less than significant with mitigation incorporated.

The EIR did not identify any significant visual impacts during the operation phase. Nonetheless, the Project will require the removal of existing trees within the Development Area. To reduce impacts as much as possible, Mitigation Measure A-4 is proposed to ensure that the landscaping complies with the City's requirements and expectations. Landscaping would be provided along the perimeter of new buildings, along walkways, and in courtyards and surface parking areas. Landscaping will include native and drought-tolerant trees and shrubs, as well as ornamental plantings and shade trees. Any significant trees that are removed will be replaced with a 36-inch box tree, as approved by the Community Development Director. With the incorporation of these mitigation measures, all aesthetic impacts will be reduced to a less than significant level.

2. **Light**

Both construction and operation of the Project have the potential to create lighting impacts. In general, these impacts are not anticipated to be significant. Nonetheless, mitigation measures will be imposed to ensure that any such impacts remain less than significant.

a. **Findings**

Changes or alterations have been required in, or incorporated into, the Project that minimize lighting impacts. Specifically, the following mitigation measures are imposed upon the Project to ensure that lighting impacts remain less than significant:

Mitigation Measure A-3: Any necessary construction lighting shall be directed onto the construction site and have low reflectivity to minimize glare and limit light spillover onto adjacent properties.

Mitigation Measure A-5: All new street lighting within the public right-of-way required for the project shall be approved by the Public Works Department, and where applicable, Caltrans.

Mitigation Measure A-6: All new parking and pedestrian lighting required for the project shall be the minimum height needed and shall include cutoff optics and shielding that direct light away from off-site uses. Such lighting shall be approved by the Community Development Department.

Mitigation Measure A-7: Architectural lighting shall be directed onto the building surfaces, have low reflectivity to minimize glare, limit light spillover onto adjacent properties and night sky, and be approved by the Community Development Department.

Mitigation Measure A-8: Lighting controls shall allow the stepping down of light intensity after business hours.

Mitigation Measure A-9: A photometric lighting plan for the Development Area shall be prepared by an electrical engineer registered in the State of California. The plan shall consist of a foot-

1 candle layout based on a 10-foot grid extending for a minimum of 20
2 feet outside the property lines. This plan shall demonstrate that
3 additional lighting does not exceed 2.0 foot-candles at a light-sensitive
4 use (e.g., residential or hotel uses) or 0.5 foot-candles in an R district.
5 Upon completion of installation of such lighting, lights shall be field
6 verified and/or adjusted to ensure consistency with the photometric
7 plan.

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9 **b. Facts in Support of Findings**

10 The EIR analyzed light impacts during both the construction and operation phases. Although
11 most construction activities would occur during the day, lighting during construction would be used for
12 safety and security reasons. Mitigation Measure A-3 has been proposed to ensure that any necessary
13 construction lighting shall be directed onto the construction site and have low reflectivity to minimize
14 glare and limit light spillover onto adjacent properties. Thus, with the implementation of this mitigation
15 measure, any light impacts during the construction phase would not have a significant impact.

16 Since the Project would add new lighting to the site, it has the potential to increase ambient light
17 levels on-site and in the surrounding area. The imposition of Mitigation Measures A-5 through A-9,
18 however, will reduce spillover onto residential and other adjacent uses. Lighting will be required to
19 comply with the Municipal Code requirements and will be directed onto specific areas. The use of
20 shielding and LED lighting will limit spillover. In addition, the lighting plan must comply with the following
21 standard: additional lighting may not exceed 2.0 foot-candles at a light-sensitive use (e.g., residential or
22 hotel uses) or 0.5 foot-candles in an R district. In short, no measurable light will extend outside the
23 Shopping Center site. Thus, the mitigation measures imposed on the Project will ensure that any
24 increase in ambient light would not alter the character of the area, interfere with nearby residential uses,
25 or interfere with the performance of an off-site activity. Project-related light impacts will be less than
26 significant.

27 **B. AIR QUALITY**

28 **1. Regional Emissions during Construction**

29 Construction of the proposed Project has the potential to create air quality impacts due to the
30 use of heavy-duty construction equipment. In addition, the added vehicle trips of construction workers
31 traveling to and from the Shopping Center site will contribute to an increase in regional emissions during
32 construction. Lastly, fugitive dust emissions would result from demolition and construction activities. In
33 general, these impacts are not anticipated to be significant. Nonetheless, mitigation measures will be
34 imposed to ensure that any such impacts remain less than significant.

35 **a. Findings**

36 Changes or alterations have been required in, or incorporated into, the Project that reduce
37 impacts on regional emissions. Specifically, the following mitigation measures are imposed upon the
38 Project to ensure that this less than significant impact is reduced even further:

39 **Mitigation Measure B-1:** All unpaved demolition and construction
40 areas shall be wetted at least twice daily during excavation and
41 construction, and temporary dust covers shall be used to reduce dust
42 emissions and meet SCAQMD District Rule 403.

43 **Mitigation Measure B-2:** The owner or contractor shall keep the
44 construction area sufficiently dampened to control dust caused by
45 construction and hauling, and at all times provide reasonable control of
46 dust caused by wind without causing runoff or discharge to the
47 municipal stormwater system.

48 **Mitigation Measure B-3:** All loads shall be secured by trimming,
49 watering or other appropriate means to prevent spillage and dust.

Mitigation Measure B-4: All materials transported off-site shall be either sufficiently watered or securely covered to prevent excessive amount of dust.

Mitigation Measure B-5: All earth moving or excavation activities shall be discontinued during periods of high winds (i.e., greater than 15 mph), so as to prevent excessive amounts of dust.

Mitigation Measure B-6: General contractors shall maintain and operate construction equipment so as to minimize exhaust emissions. During construction, trucks and vehicles in loading and unloading queues will have their engines turned off when not in use, to reduce vehicle emissions. Construction activities should be phased and scheduled to avoid emissions peaks and discontinued during second-stage smog alerts.

Mitigation Measure B-7: To the extent possible, petroleum powered construction activity shall utilize electricity from power poles rather than temporary diesel power generators and/or gasoline power generators.

Mitigation Measure B-8: On-site mobile equipment shall be powered by alternative fuel sources (i.e., methanol, natural gas, propane or butane) as feasible.

b. **Facts in Support of Findings**

Construction of the proposed Project has the potential to create air quality impacts due to the use of heavy-duty construction equipment. The vehicle trips of construction workers traveling to and from the Shopping Center site also will contribute to an increase in regional emissions during construction. By using well-maintained construction equipment, timing construction to avoid emissions peaks, and relying on alternative fuel sources, the Project can avoid significant impacts. Mitigation Measures B-6 through B-8 will minimize emissions and ensure that emissions remain below a significant level.

Fugitive dust emissions may result from demolition and construction activities. Compliance with SCAQMD District Rule 403 and Mitigation Measures B-1 through B-5 will reduce dust emissions to a less than significant level.

Implementation of the mitigation measures described above would reduce construction emissions for all pollutants, and Project-related and cumulative construction air quality impacts would remain less than significant.

C. HAZARDS AND HAZARDOUS MATERIALS

1. **Construction and Operation**

The Project has the potential to create significant impacts related to hazards and hazardous materials. Excavation, drilling, grading, and foundation preparation activities could expose workers to hazards during construction, including migrating VOCs. Nonetheless, mitigation measures will be imposed to ensure that any such impacts remain less than significant.

a. **Findings**

Changes or alterations have been required in, or incorporated into, the Project that reduce impacts related to hazards and hazardous materials. Specifically, the following mitigation measures are imposed upon the Project to ensure that impacts are reduced to a less than significant level:

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Mitigation Measure C-1: Given the likelihood of encountering soil containing crude oil and its associated components (VOCs, PAHs, heavy metals, etc.) during major earthwork performed within the Development Area, earthwork shall be conducted under a Soil Management Plan (SMP), designed to guide construction and earthwork contractors in the best management practices (BMPs) for excavations, utility installations, grading, compaction, and other earthwork activities on potentially contaminated sites. The SMP shall contain the following information:

- A summary of Site topography and soil conditions;
- Decision matrix for the application of the SMP procedures;
- Description of applicable earthwork and maintenance activities that will trigger the SMP procedures;
- Discussion of applicable regulations for performing earthwork in potentially contaminated soil areas, including those from the Occupational Safety and Health Administration (OSHA), the SCAQMD, and the LARWQCB;
- Health & safety procedures for worker safety, personal protective equipment, and training;
- Air pollution measurement and control measures for compliance with SCAQMD Rules 403 and 1166;
- Stormwater pollution control measures and best management practices (BMPs) to prevent non-stormwater discharge, control stormwater runoff and prevent pollution of stormwater runoff including control of sediments;
- Methods to identify potentially impacted soils;
- Truck traffic planning procedures;
- Recommended Site security procedures;
- Stockpile management;
- Stockpile profiling;
- Decontamination procedures; and
- Record keeping procedures.

The SMP shall be made available to various agencies for comment, including the LARWQCB and the South Coast Air Quality Management District at least 60 days prior to the start of earthwork. The SMP shall also be subject to review and approval by the City of Manhattan Beach prior to the start of earthwork. The Applicant will use the SMP as a guide for all construction or maintenance work conducted on the Shopping Center Site.

Mitigation Measure C-2: Any underground storage tanks, toxic materials, contaminated soils, or contaminated groundwater encountered during demolition, excavation, or grading shall be evaluated and excavated/disposed of, treated in-situ (in place), or

otherwise managed in accordance with applicable regulatory requirements and in accordance with the Soil Management Plan.

Mitigation Measure C-3: The Applicant shall install and use a sub-slab barrier and vent system (vapor intrusion protection system) in each building to mitigate the hazards caused by methane and VOCs in subsurface soil. The Applicant shall construct the impermeable membrane barrier of a minimum 60-mil-thick high-density polyethylene (HDPE) liner system or liquid asphaltic spray-applied liner installed underneath each slab-on-grade structure constructed in the Project. This barrier shall be installed over a network of slotted vent piping set in gravel in order to collect and safely redirect any vapors from beneath the building based on a comprehensive review of historical data, the types of VOCs identified, and the range of methane concentrations.

To ensure proper installation, the performance of the vapor intrusion protection system shall be monitored by screening for methane in selected "compliance rooms" within the Project buildings for the first year of occupancy on a quarterly basis. Methane shall act as the indicator of a leak or malfunction with the system, since it is far more abundant in soil than any other vaporous chemical, is non-toxic, and can be detected easily with portable, hand-held equipment.

Reports summarizing the quarterly monitoring events shall be provided to the City of Manhattan Beach Fire Department. If the system is determined to be performing according to design specifications established by the design engineer and approved during the plan check process, the monitoring will be concluded after four monitoring periods, or one year.

Each system shall be configured so that it is prepared for the unlikely event that a breach occurs or portions of the barrier and vent system are damaged. The following back-up safety systems shall be in place and available to the Applicant if elevated methane concentrations are detected inside a building during an inspection or inspections indicate system damage or malfunction:

- The system shall be configured such that it may be converted to an active vacuum system that will create negative pressure under the building slab; and
- Heating/ventilation/air conditioning (HVAC) equipment and controls shall be configured so as to be capable of generating and maintaining positive pressure within the Project buildings (with the exception of restaurant buildings, for safety reasons).

b. **Facts in Support of Findings**

Construction of the Project requires excavation that would disturb soil below the ground surface to as deep as approximately 10 feet below ground. Construction activities, such as foundation demolition, excavations for grading, excavations for linear utilities, drilling for caissons, grading, compaction, and foundation preparation, likely will encounter demolition fill and oily dune sand. Without mitigation measures, construction workers could be exposed to hazards during construction. In addition, based on historical methane data, commercial workers during operation of the Project have the potential to be exposed to migrating VOC vapors from groundwater as a result of vapor intrusion.

To address these potential impacts, mitigation measures would be implemented that include: (i) the preparation of a soil management plan during construction and (ii) incorporating vapor venting and barrier protection into the Project design. With implementation of Mitigation Measures C-1 through C-3,

1 impacts associated with hazards and hazardous materials would be reduced to less than significant
2 levels.

3 **D. NOISE**

4 1. Project Construction Noise

5 Construction associated with the Project would generate temporary noise levels that could
6 affect sensitive receptors near the Project site. With the implementation of mitigation measures,
7 however, noise impacts will be reduced to a less than significant level.

8 a. **Findings**

9 Changes or alterations have been required in, or incorporated into, the Project that avoid or
10 substantially lessen any potential construction noise impacts. Specifically, the following mitigation
11 measures are imposed upon the Project to ensure a less than significant impact:

12 **Mitigation Measure F-1:** A temporary, continuous and impermeable
13 sound barrier wall shall be erected along those portions of the
14 Development Area closest to off-site sensitive receptors during
15 construction activities. The required height and extent of the sound
16 barrier wall shall be designed to achieve: a minimum 2 dBA reduction
17 during construction of the Village Shops at receptor R3; a minimum 15
18 dBA and 2 dBA reduction at receptors R2 and R3, respectively, during
19 construction of the Northeast Corner component; and a minimum 1
20 dBA and 16 dBA reduction at receptors R2 and R3, respectively, during
21 construction of the Northwest Corner component.

22 **Mitigation Measure F-2:** Exterior noise-generating construction
23 activities shall be limited to Monday through Friday from 7:30 A.M. to
24 6:00 P.M., and from 9:00 A.M. to 6 P.M. on Saturdays. No noise-
25 generating exterior construction activities shall occur on Sundays or
26 City observed holidays.

27 **Mitigation Measure F-3:** Construction activities shall be scheduled so
28 as to avoid operating several pieces of heavy equipment
29 simultaneously when close to nearby sensitive uses, which causes high
30 noise levels.

31 **Mitigation Measure F-4:** Noise-generating construction equipment
32 operated at the Shopping Center site shall be equipped with effective
noise control devices, i.e., mufflers, lagging, and/or motor enclosures.
All equipment shall be properly maintained to assure that no additional
noise due to worn or improperly maintained parts would be generated.

Mitigation Measure F-5: Engine idling from construction equipment
such as bulldozers and haul trucks shall be limited. Idling of haul trucks
shall be limited to five (5) minutes at any given location as established
by the South Coast Air Quality Management District.

b. **Facts in Support of Findings**

Construction of the proposed Project is expected to require the use of backhoes, front-end
loaders, heavy-duty trucks, earth moving equipment, cranes, forklifts, and other heavy equipment. Such
equipment often produces significant noise.

During the demolition phase related to the Village Shops, the threshold would be exceeded for
the hotel and senior housing uses to the west by 2 dBA. This would be a significant impact. In addition,
construction activities associated with the Northeast Corner would exceed the significance thresholds at
two receptor locations – the residential uses to the east (R2) and the hotel and senior housing uses to

the west (R3). Construction of the Northwest Corner could cause significant impacts at the same two locations. As such, noise impacts associated with Project construction would be significant at those two receptor locations.

The temporary sound barriers prescribed in Mitigation Measure F-1 would reduce the potential short-term construction impacts to sensitive receptors to less than significant levels. Implementation of Mitigation Measure F-2 would preclude construction noise impacts from occurring during the noise-sensitive night time periods, or at any time on Sundays and holidays. Noise level reductions attributable to Mitigation Measures F-3 through F-5 would ensure that the noise levels associated with construction activities would be reduced to the extent feasible. Reducing engine idling and preventing the simultaneous use of multiple pieces of heavy equipment will significantly reduce noise impacts. In sum, implementation of the prescribed mitigation measures would reduce Project noise impacts associated with on-site construction activities to less than significant levels.

E. PUBLIC SERVICES

1. Fire Services

Emergency access for fire department vehicles could be impacted by Project construction activities, but impacts are not anticipated to be significant. Similarly, impacts to fire services during the operation phase are not expected to be significant. Nonetheless, mitigation measures will be imposed to ensure that any such impacts remain less than significant.

a. Findings

Changes or alterations have been required in, or incorporated into, the Project that minimize impacts to emergency access for fire department vehicles. Specifically, the following mitigation measure will be imposed upon the Project:

Mitigation Measure G.1-1: During Project construction, the Applicant shall ensure that Manhattan Beach Fire Department access to the Shopping Center Site will remain clear and unobstructed from construction activities.

Mitigation Measure G.1-2: The Applicant shall submit plans including a site plan for approval by the Manhattan Beach Fire Department prior to approval and issuance of a building permit.

Mitigation Measure G.1-3: The Applicant shall consult with the Manhattan Beach Fire Department and incorporate fire prevention and suppression features appropriate to the design of the Project.

b. Facts in Support of Findings

Construction of the Project could have an impact on emergency access for fire department vehicles due to temporary lane closures, sidewalk closures, increased traffic due to the movement of construction equipment, and hauling of demolition materials that could slow traffic. Mitigation Measure G.1-1 would ensure that such impacts remain less than significant by requiring the applicant to use traffic management personnel and appropriate signage. Thus, impacts to emergency access during construction will remain less than significant.

Any potential impacts during operation also will be reduced to a less than significant level. Although the increased demand for fire protection services during operation is not anticipated to be significant, Mitigation Measures G.1-2 and G.1-3 will ensure that response times remain adequate and that the Project incorporates sufficient hydrants and fire flow to meet local requirements. In sum, the inclusion of Mitigation Measures G.1-1 through G.1-3 will reduce impacts to fire protection services to a less than significant level.

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2. Police Services

Construction activities could increase response time for emergency vehicles due to temporary lane closures and other implications of construction-related traffic that cause increased travel time. In addition, the Project would increase the daytime population in the City, which could result in an increased need for security services. These impacts are not anticipated to be significant, but mitigation measures will be imposed to ensure that any such impacts to police services remain less than significant.

a. Findings

Changes or alterations have been required in, or incorporated into, the Project that reduce impacts to police services. Specifically, the following mitigation measures are imposed upon the Project to ensure that the impacts to police services remain less than significant:

Mitigation Measure G.2-1: During Project construction, the Applicant shall ensure that, Manhattan Beach Police Department access to the Shopping Center site will remain clear and unobstructed from construction activities, consistent with the Security Plan approved by the Manhattan Beach Police Department.

Mitigation Measure G.2-2: During Project construction, the Applicant shall implement security measures including but not limited to security fencing, lighting, and the use of a seven-day, 24-hour security patrol in accordance with the Security Plan approved by the Manhattan Beach Police Department.

Mitigation Measure G.2-3: The Applicant shall consult with the Manhattan Beach Police Department and incorporate crime prevention features appropriate for the design of the Project in accordance with the Security Plan approved by the Manhattan Beach Police Department.

Mitigation Measure G.2-4: Upon Project completion, the Applicant shall provide the Manhattan Beach Police Department with a diagram of each portion of the property, including access routes, and provide additional information that might facilitate police response in accordance with the Security Plan.

Mitigation Measure G.2-5: A Security Plan for the Shopping Center shall be developed in coordination with the Manhattan Beach Police Department and subject to the review and approval of the Manhattan Beach Police Department. This security plan shall include a specific security plan for the parking structures and a requirement to routinely meet with the Manhattan Beach Police Department regarding security within the Shopping Center.

b. Facts in Support of Findings

Similar to the effect on fire services, construction-related traffic could affect emergency access to the Shopping Center site and to surrounding areas. Temporary lane closures and other traffic-related effects could increase response times for police vehicles. Mitigation Measure G.2-1, however, will require the use of traffic management personnel and appropriate signage to reduce impacts to a less than significant level. Since emergency access to the Shopping Center site would remain clear and unobstructed during construction of the Project, construction impacts related to police access would be less than significant.

The storage of equipment and building materials on-site during construction could induce theft, which could increase the need for police services. Mitigation Measure G.2-2, however, would be

required to ensure that the site remains secure, thereby reducing any impact on police services to a less than significant level.

Although the Project would not cause an increase in the permanent residential population served by the police department, it would increase the daytime population of the City. Thus, the daytime population could increase the demand for police protection services. Mitigation Measures G.2-3 through G.2-5, however, will reduce the increase in demand caused by the Project. The Project would provide adequate security features within the Shopping Center site, including foot patrol and bike patrol by private security guards, and security lighting in areas including, but not limited to, parking structures and pedestrian pathways. The Applicant also will provide conduit with hard wiring in the parking structures for exclusive use for possible future security cameras. Emergency phones also would be installed throughout the parking structures. Thus, the Project will include sufficient design features and operational features to reduce any impact on police services to a less than significant level.

Implementation of the mitigation measures provided above would ensure that potential police protection services impacts associated with the proposed Project would be less than significant.

F. TRANSPORTATION AND CIRCULATION

1. Traffic during Construction

Traffic impacts during construction are expected to be less than significant. Nonetheless, mitigation measures will be imposed to ensure that any such impacts remain less than significant.

a. Findings

Changes or alterations have been required in, or incorporated into, the Project to ensure that traffic impacts during construction remain less than significant. Specifically, the following mitigation measure will be imposed upon the Project:

Mitigation Measure H-1: Prior to the start of construction, the Applicant shall devise a Construction Traffic Management Plan to be implemented during construction of the Project. The Construction Traffic Management Plan shall identify all traffic control measures and devices to be implemented by the construction contractor through the duration of demolition and construction activities associated with the Project. Construction traffic controls should be provided consistent with current California Manual of Uniform Traffic Control Devices standards and include provisions to provide and maintain ADA pedestrian mobility and access consistent with current California requirements. If lane closures are needed, the Construction Traffic Management Plan shall be submitted for review to Caltrans. The Construction Traffic Management Plan shall also be submitted for review to the City of El Segundo Public Works Department and the City of El Segundo Planning and Building Safety Department. The Construction Traffic Management Plan shall be subject to final approval by the City of Manhattan Beach Public Works Department, the City of Manhattan Beach Community Development Department, and the Manhattan Beach Police and Fire Departments. A final copy of the Construction Traffic Management Plan shall be submitted to the City of El Segundo.

b. Facts in Support of Findings

It is anticipated that during peak excavation periods, Project construction would generate up to 52 daily haul trips for 26 loads (i.e., average of seven haul trips per hour from 9:00 A.M. to 4:00 P.M.). During the store finishing portion of the construction Project, up to 50 daily trucks would produce 100 truck trips (14 truck trips per hour from 9:00 A.M. to 4:00 P.M.). Construction activity would be severely curtailed during the month of December in order to avoid conflicts with the peak shopping season. Although such impacts remain below the City's thresholds of significance, the Public Works Department will require approval of a Construction Traffic Management Plan prior to commencement of construction

1 (see Mitigation Measure H-1) to ensure that impacts remain less than significant. Such a plan would
2 seek to limit construction-related truck trips to off-peak traffic periods, to the extent feasible. With
3 implementation of Mitigation Measure H-1, construction-related traffic impacts would remain less than
4 significant.

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7 **2. Parking during Construction**

8 Project impacts on parking during the construction phase have been identified as potentially
9 significant, especially if construction occurs during the holiday shopping season and/or construction
10 delays occur. These impacts are not anticipated to be significant, but mitigation measures will be
11 imposed to ensure that any such impacts remain less than significant.

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14 **a. Findings**

15 Changes or alterations have been required in, or incorporated into, the Project that minimize
16 parking impacts during construction. Specifically, the following mitigation measure will be imposed upon
17 the Project:

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23 **Mitigation Measure H-2:** The Applicant shall submit a Construction
24 Parking Management Plan to the City Community Development
25 Department in October or earlier of each year that construction is
26 planned between Thanksgiving through New Year's. The initial
27 October or earlier submittal shall estimate the number of parking
28 spaces to be available during the upcoming holiday shopping period
29 and the peak demand likely during that same period based on the
30 shared parking analysis similar to the analyses performed in the Traffic
31 Study for the Manhattan Village Shopping Center Improvement Project.
32 In the event that a parking shortage is projected, the Construction
Parking Management Plan shall include the following points:

- A determination of the need for the provision of off-site parking.
- An estimate of the number of weekday and weekend off-site parking spaces needed to meet demand.
- The identification of the location of an off-site parking location(s) with the appropriate number of available spaces.
- Signed agreements with the owners of the off-site parking supply allowing the shopping center to utilize the spaces during the needed time periods.
- A transportation plan identifying shuttle operations, frequency, and hours of operation for any off-site spaces beyond a reasonable walking distance.
- Modification or reduction in construction hours or days.

The annual Construction Parking Management Plan shall be submitted to and approved by the Director of Community Development. A final copy of the Construction Parking Management Plan shall be submitted to the City of El Segundo.

b. Facts in Support of Findings

Analysis of the proposed parking demand based on active land uses, customers, employees, and construction employees shows that the parking supply would be adequate to meet the peak monthly parking demand at the Shopping Center site. The possibility remains, however, that due to project delays or construction scheduling, temporary parking shortages may occur on occasion.

Specifically, there may be holiday shopping periods during which there would not be sufficient on-site parking supplies to meet the Christmas parking demand if certain phases of construction do not proceed as planned in terms of scheduling. Given this uncertainty, Mitigation Measure H-2 will be imposed to require a Construction Parking Management Plan for periods when a parking shortage is anticipated. With implementation of this mitigation measure, Project construction would not significantly impact the availability of parking.

VI. Project Alternatives

The City of Manhattan Beach has considered a range of reasonable alternatives for the proposed Project including: Alternative A – No Project/No Build Alternative; Alternative B – Reduced Project – Village Shops Only Alternative; and Alternative C – Modified Site Plan Alternative. Alternatives A, B, and C were analyzed in the EIR, and the basis for rejecting each of these alternatives as infeasible is analyzed below.

As described in the Executive Summary of the FEIR, an “Alternative Site” alternative was rejected from further analysis because it would not meet the underlying purpose of the Project. As described in the Executive Summary, development at another location would not advance the majority of the Project Objectives, including promoting the future vitality of the Shopping Center Site, improving vehicular/pedestrian access at the Site, and integrating the Fry’s parcel into the Site. For the reasons stated above and discussed further in the Executive Summary, an “Alternative Site” alternative was not analyzed further because it would result in greater environmental impacts than the Project and would not achieve the Project Objectives.

A. ALTERNATIVE A – NO PROJECT/NO BUILD ALTERNATIVE

1. Summary of Alternative

The No Project/No Build Alternative includes continued use of the site as it exists today. No new buildings would be constructed, none of the existing facilities would be expanded or improved, and existing buildings would continue to function as they currently do, with no increase in shopping center uses. Internal circulation and parking at the Shopping Center site would remain unchanged. Finally, no landscaping or sustainability features would be implemented as part of this Alternative.

1. Reasons for Rejecting Alternative: Infeasibility

The No Project/No Build Alternative would avoid the proposed Project’s impacts relating to aesthetics, light, air quality, noise, and traffic/circulation. Since all of those impacts for the Project were found to be less than significant with mitigation incorporated, however, Alternative A would not actually reduce any significant and unmitigated impacts.

In addition, the No Project/No Build Alternative would not improve the site from a land use or aesthetic perspective, and would not meet any of the objectives for the proposed Project. The No Project/No Build Alternative would not enhance spatial relationships that promote pedestrian access within the Shopping Center site. This Alternative would neither integrate the Fry’s Electronics parcel into the Shopping Center site nor improve pedestrian access. Finally, the No Project/No Build Alternative would neither maximize the value of the site nor ensure the future economic vitality of an existing Shopping Center. As these and other Project objectives would not be met with Alternative A, the Planning Commission finds this to be an adequate basis for rejecting this Alternative as socially infeasible.

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

1 **B. ALTERNATIVE B – REDUCED PROJECT – VILLAGE SHOPS ONLY ALTERNATIVE**

2 1. Summary of Alternative

3 The Reduced Project – Village Shops Only Alternative would involve the development of 60,000
4 square feet of the Village Shops component, but would not include the development of the Northeast
5 Corner or the Northwest Corner components. Specifically, a new parking facility and new retail
6 buildings would not be developed in the northeast corner. In addition, the 46,200 square foot Fry's
7 Electronics building would not be demolished and new shopping center buildings and parking facilities
8 would not be developed in the northwest corner.

9 2. Reasons for Rejecting Alternative: Infeasibility

10 The Reduced Project – Village Shops Only Alternative would cause similar aesthetic effects
11 during construction, though for a shorter term than for the Project because of the reduced scale. Like
12 the Project, however, all aesthetic impacts would be reduced to a less than significant level through
13 mitigation. In comparison to the Project, Alternative B would result in a reduction in lighting due to the
14 exclusion of the development in the Northeast and Northwest Corners of the Shopping Center site
15 proposed as part of the Project. Like the Project, lighting impacts would be less than significant, though
16 lighting impacts of Alternative B would be less than for the proposed Project.

17 The reduction in scale of construction also would reduce air quality impacts as compared to the
18 proposed Project. Given the difference of operational uses between Alternative B and the proposed
19 Project and the subsequent difference in vehicle trips, however, regional operational emissions under
20 the Alternative B are anticipated to be greater than the proposed Project – though still less than
21 significant. The same can be said for greenhouse gas emissions, which would be greater for Alternative
22 B than for the proposed Project, but remain less than significant.

23 Alternative B would cause similar effects related to exposing workers to hazards during
24 construction because both would require workers to excavate and prepare foundations. Thus, impacts
25 associated with chemical and physical hazards would be similar to the Project and less than significant
26 with mitigation incorporated. By not requiring demolition, Alternative B would have a reduced impact on
27 asbestos exposure. Alternative B would cause greater impacts to operational noise and traffic than the
28 proposed Project. Like the Project, however, the impacts would remain less than significant.

29 Alternative B would not meet the objective of integrating the various uses and structures into the
30 Site, especially with respect to integrating the Fry's parcel (the Northwest Corner). In addition,
31 Alternative B would not enhance spatial relationships that promote pedestrian access within the
32 Shopping Center site or maximize site opportunities in the same manner as the proposed Project.
33 Additionally, the consolidation of the Macy's Men's store from the south portion of the Main Mall into the
34 Macy's main store at the north end of the Mall, and the expansion of the Macy's main store to
35 accommodate the consolidation of the two parts of the store, is a key component of the project that
36 would not be realized if Alternative B were constructed. As these Project objectives would not be met to
37 the degree they would be met with the proposed Project, the Planning Commission finds this to be an
38 adequate basis for rejecting Alternative B as socially infeasible.

39 The Planning Commission hereby finds that each of the reasons set forth above would be an
40 independent ground for rejecting Alternative B, and by itself, independent of any other reason, would
41 justify rejection of Alternative B as socially infeasible.

42 **C. ALTERNATIVE C – MODIFIED SITE PLAN ALTERNATIVE**

43 1. Summary of Alternative

44 The Modified Site Plan Alternative would involve the same overall types and amounts of
45 development as the proposed Project, but the Village Shops and related parking would be relocated
46 further south and east within the Shopping Center site. The Northwest and Northeast corners would be
47 the same as under the proposed Project. Like the proposed Project, Alternative C would involve a total
48 net increase of approximately 123,672 square feet of new retail and restaurant space (including
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approximately 194,644 square feet of new gross leasable area and demolition of approximately 70,972 square feet of existing retail, restaurant, and cinema space).

2. Reasons for Rejecting Alternative: Infeasibility

The Modified Site Plan Alternative would cause similar aesthetic effects during construction and would result in a similar time frame as the proposed Project. The Development Area where construction would occur would be shifted further south and east and would therefore be more visible to the east of the Site. However, fencing, landscaping and changes in topography would obstruct the visibility of construction activities and the same mitigation measures would be imposed for Alternative C as would be imposed for the Project. Thus, aesthetic impacts would be slightly more than the proposed Project due to the changed location of construction, but would remain less than significant.

Similarly, potential light and glare effects would be slightly greater than the Project due to the location of construction, but impacts would remain less than significant. The same can be said for the noise impacts related to this Alternative. While noise may be slightly greater due to the location of construction, impacts would be expected to remain less than significant.

Air quality impacts, toxics, and greenhouse gas emissions would essentially be the same as the proposed Project due to the similar scale of the Project and would be less than significant. Hazards and hydrology impacts would be similar to the proposed Project and less than significant.

Impacts relative to consistency with land use plans would be slightly greater for Alternative C than for the proposed Project because the design would be less accommodating to pedestrian activity and less internally consistent with other land uses on the Shopping Center site. Nonetheless, impacts under either scenario would be less than significant.

Impacts to fire and police services, as well as water supply and wastewater, would be the same as the proposed Project. Similarly, traffic impacts are expected to be the same as the proposed Project. With mitigation measures incorporated, however, any traffic impacts would be less than significant under either scenario.

Alternative C generally would meet the underlying purpose of the Project and would meet many of the Project Objectives. Due to the revised location of the proposed Village Shops under Alternative C, however, some of the Project Objectives would not be met. Primarily, this Alternative would not maintain the unique open air characteristics of the Shopping Center, nor would it promote pedestrian access within the Site. It would not enhance existing parking areas and provide additional parking with direct access to the development nor would the architectural design in terms of building placement be as compatible with the existing components of the Shopping Center as the proposed Project. In short, this Alternative would not integrate the various uses on the site to the same extent as the proposed project, maximize site opportunities, or improve vehicular access while promoting pedestrian-friendly design. Given that this Alternative would not meet as many of the Project Objectives as the proposed Project, the Planning Commission finds this to be an adequate basis for rejecting Alternative C as socially infeasible.

In addition, Alternative C is rejected on the basis that it would not be environmentally superior to the proposed Project. The light and glare impacts of Alternative C would exceed those of the Project and the Alternative would not be as consistent with land use policies because it would not improve pedestrian access as well as the proposed Project, nor would it separate or buffer residential areas from noise, odors, or light and glare as well as the proposed Project.

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

D. ENVIRONMENTALLY SUPERIOR ALTERNATIVE

Of the alternatives evaluated above, the No Project Alternative is the environmentally superior alternative with respect to reducing the potentially significant impacts created by the proposed Project.

1 The CEQA Guidelines require the identification of another environmentally superior alternative if the No
2 Project Alternative is the environmentally superior alternative.

3 Of the remaining project alternatives, the Reduced Project – Village Shops Only alternative is
4 the environmentally superior alternative. Although the Reduced Project Alternative would decrease
5 some environmental impacts as compared to the proposed Project, however, it would actually have
6 greater impacts than the proposed Project with respect to operational traffic impacts. In addition, the
7 proposed Project does not have any significant unmitigated impacts. For those reasons and for the
8 reasons discussed above, the Planning Commission hereby rejects the Reduced Project Alternative in
9 favor of the Project.
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EXHIBIT B

MITIGATION MONITORING AND REPORTING PROGRAM

enforcement agency as provided for herein. All departments listed below are within the City of Manhattan Beach unless otherwise noted. The entity responsible for the implementation of mitigation measures shall be the Applicant unless otherwise noted.

As shown on the following pages, each required mitigation measure for the proposed Project is listed and categorized by impact area, with accompanying discussion of:

- Enforcement Agency—the agency with the power to enforce the mitigation measure.
- Monitoring Agency—the agency to which reports involving feasibility, compliance, implementation, and development are made.
- Monitoring Phase—the phase of the proposed Project during which the mitigation measure shall be monitored.
- Monitoring Frequency—the frequency at which the mitigation measure shall be monitored. Because construction would be completed in increments, repeat monitoring may be required for some mitigation measures to demonstrate compliance for each increment.
- Action(s) Indicating Compliance—the action(s) of which the Enforcement or Monitoring Agency indicates that compliance with the required mitigation measure has been implemented.

4. Enforcement

This MMRP shall be in place throughout all phases of the proposed Project. Each phase of the proposed Project will be required to demonstrate compliance. The Applicant shall be obligated to provide certification, as identified below, to the appropriate agency that compliance with the required mitigation measure has been implemented.

5. Program Modification

After review and approval of the final MMRP by the Lead Agency, minor changes and modifications to the MMRP are permitted, but can only be made by the Applicant or its successor subject to the approval by the City of Manhattan Beach. The Lead Agency, in conjunction with any appropriate agencies or departments, will determine the adequacy of any proposed change or modification. The flexibility is necessary in light of the proto-typical nature of the MMRP, and the need to protect the environment with a workable program. No changes will be permitted unless the MMRP continues to satisfy the requirements of CEQA, as determined by the Lead Agency.

6. Mitigation Monitoring and Reporting Program

IV.A. Aesthetics, Views, Light/Glare, and Shading

Mitigation Measure A-1: The Applicant shall ensure through appropriate postings and daily visual inspections that no unauthorized materials are posted on any temporary construction barriers or temporary pedestrian walkways, and that such temporary barriers and walkways are

1 maintained in a visually attractive manner throughout the construction
2 period.

- 3 • **Enforcement Agency:** City of Manhattan Beach Community
4 Development Department
- 5 • **Monitoring Agency:** City of Manhattan Beach Community
6 Development Department
- 7 • **Monitoring Phase:** Construction
- 8 • **Monitoring Frequency:** Periodic field inspections
- 9 • **Action(s) Indicating Compliance with Mitigation Measure(s):**
10 Field inspection sign-off

11 **Mitigation Measure A-2:** Temporary fencing with screening material (e.g., a chain
12 link fence with green or black screen material) approximately 6 feet in
13 height shall be used around the perimeter of construction activities
14 within the Development Area to buffer views of construction
15 equipment and materials. In addition, construction activities internal to
16 the site shall be screened by temporary construction fencing located
17 within five to ten feet of the vertical construction areas.

- 18 • **Enforcement Agency:** City of Manhattan Beach Community
19 Development Department
- 20 • **Monitoring Agency:** City of Manhattan Beach Community
21 Development Department
- 22 • **Monitoring Phase:** Construction
- 23 • **Monitoring Frequency:** Periodic field inspections
- 24 • **Action(s) Indicating Compliance with Mitigation Measure(s):**
25 Field inspection sign-off

26 **Mitigation Measure A-3:** Any necessary construction lighting shall be directed onto
27 the construction site and have low reflectivity to minimize glare and
28 limit light spillover onto adjacent properties.

- 29 • **Enforcement Agency:** City of Manhattan Beach Community
30 Development Department
- 31 • **Monitoring Agency:** City of Manhattan Beach Community
32 Development Department
- **Monitoring Phase:** Construction
- **Monitoring Frequency:** Periodic field inspections
- **Action(s) Indicating Compliance with Mitigation Measure(s):**
Field inspection sign-off

Mitigation Measure A-4: A landscape plan for the Development Area shall be
prepared to the satisfaction of the Community Development
Department. The landscape plan shall provide for the replacement of
any significant tree removed with a minimum of one 36-inch box tree,
with the specific number and size to be determined by the Community
Development Department. The landscape plan shall also include an
automatic irrigation plan.

- **Enforcement Agency:** City of Manhattan Beach Community
Development Department

IV. Mitigation Monitoring and Reporting Program

- **Monitoring Agency:** City of Manhattan Beach Community Development Department
- **Monitoring Phase:** Pre-construction; Construction
- **Monitoring Frequency:** Once at plan check; Once at field inspection
- **Action(s) Indicating Compliance with Mitigation Measure(s):** Approval of Plan; Issuance of Certificate of Occupancy

Mitigation Measure A-5: All new street lighting within the public right-of-way required for the project shall be approved by the Public Works Department, and where applicable, Caltrans.

- **Enforcement Agency:** City of Manhattan Beach Public Works Department; Caltrans (where lighting is along Caltrans right-of way)
- **Monitoring Agency:** City of Manhattan Beach Public Works Department; Caltrans (where lighting is along Caltrans right-of way)
- **Monitoring Phase:** Pre-construction; Construction
- **Monitoring Frequency:** Once at plan check; Once at field inspection
- **Action(s) Indicating Compliance with Mitigation Measure(s):** Approval of Plans; Issuance of Certificate of Occupancy

Mitigation Measure A-6: All new parking and pedestrian lighting required for the project shall be the minimum height needed and shall include cutoff optics and shielding that direct light away from off-site uses. Such lighting shall be approved by the Community Development Department.

- **Enforcement Agency:** City of Manhattan Beach Community Development Department
- **Monitoring Agency:** City of Manhattan Beach Community Development Department
- **Monitoring Phase:** Pre-construction; Construction
- **Monitoring Frequency:** Once at plan check; Once at field inspection
- **Action(s) Indicating Compliance with Mitigation Measure(s):** Approval of Plans; Issuance of Certificate of Occupancy

Mitigation Measure A-7: Architectural lighting shall be directed onto the building surfaces, have low reflectivity to minimize glare, limit light spillover onto adjacent properties and night sky, and be approved by the Community Development Department.

- **Enforcement Agency:** City of Manhattan Beach Community Development Department
- **Monitoring Agency:** City of Manhattan Beach Community Development Department
- **Monitoring Phase:** Pre-construction; Construction

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- **Monitoring Frequency:** Once at plan check; Once at field inspection
- **Action(s) Indicating Compliance with Mitigation Measure(s):**
Approval of Plans; Issuance of Certificate of Occupancy

Mitigation Measure A-8: Lighting controls shall allow the stepping down of light intensity after business hours.

- **Enforcement Agency:** City of Manhattan Beach Community Development and Police Departments
- **Monitoring Agency:** City of Manhattan Beach Community Development Department
- **Monitoring Phase:** Pre-construction; Construction
- **Monitoring Frequency:** Once at plan check; Once at field inspection
- **Action(s) Indicating Compliance with Mitigation Measure(s):**
Approval of Plans; Issuance of Certificate of Occupancy

Mitigation Measure A-9: A photometric lighting plan for the Development Area shall be prepared by an electrical engineer registered in the State of California. The plan shall consist of a foot-candle layout based on a 10-foot grid extending for a minimum of 20 feet outside the property lines. This plan shall demonstrate that additional lighting does not exceed 2.0 foot-candles at a light-sensitive use (e.g., residential or hotel uses) or 0.5 foot-candles in an R district. Upon completion of installation of such lighting, lights shall be field verified and/or adjusted to ensure consistency with the photometric plan.

- **Enforcement Agency:** City of Manhattan Beach Community Development Department
- **Monitoring Agency:** City of Manhattan Beach Community Development Department
- **Monitoring Phase:** Pre-construction; Construction
- **Monitoring Frequency:** Once at plan check; Once at field inspection
- **Action(s) Indicating Compliance with Mitigation Measure(s):**
Approval of Plan; Issuance of Certificate of Occupancy

IV.B. Air Quality

Mitigation Measure B-1: All unpaved demolition and construction areas shall be wetted at least twice daily during excavation and construction, and temporary dust covers shall be used to reduce dust emissions and meet SCAQMD District Rule 403.

- **Enforcement Agency:** South Coast Air Quality Management District; City of Manhattan Beach Community Development Department
- **Monitoring Agency:** South Coast Air Quality Management District; City of Manhattan Beach Community Development Department

- **Monitoring Phase:** Construction
- **Monitoring Frequency:** Periodic field inspection during construction
- **Action(s) Indicating Compliance with Mitigation Measure(s):** Quarterly compliance certification report submitted by project contractors; Field inspection sign-off

Mitigation Measure B-2: The owner or contractor shall keep the construction area sufficiently dampened to control dust caused by construction and hauling, and at all times provide reasonable control of dust caused by wind without causing runoff or discharge to the municipal storm water system.

- **Enforcement Agency:** South Coast Air Quality Management District; City of Manhattan Beach Community Development Department
- **Monitoring Agency:** City of Manhattan Beach Community Development Department
- **Monitoring Phase:** Construction
- **Monitoring Frequency:** Periodic field inspection during construction
- **Action(s) Indicating Compliance with Mitigation Measure(s):** Quarterly compliance certification report submitted by project contractors; Field inspection sign-off

Mitigation Measure B-3: All loads shall be secured by trimming, watering or other appropriate means to prevent spillage and dust.

- **Enforcement Agency:** South Coast Air Quality Management District; City of Manhattan Beach Community Development Department
- **Monitoring Agency:** City of Manhattan Beach Community Development Department
- **Monitoring Phase:** Construction
- **Monitoring Frequency:** Periodic field inspection during construction
- **Action(s) Indicating Compliance with Mitigation Measure(s):** Quarterly compliance certification report submitted by project contractors; Field inspection sign-off

Mitigation Measure B-4: All materials transported off-site shall be either sufficiently watered or securely covered to prevent excessive amount of dust.

- **Enforcement Agency:** South Coast Air Quality Management District; City of Manhattan Beach Community Development Department
- **Monitoring Agency:** City of Manhattan Beach Community Development Department
- **Monitoring Phase:** Construction
- **Monitoring Frequency:** Periodic field inspection during construction

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- **Action(s) Indicating Compliance with Mitigation Measure(s):**
Quarterly compliance certification report submitted by project contractors; Field inspection sign-off

Mitigation Measure B-5: All earth moving or excavation activities shall be discontinued during periods of high winds (i.e., greater than 15 mph), so as to prevent excessive amounts of dust.

- **Enforcement Agency:** City of Manhattan Beach Community Development Department
- **Monitoring Agency:** City of Manhattan Beach Community Development Department
- **Monitoring Phase:** Construction
- **Monitoring Frequency:** Periodic field inspection during construction
- **Action(s) Indicating Compliance with Mitigation Measure(s):**
Quarterly compliance certification report submitted by project contractors; Field inspection sign-off

Mitigation Measure B-6: General contractors shall maintain and operate construction equipment so as to minimize exhaust emissions. During construction, trucks and vehicles in loading and unloading queues will have their engines turned off when not in use, to reduce vehicle emissions. Construction activities should be phased and scheduled to avoid emissions peaks and discontinued during second-stage smog alerts.

- **Enforcement Agency:** City of Manhattan Beach Community Development Department
- **Monitoring Agency:** City of Manhattan Beach Community Development Department
- **Monitoring Phase:** Construction
- **Monitoring Frequency:** Periodic field inspection during construction
- **Action(s) Indicating Compliance with Mitigation Measure(s):**
Quarterly compliance certification report submitted by project contractors; Field inspection sign off

Mitigation Measure B-7: To the extent possible, petroleum powered construction activity shall utilize electricity from power poles rather than temporary diesel power generators and/or gasoline power generators.

- **Enforcement Agency:** City of Manhattan Beach Community Development Department
- **Monitoring Agency:** City of Manhattan Beach Community Development Department
- **Monitoring Phase:** Construction
- **Monitoring Frequency:** Periodic field inspection during construction

- **Action(s) Indicating Compliance with Mitigation Measure(s):**
Quarterly compliance certification report submitted by project contractors; Field inspection sign off

Mitigation Measure B-8: On-site mobile equipment shall be powered by alternative fuel sources (i.e., methanol, natural gas, propane or butane) as feasible.

- **Enforcement Agency:** City of Manhattan Beach Community Development Department
- **Monitoring Agency:** City of Manhattan Beach Community Development Department
- **Monitoring Phase:** Construction
- **Monitoring Frequency:** Periodic field inspection during construction
- **Action(s) Indicating Compliance with Mitigation Measure(s):**
Quarterly compliance certification report submitted by project contractors; Field inspection sign off

IV.C. Hazards and Hazardous Materials

Mitigation Measure C-1: Given the likelihood of encountering soil containing crude oil and its associated components (VOCs, PAHs, heavy metals, etc.) during major earthwork performed within the Development Area, earthwork shall be conducted under a Soil Management Plan (SMP), designed to guide construction and earthwork contractors in the best management practices (BMPs) for excavations, utility installations, grading, compaction, and other earthwork activities on potentially contaminated sites.

The SMP shall contain the following information:

- A summary of Site topography and soil conditions;
- Decision matrix for the application of the SMP procedures;
- Description of applicable earthwork and maintenance activities that will trigger the SMP procedures;
- Discussion of applicable regulations for performing earthwork in potentially contaminated soil areas, including those from the Occupational Safety and Health Administration (OSHA), the SCAQMD, and the LARWQCB;
- Health & safety procedures for worker safety, personal protective equipment, and training;
- Air pollution measurement and control measures for compliance with SCAQMD Rules 403 and 1166;
- Stormwater pollution control measures and best management practices (BMPs) to prevent non-stormwater discharge, control stormwater runoff and prevent pollution of stormwater runoff including control of sediments;
- Methods to identify potentially impacted soils;
- Truck traffic planning procedures;

- Recommended Site security procedures;
- Stockpile management;
- Stockpile profiling;
- Decontamination procedures; and
- Record keeping procedures.

The SMP shall be made available to various agencies for comment, including the LARWQCB and the South Coast Air Quality Management District at least 60 days prior to the start of earthwork. The SMP shall also be subject to review and approval by the City of Manhattan Beach prior to the start of earthwork. The Applicant will use the SMP as a guide for all construction or maintenance work conducted on the Shopping Center Site.

- **Enforcement Agency:** LARWQCB; SCAQMD; OSHA; City of Manhattan Beach Community Development, Fire, and Public Works Departments
- **Monitoring Agency:** City of Manhattan Beach Community Development Department; Manhattan Beach Fire Department
- **Monitoring Phase:** Pre-Construction (prior to the start of earthwork); Construction
- **Monitoring Frequency:** Once prior to the issuance of grading permit; Periodic during construction
- **Action(s) Indicating Compliance with Mitigation Measure(s):** City approval of Soil Management Plan prepared by qualified professional; Approval of grading plans; Quarterly compliance report submitted by qualified professional; Quarterly compliance certification report submitted by project contractors

Mitigation Measure C-2: Any underground storage tanks, toxic materials, contaminated soils, or contaminated groundwater encountered during demolition, excavation, or grading shall be evaluated and excavated/disposed of, treated in-situ (in place), or otherwise managed in accordance with applicable regulatory requirements and in accordance with the Soil Management Plan.

- **Enforcement Agency:** City of Manhattan Beach Community Development Department; Manhattan Beach Fire and Public Works Departments and possibly LARWQCB, SCAQMD and/or DTSC
- **Monitoring Agency:** City of Manhattan Beach Community Development Department; Manhattan Beach Fire Department
- **Monitoring Phase:** Construction
- **Monitoring Frequency:** To be determined by consultation with appropriate regulatory agency(ies) upon any discovery of such materials
- **Action(s) Indicating Compliance with Mitigation Measure(s):** Approval of Soil Management Plan prepared by qualified professional; Quarterly compliance report submitted by qualified professional; Quarterly compliance certification report submitted by

project contractors; Applicable agency sign-off in the event such materials are encountered

Mitigation Measure C-3: The Applicant shall install and use a sub-slab barrier and vent system (vapor intrusion protection system) in each building to mitigate the hazards caused by methane and VOCs in subsurface soil. The Applicant shall construct the impermeable membrane barrier of a minimum 60-mil-thick high-density polyethylene (HDPE) liner system or liquid asphaltic spray-applied liner installed underneath each slab-on-grade structure constructed in the Project. This barrier shall be installed over a network of slotted vent piping set in gravel in order to collect and safely redirect any vapors from beneath the building based on a comprehensive review of historical data, the types of VOCs identified, and the range of methane concentrations.

To ensure proper installation, the performance of the vapor intrusion protection system shall be monitored by screening for methane in selected "compliance rooms" within the Project buildings for the first year of occupancy on a quarterly basis. Methane shall act as the indicator of a leak or malfunction with the system, since it is far more abundant in soil than any other vaporous chemical, is non-toxic, and can be detected easily with portable, hand-held equipment.

Reports summarizing the quarterly monitoring events shall be provided to the City of Manhattan Beach Fire Department. If the system is determined to be performing according to design specifications established by the design engineer and approved during the plan check process, the monitoring will be concluded after four monitoring periods, or one year.

Each system shall be configured so that it is prepared for the unlikely event that a breach occurs or portions of the barrier and vent system are damaged. The following back-up safety systems shall be in place and available to the Applicant if elevated methane concentrations are detected inside a building during an inspection or if inspections indicate system damage or malfunction:

- The system shall be configured such that it may be converted to an active vacuum system that will create negative pressure under the building slab; and
- Heating/ventilation/air conditioning (HVAC) equipment and controls shall be configured so as to be capable of generating and maintaining positive pressure within the Project buildings (with the exception of restaurant buildings, for safety reasons).
- **Enforcement Agency:** City of Manhattan Beach Community Development Department; Manhattan Beach Fire Department; LARWQCB
- **Monitoring Agency:** City of Manhattan Beach Community Development and Fire Departments
- **Monitoring Phase:** Pre-Construction; Construction; Operation
- **Monitoring Frequency:** Once prior to construction; once upon construction of the system; quarterly for one year once system is operational

- **Action(s) Indicating Compliance with Mitigation Measure(s):**
Approval of plans for system designed by qualified professional;
Field inspection report by qualified professional upon construction;
Quarterly monitoring reports submitted to the Community
Development Department and Fire Department by qualified
professional for the first year of occupancy

IV.F. Noise

Mitigation Measure F-1: A temporary, continuous and impermeable sound barrier wall shall be erected along those portions of the Development Area closest to off-site sensitive receptors during construction activities. The required height and extent of the sound barrier wall shall be designed to achieve: a minimum 2 dBA reduction during construction of the Village Shops at receptor R3; a minimum 15 dBA and 2 dBA reduction at receptors R2 and R3, respectively, during construction of the Northeast Corner component; and a minimum 1 dBA and 16 dBA reduction at receptors R2 and R3, respectively, during construction of the Northwest Corner component.

- **Enforcement Agency:** City of Manhattan Beach Community Development Department
- **Monitoring Agency:** City of Manhattan Beach Community Development Department
- **Monitoring Phase:** Construction
- **Monitoring Frequency:** Periodic field inspections
- **Action(s) Indicating Compliance with Mitigation Measure(s):**
Quarterly compliance certification report submitted by project contractors; Field inspection sign-off

Mitigation Measure F-2: Exterior noise-generating construction activities shall be limited to Monday through Friday from 7:30 A.M. to 6:00 P.M., and from 9:00 A.M. to 6 P.M. on Saturdays. No noise-generating exterior construction activities shall occur on Sundays or City observed holidays.

- **Enforcement Agency:** City of Manhattan Beach Community Development Department
- **Monitoring Agency:** City of Manhattan Beach Community Development Department
- **Monitoring Phase:** Construction
- **Monitoring Frequency:** Periodic field inspections
- **Action(s) Indicating Compliance with Mitigation Measure(s):**
Quarterly compliance certification report submitted by project contractors; Field inspection sign-off

Mitigation Measure F-3: Construction activities shall be scheduled so as to avoid operating several pieces of heavy equipment simultaneously when close to nearby sensitive uses, which causes high noise levels.

- **Enforcement Agency:** City of Manhattan Beach Community Development Department

- **Monitoring Agency:** City of Manhattan Beach Community Development Department
- **Monitoring Phase:** Construction
- **Monitoring Frequency:** Periodic field inspections
- **Action(s) Indicating Compliance with Mitigation Measure(s):** Quarterly compliance certification report submitted by project contractors; Field inspection sign-off

Mitigation Measure F-4: Noise-generating construction equipment operated at the Shopping Center site shall be equipped with effective noise control devices; i.e., mufflers, lagging, and/or motor enclosures. All equipment shall be properly maintained to assure that no additional noise due to worn or improperly maintained parts would be generated.

- **Enforcement Agency:** City of Manhattan Beach Community Development Department
- **Monitoring Agency:** City of Manhattan Beach Community Development Department
- **Monitoring Phase:** Construction
- **Monitoring Frequency:** Periodic field inspections
- **Action(s) Indicating Compliance with Mitigation Measure(s):** Quarterly compliance certification report submitted by project contractors; Field inspection sign-off

Mitigation Measure F-5: Engine idling from construction equipment such as bulldozers and haul trucks shall be limited. Idling of haul trucks shall be limited to five (5) minutes at any given location as established by the South Coast Air Quality Management District.

- **Enforcement Agency:** City of Manhattan Beach Community Development Department; SCAQMD
- **Monitoring Agency:** City of Manhattan Beach Community Development Department
- **Monitoring Phase:** Construction
- **Monitoring Frequency:** Periodic field inspections
- **Action(s) Indicating Compliance with Mitigation Measure(s):** Quarterly compliance certification report submitted by project contractors; Field inspection sign-off

IV.G.1 Public Services—Fire Protection

Mitigation Measure G.1-1: During Project construction, the Applicant shall ensure that, Manhattan Beach Fire Department access to the Shopping Center Site will remain clear and unobstructed from construction activities.

- **Enforcement Agency:** City of Manhattan Beach Community Development Department; Manhattan Beach Fire Department
- **Monitoring Agency:** City of Manhattan Beach Community Development Department; Manhattan Beach Fire Department

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- **Monitoring Phase:** Construction
- **Monitoring Frequency:** Periodic field inspections during construction
- **Action(s) Indicating Compliance with Mitigation Measure(s):** Quarterly compliance certification report submitted by project contractors; Field inspection sign-off

Mitigation Measure G.1-2: The Applicant shall submit plans including a site plan for approval by the Manhattan Beach Fire Department prior to the approval and issuance of a building permit.

- **Enforcement Agency:** Manhattan Beach Fire and Community Development Departments
- **Monitoring Agency:** Manhattan Beach Fire Department
- **Monitoring Phase:** Pre-construction
- **Monitoring Frequency:** Once prior to issuance of building permit
- **Action(s) Indicating Compliance with Mitigation Measure(s):** Issuance of a building permit

Mitigation Measure G.1-3: The Applicant shall consult with the Manhattan Beach Fire Department and incorporate fire prevention and suppression features appropriate to the design of the Project.

- **Enforcement Agency:** Manhattan Beach Fire and Community Development Departments
- **Monitoring Agency:** Manhattan Beach Fire Department
- **Monitoring Phase:** Pre-construction
- **Monitoring Frequency:** Once at time of plan submittal
- **Action(s) Indicating Compliance with Mitigation Measure(s):** Approval of Plans by the Manhattan Beach Fire Department

IV.G.2 Public Services—Police Protection

Mitigation Measure G.2-1: During Project construction, the Applicant shall ensure that Manhattan Beach Police Department access to the Shopping Center site will remain clear and unobstructed from construction activities, consistent with the Security Plan approved by the Manhattan Beach Police Department.

- **Enforcement Agency:** Manhattan Beach Police and Community Development Departments
- **Monitoring Agency:** Manhattan Beach Police Department
- **Monitoring Phase:** Construction
- **Monitoring Frequency:** Periodic field inspections during construction
- **Action(s) Indicating Compliance with Mitigation Measure(s):** Approval of Security Plan; Quarterly compliance certification report submitted by project contractors; Field inspection sign-off

Mitigation Measure G.2-2: During Project construction, the Applicant shall implement security measures including, but not limited to, security fencing, lighting, and the use of a seven-day, 24-hour security patrol, consistent with the Security Plan approved by the Manhattan Beach Police Department.

- **Enforcement Agency:** Manhattan Beach Police Department
- **Monitoring Agency:** City of Manhattan Beach Community Development Department and Manhattan Beach Police Department
- **Monitoring Phase:** Construction
- **Monitoring Frequency:** Periodic field inspections during construction
- **Action(s) Indicating Compliance with Mitigation Measure(s):** Approval of Security Plan; Quarterly compliance certification report submitted by project contractors; Field inspection sign-off

Mitigation Measure G.2-3: The Applicant shall consult with the Manhattan Beach Police Department and incorporate crime prevention features appropriate for the design of the Project in accordance with the Security Plan approved by the Manhattan Beach Police Department.

- **Enforcement Agency:** Manhattan Beach Police Department; City of Manhattan Beach Community Development Department
- **Monitoring Agency:** Manhattan Beach Police Department; City of Manhattan Beach Community Development Department
- **Monitoring Phase:** Pre-construction; Construction
- **Monitoring Frequency:** Once upon approval of plans and once upon implementation of features
- **Action(s) Indicating Compliance with Mitigation Measure(s):** Approval of Security Plan; Issuance of Certificate of Occupancy

Mitigation Measure G.2-4: Upon Project completion, the Applicant shall provide the Manhattan Beach Police Department with a diagram of each portion of the property, including access routes, and provide additional information that might facilitate police response in accordance with the Security Plan.

- **Enforcement Agency:** Manhattan Beach Police Department
- **Monitoring Agency:** Manhattan Beach Police Department
- **Monitoring Phase:** Operation (prior to occupancy)
- **Monitoring Frequency:** Prior to certificate of occupancy for each component
- **Action(s) Indicating Compliance with Mitigation Measure(s):** Written confirmation of receipt by Manhattan Beach Police Department prior to issuance of certificate of occupancy for each component

Mitigation Measure G.2-5: A Security Plan for the Shopping Center shall be developed in coordination with the Manhattan Beach Police Department and subject to the review and approval of the Manhattan

Beach Police Department. This Security Plan shall include a specific Security Plan for the parking structures and a requirement to routinely meet with the Manhattan Beach Police Department regarding security within the Shopping Center.

- **Enforcement Agency:** Manhattan Beach Police Department
- **Monitoring Agency:** Manhattan Beach Police Department
- **Monitoring Phase:** Pre-construction; Operation
- **Monitoring Frequency:** Once prior to issuance of the first building permit; Annually during operation
- **Action(s) Indicating Compliance with Mitigation Measure(s):** Approval of Security Plan; Annual compliance report submitted by project Applicant.

IV.H. Transportation and Circulation

Mitigation Measure H-1: Prior to the start of construction, the Applicant shall devise a Construction Traffic Management Plan to be implemented during construction of the Project. The Construction Traffic Management Plan shall identify all traffic control measures and devices to be implemented by the construction contractor through the duration of demolition and construction activities associated with the Project. Construction traffic controls should be provided consistent with current California Manual of Uniform Traffic Control Devices standards and include provisions to provide and maintain ADA pedestrian mobility and access consistent with current California requirements. If lane closures are needed, the Construction Traffic Management Plan shall be submitted for review to Caltrans. The Construction Traffic Management Plan shall be submitted for review to the City of El Segundo Public Works Department and the City of El Segundo Planning and Building Safety Department. The Construction Traffic Management Plan shall be subject to final approval by the City of Manhattan Beach Public Works Department, the City of Manhattan Beach Community Development Department, and the Manhattan Beach Police and Fire Departments. A final copy of the Construction Traffic Management Plan shall be submitted to the City of El Segundo.

- **Enforcement Agency:** City of Manhattan Beach Public Works Department; City of Manhattan Beach Community Development Department; Manhattan Beach Police Department; Manhattan Beach Fire Department, and potentially Caltrans
- **Monitoring Agency:** City of Manhattan Beach Public Works Department; City of Manhattan Beach Community Development Department; Manhattan Beach Police Department; Manhattan Beach Fire Department
- **Monitoring Phase:** Pre-Construction; Construction
- **Monitoring Frequency:** Once prior to issuance of first demolition permit; Periodic field inspections during construction
- **Action(s) Indicating Compliance with Mitigation Measure(s):** Written verification of approval from the City of Manhattan Beach Public Works Department, City of Manhattan Beach Community

Development Department, Manhattan Beach Police Department, and Manhattan Beach Fire Department, and Caltrans, if required, prior to the issuance of demolition and construction permits; Issuance of first demolition permit; Field inspection sign-off; Quarterly compliance certification report submitted by project contractors

Mitigation Measure H-2: The Applicant shall submit a Construction Parking Management Plan to the City Community Development Department in October or earlier of each year that construction is planned between Thanksgiving through New Year's. The initial October or earlier submittal shall estimate the number of parking spaces to be available during the upcoming holiday shopping period and the peak demand likely during that same period based on the shared parking analysis similar to the analyses performed in the Traffic Study for the Manhattan Village Shopping Center Improvement Project. In the event that a parking shortage is projected, the Construction Parking Management Plan shall include the following points:

- A determination of the need for the provision of off-site parking.
- An estimate of the number of weekday and weekend off-site parking spaces needed to meet demand.
- The identification of the location of an off-site parking location(s) with the appropriate number of available spaces.
- Signed agreements with the owners of the off-site parking supply allowing the shopping center to utilize the spaces during the needed time periods.
- A transportation plan identifying shuttle operations, frequency, and hours of operation for any off-site spaces beyond a reasonable walking distance.
- Modification or reduction in construction hours or days.

The annual Construction Parking Management Plan shall be submitted to and approved by the Director of Community Development. A final copy of the Construction Parking Management Plan shall be submitted to the City of El Segundo.

- **Enforcement Agency:** City of Manhattan Beach Community Development, Police, Fire, and Public Works Departments
- **Monitoring Agency:** City of Manhattan Beach Community Development Department
- **Monitoring Phase:** Pre-construction; Construction
- **Monitoring Frequency:** Annually in October or earlier of each year that construction is planned between Thanksgiving and New Year's
- **Action(s) Indicating Compliance with Mitigation Measure(s):** Annual approval by the Community Development, Police, Fire and Public Works Department

Laurie B. Jester

From: Douglas Au <douglasau@yahoo.com>
Sent: Tuesday, September 17, 2013 7:24 PM
To: Laurie B. Jester; List - City Council; City Manager; PlanningComission@citymb.info; rthomson@citymb.info
Subject: Re: Manhattan Village Shopping Center Enhancement Project

Dear Ms. Jester and Members of the Manhattan Beach City Council,

It has been more than a year since we sent you the email attached below regarding the Manhattan Beach Village Shopping Center Enhancement Project. In the intervening period, we have attended numerous meetings with the developer of the project. While the meetings have been cordial, we have not seen any serious effort on the part of the developer to address our primary concern with the project, which is the scale of the proposed development. Based on the plans we have seen, the mall will be transformed from its current "village" character to one which will become a "destination" mall attracting visitors from a larger geographical area. This, of course, is the objective of the mall developer, and regardless of the developer's claims to the contrary, anyone looking at the plans can easily see that the character of the mall will be significantly transformed. Just the presence of three large multilevel parking structures will transform the character of the mall. Additionally, the developer's need for the parking structures implies an expectation for additional traffic. The streets surrounding the current shopping center (Rosecrans, Sepulveda, and Marine) are already crowded with mall traffic, especially during heavy morning and afternoon hours. How will the additional traffic be mitigated?

As you review this project, please consider its long term impact to the residents of this city, and also to the image of Manhattan Beach held by those who currently live outside the city, which certainly impacts property values and hence property taxes.

Respectfully,
Douglas and Nancy Au
3205 Oak Ave.
Manhattan Beach, CA 90266

From: Douglas Au <douglasau@yahoo.com>
To: "ljester@citymb.info" <ljester@citymb.info>; "CityCouncil@citymb.info" <CityCouncil@citymb.info>; "cm@citymb.info" <cm@citymb.info>; "PlanningComission@citymb.info" <PlanningComission@citymb.info>; "rthomson@citymb.info" <rthomson@citymb.info>
Sent: Monday, July 23, 2012 1:55 PM
Subject: Manhattan Village Shopping Center Enhancement Project

Dear Ms. Laurie Jester, Mr. Richard Thompson, Members of the Manhattan Beach City Council and Planning Commission,

We have resided at our home at 3205 Oak Ave. since 1987. During this period we have seen many changes to our city and to the Los Angeles community as a whole. Through this period, the character and personality of Manhattan Beach has remained essentially intact. It has retained its small town character, a city of families,

children, friendly and caring people, and responsible citizens. We welcome visitors, but we also want to preserve what we all treasure about Manhattan Beach.

Others have written to you in detail about their concerns regarding the project, and we share many of those same concerns, but we won't reiterate them in detail here. We only ask that we the citizens of this city get an opportunity to work with you, the developers, and each other in a collaborative manner to address everyone's ideas and concerns in the interest of keeping Manhattan Beach attractive as a place to live and raise a family, and a place to visit and shop. I am sure that this collaboration will require compromise, progress often does. But I believe the community is open to progress, and willing to discuss compromises if they feel they have been given a fair opportunity to participate in and influence the process.

Our general comments are as follows:

- 1) We like the "Village" atmosphere of the current mall and would like to preserve that atmosphere.
- 2) We are not averse to improvements, but would prefer that the scale of the improvements not create a "regional mall" atmosphere versus a "village" atmosphere.
- 3) We would like to see the improvements foster more pedestrian access and accommodation of other modes of transport such as shuttles, bicycles, electric vehicles, etc. We currently often walk to the mall, but the current configuration is not pedestrian friendly. There are no sidewalks in many areas, forcing pedestrians to walk on the street or through the parking areas.
- 4) We would like to see the visual impact of the parking structures minimized and the heights lowered. Underground parking can help to mitigate this problem.

Thank you for your consideration and we hope to work with you as this project evolves.

Douglas and Nancy Au
3205 Oak Ave.
Manhattan Beach, CA 90266
310-546-2615

Laurie B. Jester

From: Mark English <mark.english@db.com>
Sent: Wednesday, October 02, 2013 4:03 PM
To: Laurie B. Jester
Subject: Forest City Press release
Attachments: Release818ec0eb-3094-477b-b6f7-1185f7bfe292_1826515[1].pdf

Hi Laurie,

Please include the attached press release regarding the Forest City recapitalization and redevelopment of the South Bay Galleria center.

Kind regards,
Mark English



Mark English

RREEF Management L.L.C.
Real Estate Asset Management - Alternatives and Real Assets
101 California Street, 26th Floor 94111 San Francisco, CA, USA
Tel. +1(415)262-2089
Fax +1(415)781-2229
Email mark.english@db.com

Passion to Perform

(See attached file: *Release818ec0eb-3094-477b-b6f7-1185f7bfe292_1826515[1].pdf*)

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Deutsche Bank does not render legal or tax advice, and the information contained in this communication should not be regarded as such.

Forest City, QIC to form joint ventures for portfolio of eight regional retail malls

June 3, 2013 4:40 PM ET

- Joint venture portfolio valued at \$2.05 billion
- Joint venture will fund planned expansion at and reinvestment in four centers
- QIC strategic capital partnership to generate approximately \$330 million of liquidity for Forest City
- Additional liquidity expected to accelerate deleveraging strategy

CLEVELAND, June 3, 2013 /PRNewswire/ -- Forest City Enterprises, Inc., (NYSE: FCEA and FCEB) and QIC, one of the largest institutional investment managers in Australia, today announced the signing of an agreement to form joint ventures to recapitalize and invest in a portfolio of eight of Forest City's regional retail malls.

The transaction values the eight properties at a total of \$2.05 billion, representing a cap rate of approximately 5.75 percent on forecasted 2013 net operating income. Sales at the eight malls currently average approximately \$500 per square foot, on a rolling 12-month basis. Upon closing, Forest City expects to raise cash liquidity of approximately \$330 million, after transaction costs. Closing of the joint ventures is expected to occur before the end of the company's fiscal third quarter.

Under the agreement, Forest City will contribute its current ownership interest in each of the properties to the joint venture and QIC will acquire 49 percent of those interests for cash. Ownership of the individual properties, at closing, will vary based on existing partnerships currently in place at three of the malls. Forest City will be the managing member of the individual joint ventures and will continue to be responsible for leasing, operations, marketing, financing, development services and asset management of the properties.

"We are pleased to partner with QIC, an experienced global investor, to invest in and enhance these strong retail centers," said David J. LaRue, Forest City president and chief executive officer. "This is another example of our strategy of securing strategic capital partners to invest with us in both existing assets and new opportunities. The transaction clearly demonstrates the tremendous value of these properties. Unlocking a portion of that value allows us to advance our deleveraging efforts while also reinvesting in our portfolio and new development. I want to thank our entire transaction team, led by James Ratner, Duane Bishop and Frank Wuest, as well as everyone involved from QIC, for achieving this great outcome."

Managing Director of QIC Global Real Estate, Steven Leigh, said QIC was pleased to enter into a partnership with Forest City, a highly experienced, long-term owner, developer and manager of prime real estate throughout the United States. Leigh said QIC's expansion into the United States retail sector is a natural progression for the business following extensive investigation of the real estate market.

"The joint venture with Forest City Enterprises for investment in a portfolio of eight, high-quality retail assets represents a significant opportunity for QIC to further expand into the United States with a successful retail operator and is part of our long-term investment strategy," said Leigh. "QIC has more than 20 years of experience in investing, managing and adding value to prime retail assets in Australia and internationally. In this time we have established a blue-chip portfolio of investments comprising large-scale shopping centres and CBD office buildings. We now look forward to working with Forest City to implement our successful investment and management strategies in the United States."

Preliminary priorities for the joint venture will be renovation and/or expansion of four malls: Galleria at Sunset in Henderson, Nevada, Antelope Valley Mall in Palmdale, California, Short Pump Town Center in Richmond, Virginia, and South Bay Galleria in Redondo Beach, California. The other properties included in the joint venture are Victoria Gardens in Rancho Cucamonga, California, Charleston Town Center in Charleston, West Virginia, Mall at Robinson near Pittsburgh, Pennsylvania, and Promenade in Temecula, California. Forest City initially plans to use a majority of the liquidity from the transaction to reduce debt, but also expects to use a portion of the liquidity to fund the expansion and reinvestment initiatives referenced above, as well as invest in the balance of its mature real estate portfolio and new development opportunities in its core markets.

About Forest City

Forest City Enterprises, Inc. is an NYSE-listed national real estate company with \$10.6 billion in total assets. The company is principally engaged in the ownership, development, management and acquisition of commercial and residential real estate and land throughout the United States. For more information, visit www.forestcity.net.

October 8, 2013

Adjourned City Council Meeting

About QIC

QIC is Australia's third largest institutional investment manager* with \$71.3 billion in funds under management**. With a strong foundation in Australia, their global presence extends to Asia, Europe and the United States. Established in 1991 by the Queensland Government to manage its long term investments, QIC operates as an independent and commercial organization with a sole investment management focus. QIC's current global real estate portfolio comprises over \$10 billion in assets.

*Rainmaker Survey – September 2012

** As at 31 March 2013

Safe Harbor Language

Statements made in this news release that state Forest City's or its management's intentions, hopes, beliefs, expectations or predictions of the future are forward-looking statements. The company's actual results could differ materially from those expressed or implied in such forward-looking statements due to various risks, uncertainties and other factors. Risks and factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, the impact of current lending and capital market conditions on its liquidity, ability to finance or refinance projects and repay its debt, the impact of the current economic environment on its ownership, development and management of its real estate portfolio, general real estate investment and development risks, vacancies in its properties, the strategic decision to reposition or divest portions of the company's land business, further downturns in the housing market, competition, illiquidity of real estate investments, bankruptcy or defaults of tenants, anchor store consolidations or closings, international activities, the impact of terrorist acts, risks associated with an investment in a professional sports team, its substantial debt leverage and the ability to obtain and service debt, the impact of restrictions imposed by its credit facility and senior debt, exposure to hedging agreements, the level and volatility of interest rates, the continued availability of tax-exempt government financing, the impact of credit rating downgrades, effects of uninsured or underinsured losses, effects of a downgrade or failure of its insurance carriers, environmental liabilities, conflicts of interest, risks associated with the sale of tax credits, risks associated with developing and managing properties in partnership with others, the ability to maintain effective internal controls, compliance with governmental regulations, increased legislative and regulatory scrutiny of the financial services industry, volatility in the market price of its publicly traded securities, inflation risks, litigation risks, cybersecurity risks and cyber incidents, as well as other risks listed from time to time in the company's SEC filings, including but not limited to, the company's annual and quarterly reports.

SOURCE Forest City Enterprises, Inc.

Robert O'Brien, Executive Vice President - Chief Financial Officer, 216-621-6060, Jeff Linton, Senior Vice President - Corporate Communication, 216-621-6060