

Exhibit Q

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March 22, 2002

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**ENVIRONMENTAL
UNIT**

VIA FACSIMILE AND U.S. MAIL

Ms. Maya Zaitzevsky, Project Coordinator
Environmental Review Section
City of Los Angeles Planning Department
200 North Spring Street
Los Angeles, California 90012

Re: 2000 Avenue of the Stars; ENV-2001-4027-CU

Dear Ms. Zaitzevsky:

Jack Brown asked that we respond to the claims made in the March 5, 2002 letter from the Allen Matkins law firm with respect those off-site parking covenants known as Instrument Nos. 83-230834 and 94-2186050 (hereinafter, the "Covenants"). As you are aware, on February 4, 2002, we wrote to you on behalf of our client, Century City Garage Partners L.P. ("CCGP")¹ to provide comments in response to your January 4, 2002 Pre-Draft Request for Comments ("Request for Comments"), and to object to the application filed by Trammell Crow ("Applicant") with respect to its proposed development of a new project at 2020 and 2040 Avenue of the Stars because it seeks to satisfy the parking requirement (in part) at CCGP's property without CCGP's agreement.

As discussed below, the claims made in Allen Matkins's March 5, 2002 letter are without merit. They are also based on incomplete research regarding the background of the Covenants and the provisions of the Municipal Code with respect to off-site parking.

- A. The Off-Site Parking Covenants Cannot be Deemed to Relate to the Twin Towers and will be Automatically Terminated when the Buildings Located at 2020 and 2040 Avenue of the Stars are Demolished

As noted in our previous letter, the Applicant's own Project Description in the Applicant's application states that "451 off-site parking spaces [in the garage located on CCGP's property] are covenanted for 2020 and 2040 Avenue of the Stars." The City's Request for Comments similarly refers to "451 off-site parking spaces [in the garage located

¹ CCGP is the owner of the parking garage located at 2030 Century Park West, which is presently burdened by the Covenants.

Ms. Maya Zaitzevsky,
Project Coordinator
March 22, 2002
Page 2

on CCGP's property] which are covenanted for use by 2020 and 2040 Avenue of the Stars." As acknowledged by the Applicant's project description and the City's requests for comments such uses will be removed and demolished.

Now that CCGP has objected to the Applicant seeking to rely on the Covenants to provide parking for its new project, and has pointed out that the Covenants will expire by their own terms if and when the buildings at 2020 and 2040 Avenue of the Stars are demolished, the Applicant argues that notwithstanding its own admissions (which were made in an affidavit under oath)², the Covenants should be construed as relating to the Century Park Towers (located at 2029 and 2049 Century Park East) instead of 2040 and 2040 Avenue of the Stars.

B. Instrument No. 94-2186050 Relates Solely to the Shubert Theatre

In addition to being inconsistent with its own admissions, the Applicant's argument is inconsistent with the record of proceedings for the shared parking approval which resulted in one of the Covenants, Instrument No. 94-2186050 (which provides for 5 off-site parking spaces at CCGP's garage). The record of proceedings definitively establishes that the purpose of Instrument No. 94-2186050 was to replace Instrument No. 93-176237 and to provide 5 off-site parking spaces at CCGP's garage to satisfy the Shubert Theatre's requirement for handicap parking in connection with the Shubert Theatre's expansion. See April 7, 1994 approval of Case No. ZA 94-0098(SP) and November 30, 1994 letter from Brown/Meshul Inc. Allen Matkins's letter entirely fails to address the record of proceedings of Case No. ZA 94-0098(SP), which flatly conflict with its contentions about the scope of the Instrument 94-2186050. Moreover, Instrument No. 94-2186050 replaced another off-site parking covenant relating to the Shubert Theatre.

C. Allen Matkins' Arguments that the Covenants Should be Construed as Relating to the Century Plaza Towers are Inconsistent with the Requirements of the Los Angeles Municipal Code

The Applicant's arguments are also inconsistent with the requirements of the Los Angeles Municipal Code relative to off-site parking. As acknowledged in the Applicant's own project description "the proposed project will remove all of the site uses except for the Century Plaza Towers along Century Park East." The Applicant now argues that the Covenants utilize only a general reference to "Lot 8" and that other uses (specifically the

² See the Applicant's August 1, 2001 affidavit subscribed and sworn before California Notary Public Patti Anne Lavine, which affidavit was made as part of the Applicant's project application.

Ms. Maya Zaitzevsky,
Project Coordinator
March 22, 2002
Page 3

Century Plaza Towers³) will remain after the buildings at 2020 and 2040 Avenue of the Stars are demolished, and that the Covenants should therefore be construed as relating to the Century Park Towers.

As discussed above, the Applicant's argument obviously conflicts with the record of proceedings for Instrument No. 94-2186050, and need not be discussed further.

The Applicant's arguments regarding Instrument No. 83-230834 are also inconsistent with the Municipal Code requirements with respect to off-site parking. Los Angeles Municipal Code Section 12.21.A.4(g) mandates that required parking be provided on the same lot "as the use for which they are intended to serve or on another lot not more than 750 feet distant therefrom." (emphasis added). While the buildings located at 2020 and 2040 Avenue of the Stars are within 750 feet of CCGP's garage,⁴ the Century Plaza Towers are approximately 1,200 feet away even when measured along the walk adjacent to the Century Plaza Hotel "between the parking area and the use it is to serve" as permitted by Los Angeles Municipal Code Section 12.21.A.4(g).⁵ Thus, the CCGP garage could not have been intended to serve as off-site parking for the Century Park Towers consistent with Los Angeles Municipal Code Sections 12.21.A.4(g) and 12.26.E.3.

In addition, "Lot 8" no longer exists. In 1996 the City Planning Department approved Tract 51450 re-subdividing all of Lot 8 into 4 lots. The Century Plaza Towers are situated on Lots 1 and 2 of Tract 51450, respectively,⁶ and the buildings located at 2020 and 2040 Avenue of the Stars are located on Lots 3 and 4.⁷ Condition 4 required the subdivider

³ Other than the Century Plaza Towers, the only use on the site that will remain is the existing subterranean parking garage, which of course, is not a use that generates any parking "requirement."

⁴ As indicated on Exhibit A attached hereto, CCGP's lot is separated from Avenue of the Stars by approximately 359 feet (CCGP's garage structure is located approximately 75 feet to the west of such property line). The Avenue of the Stars right-of-way varies in width, but is approximately 145 feet wide.

⁵ The lot on which CCGP's garage is situated has its only street frontage on Century Park West. Employing the alternative methodology of measuring horizontally north along Century Park West and then east Constellation would yield a distance of several thousand feet.

⁶ Lots 1 and 2 of Tract 51450 have their street frontage on Century Park East, and are subterranean at Avenue of Stars. At grade level (280'), Lots 1 and 2 are setback approximately 575 feet from Avenue of Stars.

⁷ Lots 3 and 4 of Tract 51450 have their street frontage on Avenue of the Stars.

Ms. Maya Zaitzevsky,
Project Coordinator
March 22, 2002
Page 4

of Tract 51450 to allocate the existing parking spaces serving the site to each lot of the subdivision "including references to separate parking affidavits for offsite parking to be recorded satisfactory to the Department of Building and Safety." (emphasis added) *See* January 18, 1996 Advisory Agency Decision. Obviously, it was anticipated that new off-site parking covenants would be recorded. However, Condition 4 has never been satisfied. In any event, CCGP's garage could not satisfy Condition 4 with respect to the Century Plaza Towers because the Towers are significantly in excess of 750 feet from CCGP's garage.

D. Off-Site Parking Covenants are Building-Specific and Do Not Create Perpetual Burdens

The Applicant also argues that as long as "some" use is maintained at a given point in time on what was once Lot 8, the Covenants should never terminate. This strained argument is inconsistent with the two simple paragraphs of the Los Angeles Municipal Code which authorize off-site parking covenants.⁸

On behalf of the Applicant, Allen Matkins argues that while the buildings located at 2020 and 2040 Avenue of the Stars are being demolished, the buildings located at 2029 and 2049 Century Park East will remain. Thus, according to Allen Matkins, the Covenants should continue.⁹ Obviously, the extension of Allen Matkins's argument would be that if the Century Plaza Towers are demolished sometime in the future, the Covenants would still continue as long as the Applicant's replacement project for 2020 and 2040 Avenue of the Stars continued to exist because such buildings would then be the "continuing" use being served at such time.

The Los Angeles Municipal Code's off-site parking provisions were never meant to support this type of imaginative boot-strapping. Section 12.26.E.3 limits the duration of the parking covenant to the time "the building or use they are intended to serve" is maintained. (emphasis added) Section 12.26.E.3 clearly refers to a specific building – not some yet to be imagined use or building. The simple one-page form covenant to implement Section

⁸ Los Angeles Municipal Code Sections 12.21.A.4(g) (requiring that off-site parking be located within 750 feet of the use served) and 12.26.E.3 (requiring an covenant from the owner of the off-site parking in favor of the City agreeing that such parking "so long as the building or use they are intended to serve is maintained").

⁹ As discussed above, Instrument No. 94-2186050 is only for the Shubert Theatre, and Instrument No. 83-230834 could not be regarded as intended to serve the Century Plaza Towers because of the 750-foot distance limitation in Los Angeles Municipal Code Section 12.21.A.4(g).

Ms. Maya Zaitzevsky,
Project Coordinator
March 22, 2002
Page 5

12.26.E.3 uses nearly identical language, limiting the duration of the parking covenant to the time "the use or building requiring such parking is maintained."

If the City had intended off-site parking covenants to burden properties in perpetuity so as to enable benefited properties to be redeveloped again and again, it would have needed to do so expressly in plain language in the ordinance and in the covenant so that the burdened property owner was on clear notice. *Basin Oil Co. v. Inglewood* (1954) 125 Cal.App.2d 661 (holding that the cardinal rule in construing an instrument is the intention of the parties as gathered from the whole instrument). Few owners would sign such an agreement, and obviously the City's ordinance and form covenant do not provide for a perpetual burden of the kind the Applicant seeks. In fact, the City's covenants do the opposite, providing for the automatic termination of the off-site covenant when the building is demolished. Moreover, the City's past practices regarding off-site parking covenants are not consistent with the arguments advanced by Allen Matkins on behalf of the Applicant.

E. The Prudential Agreement Does Not Grant a Right to Rely Upon CCGP's Garage as Off-Site Parking for Redevelopment

Allen Matkins' letter also references a March 10, 1995 agreement and covenant of the same date between various parties and AP Properties, Ltd. (the then owner of the CCGP parking structure) (the "1995 Agreements") as providing for the consent of the Applicant to any termination of the Covenants. Apparently, Allen Matkins has not provided the 1995 Agreements to the City. The 1995 Agreements were executed in connection with a loan regarding what was then Lot 8, and had as their only purpose affirming that the covenants which were their subject were in place and effective so as to ensure that the value of the security for the loan would not be impaired. AP Properties Ltd. agreed that it would not modify or terminate the covenants that were the subject of the 1995 Agreements without the Venture's reasonable consent.

However, the 1995 Agreements are not relevant to the issue that is now before the City. To begin with, the 1995 Agreements do not modify the Covenants, and say nothing about future redevelopment activities. Thus, the 1995 Covenants do not enlarge the burden created by either of the Covenants on CCGP's garage. As discussed above, such burden is strictly limited to existing buildings located at 2020 and 2040 Avenue of the Stars.

CCGP remains in compliance with the Covenants and the 1995 Agreements. The termination of the Covenants will be effectuated not by CCGP, but automatically as a matter of law (pursuant to Los Angeles Municipal Code Section 12.26.E.3) and under the express language of the Covenants themselves if and when the buildings located at 2020 and 2040 Avenue of the Stars are demolished. The consent of the Applicant to the termination will not be required because the Applicant itself will have effectuated the demolition.

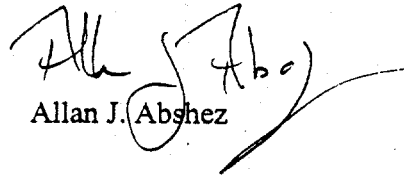
Ms. Maya Zaitzevsky,
Project Coordinator
March 22, 2002
Page 6

F. Conclusion

In conclusion and as stated in our previous letter, CCGP has no objection to the Applicant's development of a new project upon the site of the existing buildings located at 2020 and 2040 Avenue of the Stars provided that responsible planning is carried out by the Applicant and by the City. If the buildings located at 2020 and 2040 Avenue of the Stars are demolished, the Covenants will be automatically terminated as a result of the Applicant's own actions, and have no further force or effect. CCGP's property is not part of the Applicant's project, and either the proceedings with respect to the project should be terminated, or the project description should be revised to eliminate representations that any parking for the Applicant's project will be provided at CCGP's property. The City should be careful to avoid potential liability for what is essentially the Applicant's attempt to shift the costs of its new project onto another landowner.

We look forward to reviewing the draft Environmental Impact Report for the project when the City prepares it. We respectfully request that our office be provided with copies of the Environmental Impact Report, as well as any staff reports and notices regarding the project. Thank you very much for your cooperation, and as always, please do not hesitate to contact me if you have any questions or comments.

Very truly yours,


Allan J. Abshez

AJA

cc: Mr. John Bauroth
Jack Brown, Esq.
Ms. Renee Schillaci