

ATTACHMENTS TO LRPMP STAFF REPORT

Attachment 2:

Long-Range Property Management Plan

SUCCESSOR AGENCY

**TO THE
WEST HOLLYWOOD
COMMUNITY DEVELOPMENT COMMISSION**

**LONG-RANGE
PROPERTY
MANAGEMENT
PLAN**

September 9, 2013

BACKGROUND

On February 1, 2012, pursuant to Assembly Bill x1 26 (“AB x1 26”) all redevelopment agencies across the State were dissolved and successor agencies were established to wind-down their operations and obligations. AB x1 26 required successor agencies, and their oversight boards, to dispose of former redevelopment agency properties as quickly as possible.

On June 27, 2012, a clean-up bill to AB x1 26 was enacted by the State Legislature (“AB 1484”). AB 1484 created several new deadlines and procedures which must be followed by successor agencies. One of these new procedures is the requirement that successor agencies prepare and submit a Long-Range Property Management Plan (“LRPMP”) for approval to their oversight board and the State Department of Finance (“DOF”). The LRPMP must address the disposition and use of the real property of the former redevelopment agency.

The LRPMP process was created in recognition that the rushed disposition of properties could be detrimental to communities and not result in the highest financial returns for taxing entities. Pursuant to Health and Safety Code (“H&SC”) Section 34191.5, successor agencies must submit a LRPMP to their oversight board and DOF, for approval, within six months of receiving a Finding of Completion from DOF. The Successor Agency to the West Hollywood Community Development Commission (“Successor Agency”) received their Finding of Completion on April 26, 2013, as a result of remitting all unencumbered former CDC cash to the County for distribution to taxing entities. The Successor Agency’s Oversight Board approved LRPMP must be submitted to DOF for approval no later than October 26, 2013.

LONG-RANGE PROPERTY MANAGEMENT PLAN LEGAL REQUIREMENTS

Pursuant to H&SC Section 34191.5(c) a long-range property management plan shall do all of the following:

- (1) Include an inventory of all properties in the trust. The inventory shall consist of all of the following information:*
 - (A) The date of the acquisition of the property and the value of the property at that time, and an estimate of the current value of the property.*
 - (B) The purpose for which the property was acquired.*
 - (C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.*
 - (D) An estimate of the current value of the parcel including, if available, appraisal information.*
 - (E) An estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.*
 - (F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.*
 - (G) A description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.*
 - (H) A brief history of previous development proposals and activity, including the rental or lease of property.*

- (2) Address the use or disposition of all of the properties in the trust. Permissible uses include the retention of property for governmental use pursuant to subdivision (a) of Section 34181, the retention of the property for future development, the sale of the property, or the use of the property to fulfill an enforceable obligation. The plan shall separately identify and list properties in the trust dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation. With respect to the use or disposition of all other properties all of the following shall apply:*
 - (A) If the plan directs the use or liquidation of the property for a project identified in an approved redevelopment plan, the property shall transfer to the city, county, or city and county.*
 - (B) If the plan directs the liquidation of the property or the use of revenues generated from the property, such as lease or parking revenues, for any purpose other than to fulfill an enforceable obligation or other than that specified in subparagraph (A), the proceeds from the sale shall be distributed as property tax to the taxing entities.*
 - (C) Property shall not be transferred to a successor agency, city, county, or city and county, unless the long-range property management plan has been approved by the oversight board and the Department of Finance.*

Governmental Use Section

34181. *The Oversight Board shall direct the Successor Agency to do all of the following:*

- (a) Dispose of all assets and properties of the former redevelopment agency; provided, however, that the oversight board may instead direct the successor agency to transfer ownership of those assets that were constructed and used for a governmental purpose, such as roads, school buildings, parks, police and fire stations, libraries, and local agency administrative buildings, to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such an asset. Any compensation to be provided to the successor agency for the transfer of the asset shall be governed by the agreements relating to the construction or use of that asset. Disposal shall be done expeditiously and in a manner aimed at maximizing value. Asset disposition may be accomplished by a distribution of income to taxing entities proportionate to their property tax share from one or more properties that may be transferred to a public or private agency for management pursuant to the direction of the oversight board.*

PROPERTY OF THE FORMER WEST HOLLYWOOD CDC

Generally, the former West Hollywood Community Development Commission (“West Hollywood CDC”) did not own and/or hold a significant number of properties during its fifteen years of existence. At the time of dissolution, the former West Hollywood CDC owned one property, known as the Spaulding Public Parking Lot (“Spaulding Lot”). The West Hollywood CDC acquired the property ten years ago to be used for a governmental purpose (public parking); it continues to be used for that purpose today. The property is relatively small, 10,000 square feet, consists of 28 public parking spaces, and is located on the southeast corner of Santa Monica Boulevard and Spaulding Avenue in the former East Side Redevelopment Project Area.

Aerial Image of the Spaulding Lot



The Spaulding Lot was acquired to alleviate a lack of parking on the eastside of the City. Many of the businesses adjacent to the Spaulding Lot do not have off-street parking, these business rely on street parking and spaces within the Spaulding Lot. The lot is not served by an attendant, customers pay at an automated machine for a specified amount of time. The Spaulding Lot is also used in the evening by valet companies serving adjacent restaurants, with little or no parking of their own, as well as some monthly pass holders. The Spaulding Lot has been a key factor in the continued economic and physical revitalization of the East Side Redevelopment Project Area, by providing needed, convenient parking to customers of local businesses. The Spaulding Lot is currently the only City/Agency owned public parking lot on the eastside of the City.

A billboard is also located on the Spaulding Lot. The current billboard was added in 2004 to replace an existing billboard. At that time, the City provided an exemption for the billboard, because the construction of new billboards was prohibited. The exemption was provided because the billboard was considered a governmental use and a public benefit, since the revenue from the billboard lease was to be used to offset the costs of operating the parking lot and making improvements to City owned and operated public

parking facilities. Currently, the billboard revenue (\$80,000 per year) is deposited into the City's Parking Improvement Fund, which is used to acquire, improve, and maintain public parking facilities throughout the City.

Further information regarding the Spaulding Lot is contained within the "required information" section of this report.

Pictures of the Spaulding Lot



REQUIRED INFORMATION

As part of the LRPMP process each successor agency is asked to address a number questions regarding properties owned by its former redevelopment agency, at the time of dissolution.

As part of the LRPMP process DOF has provided successor agencies with a checklist of LRPMP requirements (Attachment 1). Successor agencies are required to provide the completed checklist to DOF when their LRPMP is submitted for review. In an effort simplify review of the Successor Agency's LRPMP, the following section will follow the order of the DOF checklist and address each item required on the checklist.

Checklist Item 1:

For each property the plan should include the date of acquisition, value of the property at the time of acquisition, and an estimate of the current value.

Response:

The former West Hollywood CDC acquired the Spaulding Lot on March 17, 2003. The value of the Spaulding Lot at the time of acquisition was \$1,300,000 (purchase price). The current value of the Spaulding Lot is estimated at \$2,465,000, which is based on an appraisal performed by Syn-Mar Associates in June 2013 (Attachment 2). The preceding information is also shown in the following table.

West Hollywood Spaulding Lot	
Date of Acquisition:	March 17, 2003
Value of Property at Acquisition:	\$1,300,000 (purchase price)
Estimate of Current Value:	\$2,465,000 (appraised value as of 7/9/13)

Checklist Item 2:

For each property the plan should include the purpose for which the property was acquired.

Response:

The former West Hollywood CDC acquired the Spaulding Lot for the governmental purpose of using it as a public parking lot in the East Side Redevelopment Project Area. The property continues to be used for that purpose today.

At the time the Spaulding Lot was purchased, state law required the Planning Commission to determine whether the property would conform to the City's General Plan. The Planning Commission determined that because the General Plan identified "overflow commercial parking in residential areas, with accompanying noise and traffic, as a significant land use and urban design issue for the City," the purchase was consistent with the General Plan (Dec. 5, 2002 Planning Commission Staff Report).

Indeed, the City’s current General Plan identifies a lack of parking in the City as one of the community’s greatest concerns (General Plan, 2035, p. 6-1). The General Plan also identifies parking as “crucial to residential quality of life and commercial vitality in the City,” and parking as a “coveted resource” in the City (*Id.*, pp. 6-5, 6-19). For these reasons, the City has identified public parking as a “public benefit” that must be encouraged in new development (*Id.*, Land Use Policy 2.9).

Checklist Item 3:

For each property the plan should include parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.

Response:

The Spaulding Lot is located at 7718 Santa Monica Boulevard in West Hollywood. The size of the Spaulding Lot is 10,000 square feet, and it is zoned CC1 (Commercial, Community 1) in the City’s General Plan. There are no specific plans or community plans within the City that include the Spaulding Lot, and the former Community Development Commission’s redevelopment plan did change the general plan zoning in the East Side Project Area. The preceding information is also shown in the following table:

West Hollywood Spaulding Lot	
Parcel Number:	5530-016-900
Property Address:	7718 Santa Monica Blvd
Lot Size:	10,000 square foot
General Plan Zoning:	CC1 – Commercial, Community 1

Checklist Item 4:

For each property the plan should include an estimate of the current value of the parcel including, if available, any appraisal information.

Response:

In June 2013, the Successor Agency hired Syn-Mar Associates to perform an appraisal of the Spaulding Lot. (Attachment 2) The appraisal estimated the “as is” market value of the Spaulding Lot at \$2,465,000, based on comparable sales in the market area. The appraisal addressed land value of the property, because it was assumed that if the property were sold to a third party it would be purchased for future development. Additionally, the current billboard improvements were not included in the appraisal, because they were only allowed to be constructed because the property was publically owned and considered a public/governmental asset. A zoning waiver was granted that allowed the billboard to be constructed because it was considered a governmental use and a public benefit, since the billboard lease revenues are used to off-set the cost of maintaining a public parking lot and making improvements to City owned and operated public parking facilities.

Checklist Item 5:

For each property the plan should include an estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.

Response:

The Spaulding Lot is currently operated and maintained by the City of West Hollywood as a public parking lot. The Spaulding Lot currently generates two types of revenue for the City: 1) Parking revenue from patrons who pay by the hour, monthly pass holders, and valet parking operators who utilize the lot in the evening; and 2) Billboard lease revenue from the lease of billboard advertising space on the lot. The parking and billboard lease revenue is used to off-set the cost of maintaining the lot and for public parking capital improvements throughout the City. Thus, the billboard revenue also advances General Plan purposes by reducing secondary impacts of overflow commercial parking in residential neighborhoods, such as a noise and traffic intrusion (City Council Reso No. 04-3088). The following table provides a breakdown of the net operating income from the last two fiscal years for the Spaulding Lot.

West Hollywood Spaulding Lot		
Annual Net Operating Income		
	FY 2011-12	FY 2012-13
Revenue		
Parking Revenue	\$40,556	\$37,464
Billboard Revenue	\$80,000	\$80,000
Total Revenue	\$120,556	\$117,464
Expenditures		
Operating Costs	\$23,575	\$22,940
Total Expenditures	\$23,575	\$22,940
Net Operating Income	\$96,981	\$94,524

On September 28, 2004, the City entered into a Site License Agreement (“Lease”) (Attachment 3) with Van Wager Communications, LLC, regarding the use of a portion of two City/CDC owned properties for advertising purposes. The second site included in the Lease, besides the Spaulding Lot, is a City owned parking lot located on Sunset Boulevard. The Lease allowed Van Wager to erect, maintain and operate two, two-sided billboards (one on each property) for off-site advertising purposes, for a ten year term, with a termination date of December 31, 2014. The Lease includes a revenue sharing clause, if gross revenues rise above certain levels. To date, the City has not received any additional revenue sharing corresponding to this clause. The City has the right to terminate the Lease without incurring a cost if it elects to develop, or sell either property after seven years from the effective date, provided that six month notice is given. The City is currently in the ninth year of the Lease and could elect to terminate the Lease, if either property were sold or developed. At this time, the City has no intention of terminating the Lease before the end of the ten year period.

In addition to the Lease, the City has several contracts in place with monthly pass holders and valet companies to utilize the lot, however, those contracts are all month-to-month and can be cancelled at any time.

Checklist Item 6:

For each property the plan should include the history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.

Response:

The Spaulding Lot has never been designated as a brownfield site. To the Successor Agency's knowledge the site does not include any environmental contamination.

Checklist Item 7:

For each property the plan should include a description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.

Response:

The Spaulding Lot is located along Santa Monica Boulevard, a major thoroughfare in the City. A major Metro rapid bus line runs along Santa Monica Boulevard, however, no subway or light-rail lines are planned for the area. Over the last decade there have been several mixed-use projects developed along Santa Monica Boulevard in the general vicinity (1-mile) of the Spaulding Lot. Though the property could potentially be developed with a mixed-use project, the size of such a project would be constrained due to the size of the property (10,000 sq ft). Most new mixed-use projects in the general vicinity have been developed on larger lots and have included subterranean parking (in order to increase density, to make the projects financially viable), which would be challenging on a property of this size.

The Successor Agency and City believe that the best use of the property is for it to remain as a public parking lot. For this reason, as detailed further in this plan, the City is proposing that the property be transferred from the Successor Agency to the City pursuant to Health and Safety Code Section 34181(a) to be retained as a governmental use. The City believes that the Spaulding Lot's use as a public parking lot is critical to the continued economic and physical revitalization of the eastside of the City. The Spaulding Lot is the only publicly owned parking lot on the eastside of the City and serves as parking for a number of businesses and buildings which have no off-street parking. As mentioned previously, the Spaulding Lot also serves as valet parking, in the evening, for restaurants in the area, which have little or no parking of their own. Additionally, all revenue generated from the billboard on the property is deposited into the City's Parking Improvement Fund for governmental use, including the acquisition, improvement, and maintenance of public parking facilities throughout the City.

Checklist Item 8:

For each property the plan should include a brief history of previous development proposals and activity, including the rental and lease of the property.

Response:

The Spaulding Lot was purchased by the West Hollywood CDC in 2003 for the purpose of serving as a public parking lot, in a neighborhood that lacked public parking. Since acquisition, the Spaulding Lot has continuously been used for a governmental purpose, serving as a public parking lot. For this reason, there have been no development proposals for the property. The Spaulding Lot has never been rented or leased to a third party, except for the billboard lease, and monthly rental contracts with parking pass holders and valet companies.

Checklist Item 9:

For each property the plan identifies the use or disposition of the property, which could include 1) the retention of the property for governmental use, 2) the retention of the property for future development, 3) the sale of the property, or 4) the use of the property to fulfill an enforceable obligation.

Response:

The Successor Agency is requesting that the Spaulding Lot be transferred to the City, to be retained for governmental use as a public parking lot.

Health and Safety Code Section 34191.5 states that one of the permissible uses of former redevelopment agency property includes the retention of the property for governmental use pursuant to subdivision (a) of Section 34181. Health and Safety Code Section 34181(a) states that a Successor Agency must:

Dispose of all assets and properties of the former redevelopment agency; provided, however, that the oversight board may instead direct the successor agency to transfer ownership of those assets that were constructed and used for a governmental purpose, such as roads, school buildings, parks, police and fire stations, libraries, and local agency administrative buildings, to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such an asset.

The Spaulding Lot was purchased in 2003 to serve as a governmental use. Since it was purchased, the property has continually been used for a governmental purpose, serving as a public parking lot, with all excess revenue deposited into the City's Parking Improvement Fund to fund other governmental parking improvements. Section 34181 does not specifically list public parking lots as one of the examples of a governmental use; however, the list of assets was expressly not intended to be exhaustive, because the list is preceded by the words "such as." Additionally, Section 34181 does not define "governmental purpose" and instead only provides examples of what a governmental use could be. Some of the examples are property types which are directly used by governmental entities, such as police and fire stations, local agency administrative buildings, and school buildings. However, other examples which are provided included

governmentally owned and operated properties that benefit the general public, such as parks and libraries.

The Successor Agency believes that the Spaulding Lot qualifies as a governmental use property because it has been owned and operated as a public parking lot for the last ten years, providing a significant public benefit to the general public and adjacent businesses, similar to a park or library. In other situations, California courts have stated that “governmental purpose” is synonymous with “public purpose” (see, e.g., *Griffiths v. Superior Court* (2002) 96 Cal.App.4th 757 (“[W]hether the classification is rationally related to a legitimate governmental purpose. Put another way, the classification must bear some fair relationship to a legitimate public purpose.”)). Because the Spaulding Lot has clearly been used for public purposes for the past 10 years, the lot may be transferred to the City under Section 34181.

Additionally, the current billboard improvements provide additional public benefits, because the revenue from the lease agreement is deposited into the City’s Parking Improvement Fund and is used to maintain and enhance public parking facilities throughout the City. The billboard was only allowed to be constructed because the property was publically owned and considered a public asset. A zoning waiver was granted that allowed the billboard to be constructed because it constituted a public benefit, since the billboard lease revenues are used to off-set the cost of maintaining a public parking lot and making improvements to public parking facilities in the City.

Upon approval of the LRPMP by DOF the Successor Agency will complete the transfer of the Spaulding Lot to the City as a governmental use, and it will continue to be operated as a public parking lot.

Checklist Item 10:

The plan should separately identify and list properties dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation.

Response:

The only property owned by the former West Hollywood CDC, the Spaulding Lot, is dedicated to governmental use purposes. The LRPMP proposes the transfer of the property to the City from the Successor Agency, so the property may continue to be used for governmental purposes.

LONG-RANGE PROPERTY MANAGEMENT PLAN PROCESS (TIMELINE)



ATTACHMENTS

Attachment 1: DOF Checklist for Long-Range Property Management Plan

Attachment 2: Syn-Mar Appraisal for Spaulding Lot (7.9.13)

Attachment 3: Site License Agreement for Billboard

ATTACHMENTS TO LONG-RANGE PROPERTY MANAGEMENT PLAN

Attachment 1:

DOF Checklist for Long-Range Property
Management Plan



LONG-RANGE PROPERTY MANAGEMENT PLAN CHECKLIST

Instructions: Please use this checklist as a guide to ensure you have completed all the required components of your Long-Range Property Management Plan. Upon completion of your Long-Range Property Management Plan, email a PDF version of this document and your plan to:

Redevelopment_Administration@dof.ca.gov

The subject line should state “[Agency Name] Long-Range Property Management Plan”. The Department of Finance (Finance) will contact the requesting agency for any additional information that may be necessary during our review of your Long-Range Property Management Plan. Questions related to the Long-Range Property Management Plan process should be directed to (916) 445-1546 or by email to Redevelopment_Administration@dof.ca.gov.

Pursuant to Health and Safety Code 34191.5, within six months after receiving a Finding of Completion from Finance, the Successor Agency is required to submit for approval to the Oversight Board and Finance a Long-Range Property Management Plan that addresses the disposition and use of the real properties of the former redevelopment agency.

GENERAL INFORMATION:

Agency Name: **West Hollywood**

Date Finding of Completion Received: April 26, 2013

Date Oversight Board Approved LRPMP: September 18, 2013

Long-Range Property Management Plan Requirements

For each property the plan includes the date of acquisition, value of property at time of acquisition, and an estimate of the current value.

Yes No

For each property the plan includes the purpose for which the property was acquired.

Yes No

For each property the plan includes the parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.

Yes No

For each property the plan includes an estimate of the current value of the parcel including, if available, any appraisal information.

Yes No

For each property the plan includes an estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.

Yes No

For each property the plan includes the history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.

Yes No

For each property the plan includes a description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.

Yes No

For each property the plan includes a brief history of previous development proposals and activity, including the rental or lease of the property.

Yes No

For each property the plan identifies the use or disposition of the property, which could include 1) the retention of the property for governmental use, 2) the retention of the property for future development, 3) the sale of the property, or 4) the use of the property to fulfill an enforceable obligation.

Yes No

The plan separately identifies and list properties dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation.

Yes No

ADDITIONAL INFORMATION

- If applicable, please provide any additional pertinent information that we should be aware of during our review of your Long-Range Property Management Plan.

See attached Long-Range Property Management Plan for the Successor Agency to the West Hollywood Community Development Commission

Agency Contact Information

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Date: 9/19/2013

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Email: jleonard@weho.org
Date: 9/19/2013

Department of Finance Local Government Unit Use Only

DETERMINATION ON LRPMP: APPROVED DENIED

APPROVED/DENIED BY: _____ DATE: _____

APPROVAL OR DENIAL LETTER PROVIDED: YES DATE AGENCY NOTIFIED: _____

ATTACHMENTS TO LONG-RANGE PROPERTY MANAGEMENT PLAN

Attachment 2:

Syn-Mar Appraisal for Spaulding Lot (7.9.13)



PREPARED FOR

**MR. MICHAEL JENKINS
JENKINS & HOGIN, LLP
1230 ROSEMEAD AVENUE, SUITE 110
MANHATTAN BEACH, CA 90266**

**A SUMMARY APPRAISAL REPORT
OF THE
COMMERCIAL-ZONED LAND
LOCATED AT
7718 SANTA MONICA BOULEVARD
WEST HOLLYWOOD, CALIFORNIA 90046**

PREPARED BY

**JULIE A. HACKNEY, SCREA, CA-AG023446
JEFFREY O. EGGLESTON, SCREA, CA-AG017079
STEPHEN P. RETHMEIER, SCREA, CA-AG012653
APPRAISAL VALUATION DATE: JUNE 15, 2013
APPRAISAL REPORT DATE: JUNE 21, 2013
SYN-MAR FILE: 13-394**



July 9, 2013

**Mr. Michael Jenkins
Jenkins & Hugin, LLP
1230 Rosemead Avenue, Suite 110
Manhattan Beach, CA 90266**

Regarding: Summary Appraisal Report
Commercial-zoned Land
7718 Santa Monica Boulevard
West Hollywood, California 90046

Syn-Mar File: 13-394

Dear Mr. Jenkins:

At your request, we have prepared an appraisal for the above-referenced property, which is briefly described as follows:

The subject of this appraisal is the commercial-zoned land consisting of a rectangular-shaped, alley-serviced, corner site totaling 10,000 SF. The parcel is situated at the southeast corner of Santa Monica Boulevard and Spaulding Avenue, in the City of West Hollywood, California.

The subject site is currently improved as a 28-space parking lot and a double-sided billboard. Although there is a pay parking lot on the subject site, we have been instructed by the client to address only the fee simple value of the underlying land without consideration to the billboard income. Consequently, no value is given to the existing improvements (parking lot). Unless specifically stated, the appraised value considers only real property. No non-realty items are included.

The intended use of the appraisal is estimation of applicable and reasonable market value as of appraisal date for internal decision-making. This report will not be used in conjunction with a loan.

The intended user(s) of the appraisal are the City of West Hollywood (the client) and/or their assignees(s). Please reference page 2 of this report for important information regarding the scope of research and analysis for this appraisal, including property identification, inspection, highest and best use analysis and valuation methodology.

We certify that we have no present or contemplated future interest in the property beyond this estimate of value. The appraisers have not performed any prior services regarding the subject within the previous three years of the appraisal date.

Mr. Michael Jenkins
Jenkins & Hogin, LLP
July 9, 2013
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Your attention is directed to the Limiting Conditions and Assumptions section of this report (page 10). Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, we note the following:

Hypothetical Conditions:

- The As Is and As Vacant value estimates in this appraisal are based on the hypothetical condition that the subject is commercial-zoned land ready for redevelopment. In addition, we have also been asked to appraise the subject without the contribution of the billboard income.

Extraordinary Assumptions:

- We have estimated an allowance of \$5,000 for demolition of the existing improvements. We assume this will be adequate.
- The client instructed us to perform a limited exterior inspection of the subject property and to not contact the owner, local brokers, or anyone familiar with the subject property. Therefore, our inspection of the property was limited, and did not allow complete disclosure of all the actual physical characteristics, limitations, and/or enhancements of the subject property. If this is of concern to the reader, we recommend a qualified professional be engaged to thoroughly inspect the property for a detailed assessment of all physical characteristics. This appraisal assumes there are no related issues (unseen or otherwise) that would alter or impair the utility and/or marketability of the subject.

Based on the appraisal described in the accompanying report, subject to the Limiting Conditions and Assumptions, Extraordinary Assumptions and Hypothetical Conditions (if any), we have made the following value conclusion(s):

Current "As Is" Market Value:

The "As Is" market value of the Fee Simple estate of the property, as of June 15, 2013, is

\$2,465,000

Two Million Four Hundred Sixty Five Thousand Dollars

The following analyses, opinions, and conclusions were developed and this report has been prepared in conformity with the requirements of the intended user and in compliance with: 1) OCC: 12 CFR, Parts 34, Real Estate Lending and Appraisals; 2) Interagency Appraisal and Evaluation Guidelines, December 10, 2010; and 3) Uniform Standards of Professional Appraisal Practice ("USPAP"), promulgated by the Appraisal Standards Board of the Appraisal Foundation.



Mr. Michael Jenkins
Jenkins & Hogin, LLP
July 9, 2013
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Respectfully submitted,



Julie A. Hackney, SCREA
CA-AG023446
Expires: April 7, 2014



Stephen P. Rethmeier, SCREA
CA-AG012653
Expires: June 30, 2015



Jeffrey O. Eggleston, SCREA
CA-AG017079
Expires: April 6, 2015



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Summary of Salient Data

GENERAL	
Subject:	7718 Santa Monica Boulevard West Hollywood, California, 90046
Thomas Guide:	593-B6
Property Type:	Commercial-Zoned Land
Vesting:	Community Development Commission of West Hollywood
Shape:	Rectangular
Site Area:	10,000 SF
Assessor's Parcel Number:	5530-016-900
Zoning:	CC1 - Commercial, Community 1
Topography:	Level
Census Tract	7001.02
Flood Zone:	X – Flood insurance is not required.
Date of Value:	June 15, 2013
Highest and Best Use As Vacant:	The highest and best use as vacant is to hold for future speculation.

SUMMARY OF VALUE INDICATIONS		
Cost Approach:	Not Applicable	
Income Approach:	Not Applicable	
Sales Comparison Approach:	\$2,470,000	
Reconciled Value(s):	"As Vacant"	"As Is"
	<i>(No Billboard)</i>	<i>(Includes Demolition Cost)</i>
Value Conclusion(s)	\$2,470,000	\$2,465,000
Effective Date(s)	June 15, 2013	June 15, 2013
Property Rights	Fee Simple	Fee Simple



Introduction

The subject of this appraisal is the commercial-zoned land consisting of a rectangular-shaped, alley-serviced, corner site totaling 10,000 SF. The parcel is located at 7718 Santa Monica Boulevard, at the southeast corner of Santa Monica Boulevard and Spaulding Avenue, in the City of West Hollywood, California.

The site is improved with a 28-space parking lot and a double-sided billboard. However, we have been instructed by the client to address only the fee simple value of the underlying land only (not including the billboard income). Consequently, no value is given to the existing improvements (paving, landscaping, fencing, lighting and billboard). However, the reader should note that the subject improvements need to be razed in order to facilitate development. For the purpose of this analysis, we have assumed a demolition cost not exceed \$5,000.

As will be elaborated upon in the "Subject Marketability" section of this report, the marketability for vacant commercial land in the subject's submarket (and the regional market, in general) had diminished over the past few years as a result of the recession. However, according to local brokers, the demand for commercial land has been improving over the past 6 to 9 months. The subject is well-located in a desirable market where vacant commercial-zoned land is scarce. Nevertheless, considering the current economic realities, we conclude that the subject's market appeal is considered at least average.

Scope of Work

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s). Therefore, the appraiser must identify and consider:

- the client and intended users;
- the intended use of the report;
- the type and definition of value;
- the effective date of value;
- assignment conditions;
- typical client expectations; and
- typical appraisal work by peers for similar assignments.

This appraisal is prepared for Mr. Michael Jenkins, with Jenkins & Hogin, LLP. The problem to be solved is to provide the following market values:

Current "As Vacant" Fee Simple Market Value (Not Including Billboard Income); and the Current "As Is" Fee Simple Market Value (Less Demolition).

The intended use of the appraisal is estimation of applicable and reasonable market value as of appraisal date for internal decision-making. This report will not be used in conjunction with a loan.

The intended user(s) of the appraisal are the City of West Hollywood (the client) and/or their assignees(s).

SCOPE OF WORK

Report Type:	This is a Summary Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(b). This format provides a summary of the appraisal process, subject and market data and valuation analyses.
Property Identification:	The subject has been identified by the assessors' parcel number, the assessor's parcel map, photographs of the subject, as well as the descriptions in this report.
Inspection:	A limited exterior inspection of the subject property has been made, and photographs taken by Julie A. Hackney, SCREA. Ms. Hackney also conducted the research into the physical and economic factors affecting the subject property, the data research, and the analysis applied to arrive at the opinions and conclusions herein. Jeffrey O. Eggleston, SCREA and Stephen P. Rethmeier, SCREA assisted in the analysis, provided oversight as needed, supervised the assignment, and reviewed the report.

Market Area and Analysis of Market Conditions:

A complete analysis of market conditions has been made. The appraiser maintains and has access to comprehensive databases for this market area and has reviewed the market for transactions and listings relevant to this analysis. The comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction or other sources thought reasonable, and all are considered appropriate for inclusion to the best of our factual judgment and knowledge. We consider the data to have an appropriate degree of reliability.

Highest and Best Use Analysis:

A limited as vacant and as improved highest and best use analysis for the subject has been made. Physically possible, legally permissible and financially feasible uses were considered, and the maximally productive use was concluded.

Most Probable Buyer:

As of the date of value, the most probable buyer of the subject property is an investor or developer.

Valuation Analyses

Cost Approach:

A Cost Approach was not applied because we are assuming the subject is vacant land; therefore, this approach is irrelevant.

Sales Comparison Approach:

A Sales Comparison Approach was applied because there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.

Income Approach:

An Income Approach was not applied because we are assuming the subject is vacant land; therefore, this approach is irrelevant.

Hypothetical Conditions:

- The As Is and As Vacant value estimates in this appraisal are based on the hypothetical condition that the subject is commercial-zoned land ready for redevelopment. In addition, we have also been asked to appraise the subject without the contribution of the billboard income.

Extraordinary Assumptions:

- We have estimated an allowance of \$5,000 for demolition of the existing improvements. We assume this will be adequate.
- The client instructed us to perform a limited exterior inspection of the subject property and to not contact the owner, local brokers, or anyone familiar with the subject property. Therefore, our inspection of the property was limited and did not allow complete disclosure of all the actual physical characteristics, limitations, and/or enhancements of the subject property. If this is of concern to the reader, we recommend a qualified professional be engaged to thoroughly inspect the property for a detailed assessment of all physical characteristics. This appraisal assumes there are no related issues (unseen or otherwise) that would alter or impair the utility and/or marketability of the subject.

Information Provided:

- A billboard lease dated September 28, 2004, including exhibits.

Information Not Available:

- A current preliminary title report.
- It is assumed that all information known to the client and relative to the valuation has been accurately furnished and that there are no undisclosed reports, leases, agreements, options, liens, or other encumbrances affecting the use or value of the property.

Definitions

Market Value:¹

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (i) buyer and seller are typically motivated;
- (ii) both parties are well informed or well advised, and acting in what they consider their best interests;
- (iii) a reasonable time is allowed for exposure in the open market;
- (iv) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (v) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

"As Is" Market Value:¹

The estimate of the market value of real property in its current physical condition, use, zoning as of the appraisal's effective date.

Prospective Market Value "As Completed":¹

The prospective market value "as completed" reflects the property's market value as of the time that development is expected to be completed.

Prospective Market Value "As Stabilized":¹

The prospective market value "as stabilized" reflects the property's market value as of the time the property is projected to achieve stabilized occupancy.

Prospective Value:²

A forecast of the value expected at a specified future date. A prospective value opinion is most frequently sought in connection with real estate projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or stabilized level of long-term occupancy and income at the time the appraisal report is written.

¹ OCC 12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994; Interagency Appraisal and Evaluation Guidelines, December 2, 2010.

² The Appraisal of Real Estate 13th ed. (Chicago: Appraisal Institute, 2009).

Fair Market Value:³

The price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts.

Retrospective Value Opinion:³

A value opinion effective as of a specified historical date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiations, deficiency judgments, estate tax, and condemnation.

Disposition Value:³

The most probable price that a specified interest in real property should bring under the following conditions:

1. Consummation of a sale within a future exposure time specified by the client.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. An adequate marketing effort will be made during the exposure time specified by the client.
8. Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Liquidation Value:³

The most probable price that a specified interest in real property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

³ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute, 2010).

A Fee Simple estate is defined³ as:

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

A Leased Fee interest is defined³ as:

A freehold (ownership interest) where the possessory interest has been granted to another party by the creation of a contractual landlord-tenant relationship (i.e., a lease).

A Leasehold interest is defined² as:

The interest held by the lessee (the tenant or renter) through a lease conveying the rights of use and occupancy for a stated term under certain conditions.

A Sandwich Leasehold interest is defined² as:

A lease in which an intermediate, or sandwich, leaseholder is the lessee of one party and the lessor of another. The owner of the sandwich lease is neither the fee owner nor the user of the property; he or she may be a leaseholder in a chain of leases, excluding the ultimate sublessee.

An Extraordinary Assumption is defined³ as:

An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2010-2011 ed.)

A Hypothetical Condition is defined³ as:

That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2010-2011 ed.)

Marketing Time is defined³ as:

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisal.

Marketing time differs from exposure time, which is always presumed to precede the effective date of the appraisal.

Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time.

Exposure Time is defined³ as:

1. The time a property remains on the market.
2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market.

See Marketing Time, above.

Market Rent:³

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).

Gross Building Area (GBA):³

Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the region.

Rentable Area (RA):³

For office buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring the inside finished surface of the dominant portion of the permanent building walls, excluding any major permanent penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice.

Gross Leasable Area (GLA):³

Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces.

General Contingent and Limiting Conditions

Acceptance of and/or use of this report constitutes acceptance of the following limiting conditions and assumptions; these can only be modified by written documents executed by both parties.

The liability of Syn-Mar Associates (The Appraiser), its employees, and subcontractors is limited to the client only. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limited conditions and assumptions of the assignment and related discussions. The appraiser(s) is in no way to be responsible for any costs incurred to discover or correct any deficiencies of any type present in the property: physically, financially, and/or legally. The client agrees that, in the case of lawsuit (brought by lender, partner, or part owner in any form of ownership, tenant, or any other party), any and all awards or settlements of any type in such suit, regardless of outcome, client will hold appraiser completely harmless in any such action.

Possession of this report or any copy thereof does not carry with it the right of publication, nor may it be used for other than its intended use. All files, work papers and documents developed in connection with this assignment are the property of Syn-Mar Associates. Information, estimates and opinions are verified where possible, but cannot be guaranteed. Plans provided are intended to assist the client in visualizing the property; no other use of these plans is intended or permitted.

This appraisal is to be used only for the purpose stated herein. While distribution of this appraisal in its entirety is at the discretion of the client, individual sections shall not be distributed; this report is intended to be used in whole and not in part. No change of any item in the report shall be made by anyone other than the appraiser and/or officer of the firm. The appraiser and firm shall have no responsibility if any such unauthorized change is made.

No part of this appraisal, its value estimates or the identity of the firm or the appraiser(s) may be communicated to the public through advertising, public relations, media sales, or other media.

It is assumed that all information known to the client and relative to the valuation has been accurately furnished and that there are no undisclosed reports, leases, agreements, options, liens, or other encumbrances affecting the use or value of the subject property.

No responsibility is assumed for accuracy of information furnished by the work of or work by others, the client, his designee, or public records. Furthermore, no liability is assumed for such information or the work of possible subcontractors. Be advised that some of the people associated with our firm and possibly signing the report are independent contractors.

The sketches and maps in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Various photos, if any, are included for the same purpose as of the date of the photos. Site plans are not surveys unless shown from separate surveyor.

While the building size used herein is assumed to be correct, we cannot warrant its accuracy and assume no related liability. If there is a concern with respect to our conclusion of building size and the expectation of the client, borrower, or other market participant, we recommend a qualified individual (architect, contractor, building inspector, etc.) be engaged to measure the building. If it is determined that the building size used herein is incorrect, we reserve the right to amend this appraisal.

No responsibility is assumed for matters legal in character or nature, nor of any architectural, structural, mechanical, or engineering nature. No opinion is rendered as to the title, which is presumed to be good and merchantable. The property is appraised as if free and clear, unless otherwise stated in particular parts of the report. The legal description is assumed to be correct as used in this report as furnished by the client, his designee, or as derived by the appraiser.

No hidden or unapparent conditions of the property, subsoil or structure, which would make the property more or less valuable, were discovered by the appraiser(s) or made known to the appraiser(s). No responsibility is assumed for such conditions or engineering necessary to discover them. Unless otherwise stated, this appraisal assumes there is no existence of hazardous materials or conditions, in any form, on or near the subject property.

No advice is given regarding mechanical equipment or structural integrity or adequacy; nor soils and potential for settlement, drainage, and such (seek assistance from qualified architect and/or engineer); nor matters concerning liens, title status, and legal marketability (seek legal assistance); and such.

This appraisal assumes the roof is water tight (as reported) and that the building's systems, including electrical, mechanical, and plumbing are in good operating condition. These systems have not been inspected by us, nor are we qualified to comment on their condition. Appropriate experts in these fields should be retained for such a determination. Except as otherwise noted in this report, the property appraised as though these systems are operating adequately. No judgment may be made by us as to adequacy of insulation, type of insulation, or energy efficiency of the improvements or equipment which is assumed standard for subject age and type. The value estimate considers there being no such conditions that would cause a loss of value.

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, was not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test for such substances. The presence of such hazardous substances may affect the value of the property. The value opinion developed herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto, which would cause a loss in value. No responsibility is assumed for any such hazardous substances, nor for any expertise or knowledge required to discover them.

Endangered species may be prevalent in undeveloped land in the area. Visual inspection denotes no presence of an endangered species of habitat. However, the appraiser is not an expert in the identification of endangered species or habitats, and this report should not be relied upon to determine whether sensitive ecological issues impact the property. This fact can only be determined by a biological survey of the property. Existence of such species or habitats on the property could affect potential uses and value. Further, it should be emphasized, this appraisal report was prepared for the sole use of the client and does not constitute an expert biological assessment of the subject property.

Unless stated herein, the property is assumed to be outside of areas where flood hazard insurance is mandatory. Maps used by public and private agencies to determine these areas are limited with respect to accuracy. Due diligence has been exercised in interpreting these maps, but no responsibility is assumed for misinterpretation.

If the appraiser(s) has not been supplied with a termite inspection, survey, or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranties are made concerning obtaining the above-mentioned items.

Necessary licenses, permits, consents, legislative or administrative authority from any local, state or Federal government or private entity are assumed to be in place or reasonably obtainable.

It is assumed there are no zoning violations, encroachments, easements or other restrictions which would affect the subject property, unless otherwise stated.

Furnishings and equipment or personal property or business operations, except as specifically indicated and typically considered as a part of real estate, have been disregarded with only the real estate being considered in the value estimate unless otherwise stated. In some property types, business and real estate interests and values are combined.

Improvements proposed, if any, on- or offsite, as well as any repairs required, are considered, for purposes of this appraisal, to be completed in good and workmanlike manner according to information submitted and/or considered by the appraisers. In cases of proposed construction, the appraisal is subject to change upon inspection of property after construction is completed. This estimate of market value is as of the date shown, as proposed, as if completed, and operating at levels shown and projected.

In cases of appraisals involving the capitalization of income benefits, the estimate of market value or investment value or value in use is a reflection of such benefits and the appraiser's interpretation of income and yields and other factors derived from general and specific client and market information. Such estimates are based on income as of the appraisal date along with any reasonable expectations of change in that income over the succeeding 12 months to the extent estimable on the appraisal date; they are, however, subject to change or outcomes other than anticipated due to the dynamic nature of the real estate market.

The "estimate of market value" in the appraisal report is not based in whole or in part upon the race, color, or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.

It is assumed that the property which is the subject of this report will be under prudent and competent ownership and management, neither inefficient nor superefficient.

The fee for this appraisal or study is for the service rendered and not for the time spent on the physical report or the physical report itself.

The appraiser(s) are not required to give testimony in Court in connection with this appraisal. If the appraisers are subpoenaed pursuant to a court order, the client agrees to pay the appraiser(s) Syn-Mar Associates' regular per diem rate plus expenses.

Appraisals are based on the data available at the time the assignment is completed. Amendments or modifications to appraisals based on new information made available after the appraisal was completed will be made, as soon as reasonably possible, for an additional fee.

Unless otherwise noted herein, the review appraiser has supervised and directed all of the research effort, has taken a major role in the analysis of the data produced by this research, but has not personally performed the research and has not necessarily inspected the subject or market comparable properties.

Americans with Disabilities Act (ADA) of 1990

A civil rights act passed by Congress guaranteeing individuals with disabilities equal opportunity in public accommodations, employment, transportation, government services, and telecommunications. Statutory deadlines become effective on various dates between 1990 and 1997. Syn-Mar Associates has not made a determination regarding the subject's ADA compliance or non-compliance. **Non-compliance could have a negative impact on value; however, this has not been considered or analyzed in this appraisal.**

Competency Rule

A specific requirement of the Uniform Standards of Professional Appraisal Practice is that "prior to accepting an assignment or entering into an agreement to perform any assignment, an appraiser must properly identify the problem to be addressed and have the knowledge and experience to complete the assignment competently. . ."

"Competency applies to factors such as, but is not limited to, an appraiser's familiarity with a specific type of property, a market, a geographic area, or an analytical method." Essentially, the Competency Rule requires an appraiser have the experience and knowledge to perform the appraisal in a competent manner.

To that end, the signatories on this appraisal report are currently certified under the State of California and have attained a level of competency necessary to complete the assignment, using all of the commonly recognized analysis techniques considered normal for a prudent evaluation effort. These recognized analysis techniques have been learned through practical field experience, as well as through classroom instruction. The signatories have appraised numerous properties like the subject, have a familiarity with the local market and geographic area, and have appropriate expertise for the property type in question.

We are aware of no deficiencies in competence that would hinder a credible appraisal result. The readers are referred to the appraiser qualifications in the addenda section of this report for additional confirmation of adequate technical training and experience appraising the subject property type.

Legal Description

A legal description was not provided for our review. In order to describe the subject property in compliance with USPAP, we have included a copy of the assessor's parcel map and photographs of the subject, as well as the descriptions in this report.

Sales History

According to public records, title to the subject is vested in *Community Development Commission of West Hollywood*. Public records also indicate that this entity has held title to the subject for more than three years.

We are aware of no listings or transfers of the subject property within the past 3 years, although no warranty of title is implied. The subject property is not for sale, or under contract.

Exposure Time

Under line item (iii) of the Definition of Market Value, the value estimate presumes that a reasonable time is allowed for exposure in the open market. Exposure time is defined as "the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market." Exposure time is always considered to have occurred prior to the effective date of the appraisal.

The concept of exposure includes "not only adequate, sufficient, and reasonable time, but adequate, sufficient, and reasonable effort." It is often expressed as a range and is based on "statistical information about days on the market; information gathered through sales verification; and, interviews with market participants." These sources yield further data including motivations of typical market participants, and typical equity/financing parameters. (Refer to Statement on Appraisal Standards No. 6, SMT-6; Appraisal Standards Board of the Appraisal Foundation for additional information).

In light of this, and based on our conversations with market participants, reasonable exposure time for the subject under current market conditions is estimated to be approximately 6 to 12 months. This is based on the analyses of market trends in the general area and takes into account size, condition, and price range of the subject and surrounding properties and presupposes that a listing price would be at or near the appraised value.

Marketing Time

Marketing time is the "estimate of the amount of time it might take to sell a property interest in real estate at the estimated market value level during the period immediately after the effective date of the appraisal." The sources for this information includes those used in estimating reasonable exposure time but also may include anticipated changes in market conditions. In this case, the marketing time should be roughly the same as the estimate of reasonable exposure time, which is 6 to 12 months.

Market Area/Neighborhood Description

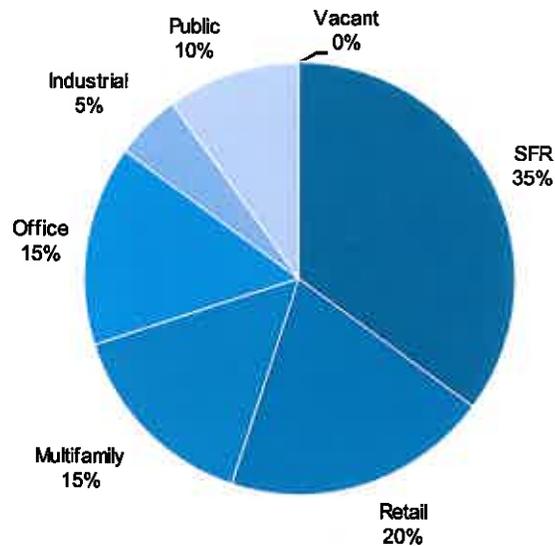
Area & Property Use Characteristics

Location	<input checked="" type="checkbox"/> Urban	<input type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Population Trend	<input type="checkbox"/> Up	<input checked="" type="checkbox"/> Stbl	<input type="checkbox"/> Dn
Build Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25% to 75%	<input type="checkbox"/> Under 25%	Employment Trend	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Built Up	<input checked="" type="checkbox"/> Fully Dev.	<input type="checkbox"/> Rapid	<input type="checkbox"/> Steady	Personal Income Level	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Property Values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	Retail Sales	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	New Construction	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Vacancy Trend	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	Value Trend	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Change in Economic Base	<input type="checkbox"/> Likely	<input checked="" type="checkbox"/> Unlikely	<input type="checkbox"/> Taking Place	Rental Demand	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Land Use Trends

		Supply/Demand		
Present Land Use		Under	In Bal.	Over
SFR	35%	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Retail	20%	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Multifamily	15%	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Office	15%	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Industrial	5%	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Public	10%	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Vacant	0%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
100%				

Change in Land Use	Likely	<input type="checkbox"/>
	Not Likely	<input checked="" type="checkbox"/>
	Taking Place	<input type="checkbox"/>



CITY INFORMATION

City:	West Hollywood
County:	Los Angeles
City Area (sq mi):	1.89
Population ⁴ :	34,853
Annual Growth ⁴ :	0.4%

⁴ As of January 2013 according to an estimate by the State Department of Finance.

Bordering Cities:	Beverly Hills, Los Angeles and the districts of Hollywood, Fairfax Village, Mount Olympus, and Miracle Mile
Freeways Serving City:	Hollywood (101 Freeway, Santa Monica (10) Freeway, San Diego (405) Freeway
Notable Landmarks:	Sunset Strip, Pacific Design Center, Avenues of Art & Design, CBS Television City, House of Blues, Whisky a Go Go, The Troubadour, The Roxy Theatre, and The Viper Room
Major Employers:	Ticketmaster, Target, Mondrian Hotel, The London West Hollywood, House of Blues, Dailey & Associates, City of West Hollywood, Standard Hotel, Gordon Ramsay at the London, Hyatt West Hollywood Hotel, Best Western Sunset Plaza, La Parc Suite Hotel, Sunset Tower, Key Club, Suissa Miller, Saddle Ranch Chop House

NEIGHBORHOOD INFORMATION

Neighborhood Boundaries:	North: Sunset Boulevard/Fountain Avenue South: Willoughby Avenue East: La Brea Avenue West: Doheny Avenue
Location:	The subject is located on the southeast corner of Santa Monica Boulevard and Spaulding Avenue.
Thomas Guide:	593-B6
Proximity to Downtown Los Angeles:	7.15 miles
Nearest Freeway Access:	2.9 miles / Hollywood (101) Freeway
Surrounding Uses:	North: Commercial, Residential South: Commercial, Residential East: Commercial West: Commercial
Built Up:	100%
Life Cycle:	Stability
Change/Transition:	Unlikely
Maintenance/Condition:	Average
Property/Compatibility:	Average
Appeal/Appearance:	Average

Protection/Adverse Influence:	Average
Development Potential:	Average
Rental Demand:	Average
Transportation Access:	Average
Police/Fire Protection:	Average
Public Transportation:	Local

Comments:

Because this area is generally fully improved there is very little chance of a measurable change in land use from a general plan or zone change. The subject, as commercial land, is suitable for redevelopment and economic viability is anticipated. Furthermore, there are no anticipated public or private improvements planned in this market that are affecting local marketability or property values.

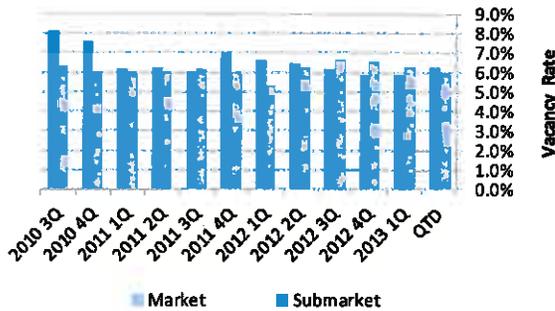
Market Trends

The Uniform Standards of Professional Appraisal Practice states in Standard Rule 1-3(a) that an appraiser must identify and analyze the effect on use and value of, among other things, economic demand and market area trends. The following data is presented to address this requirement and to demonstrate the market characteristics influencing the subject, as well as to demonstrate what buyers and sellers are contending with in attempting to buy or sell a property similar to the subject.

The data presented on the following pages was obtained from interviews with market participants, as well as information available from CoStar Property, AIR Commercial Real Estate Association, PwC Investor Survey, CB Richard Ellis, Grubb & Ellis, Lee & Associates, Seeley Company, and Marcus & Millichap.

Local Market Trends

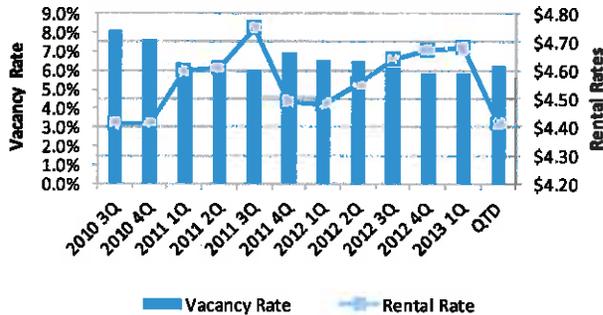
Market vs. Submarket Vacancy Comparison



Mid-Cities Retail Market

occupancy			
Properties:	5,095		
Existing:	5,095		
Spaces:	1,067		
Existing RBA:	44,645,817		
Vacant:	2,657,103	6.0%	
Occupied:	41,988,714	94.0%	
absorption activity*			
Absorption:	1,777,287	4.0%	
Net Absorption:	160,462	0.4%	
direct net rent			
Retail Avg:	\$1.54/mo		

Vacancy/Rental Rate Trend--Submarket



City of West Hollywood Retail Submarket

occupancy			
Properties:	333		
Existing:	333		
Spaces:	100		
Existing RBA:	2,664,879		
Vacant:	166,105	6.2%	
Occupied:	2,498,774	93.8%	
absorption activity*			
Absorption:	160,492	6.0%	
Net Absorption:	15,714	0.6%	
direct net rent			
Retail Avg:	\$4.41/mo		

*Data reflects QTD plus trailing 3 quarters.

Source: CoStar Property. Syn-Mar Associates does not guarantee the accuracy of the data.

Survey Completed on 05/29/13

Comments:

- **Mid-Cities Retail:** According to a survey prepared by CoStar Property, vacancy in this market is currently at 6.0%. Over the past 3 years, vacancy ranged between 5.4% and 6.6%, averaging 6.1%. Combining the current quarter-to-date with the past 3 quarters, this market has posted 160,462 SF of positive net absorption which represents roughly 0.4% of the total inventory.
- **City of West Hollywood Retail:** Vacancy in this submarket is currently at 6.2%. Vacancy has ranged between 5.9% and 8.1% over the past 3 years, with an average of 6.5%. Combining the current quarter-to-date with the past 3 quarters, this market has posted 15,714 SF of positive net absorption which represents roughly 0.6% of the total inventory.

Subject Marketability

The subject site is zoned "CC1 – Commercial, Community," which can be developed with a variety of commercial uses including residential uses on upper floors. According to the City of West Hollywood Municipal Code, the maximum floor area ratio is 1.5 times the site area unless a density bonus is granted for residential uses.

Given recent economic conditions, there is little new development occurring in the greater market area at this time. However, we have noted that in some areas, demand for land is still very strong.

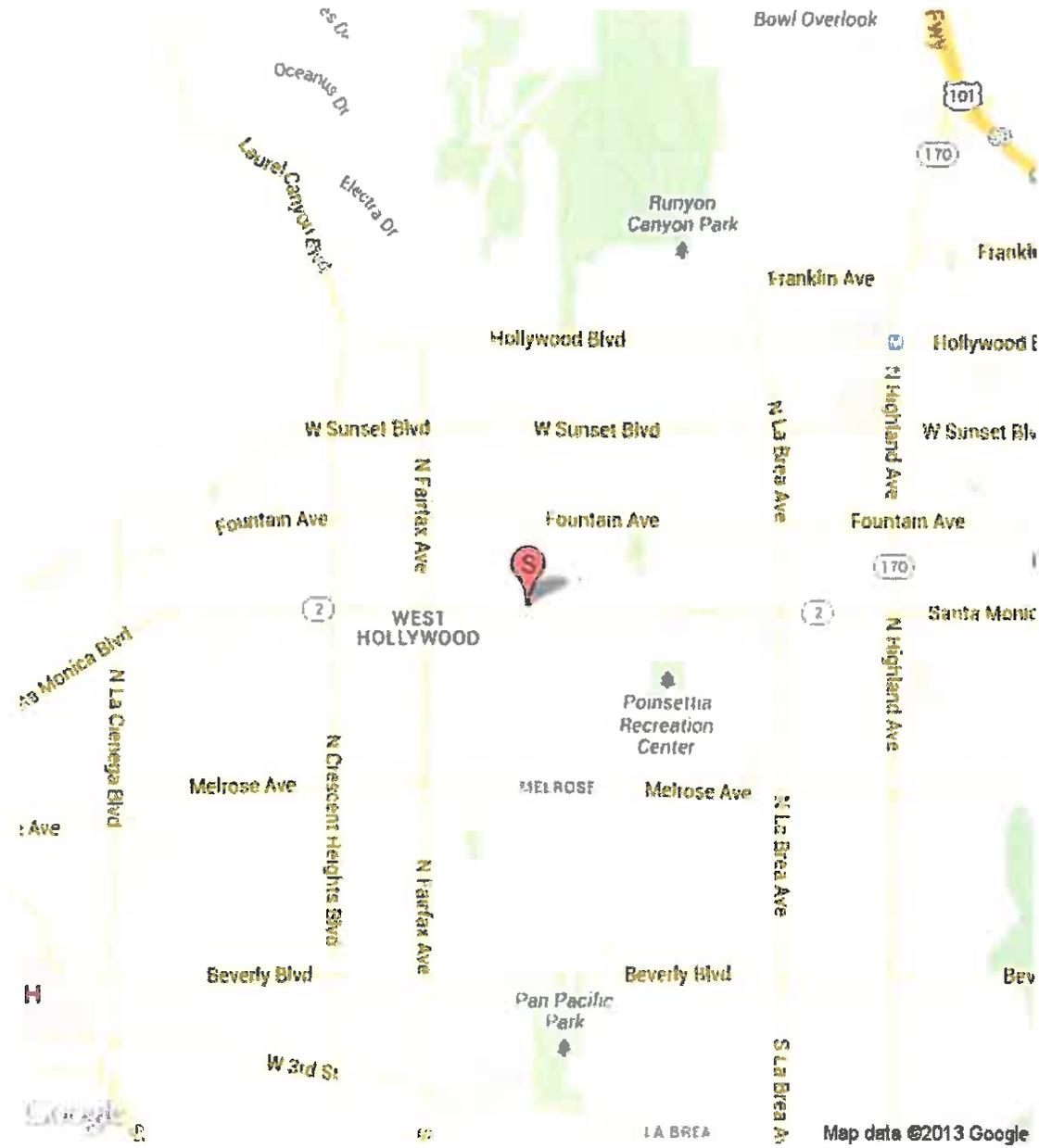
In regards to potential uses for the subject, a retail use would benefit from good visibility and frontage along Santa Monica Boulevard. Based on the size of the site and maximum allowable building size mentioned above, a development that was exclusively retail in nature would not seem feasible at this time. Another consideration may be professional offices. However, typical multi-story buildings in this area have some type of retail space on the first floor. This is due to the higher rent/SF that can be charged to a retail tenant. Therefore, a building exclusively for office use is also not likely. Furthermore, there is no evidence that developers are constructing speculative office space in this area.

In regards to residential uses, there are new residential units being constructed in the general market area. However, these are almost exclusively located in mixed-use developments which have commercial uses on the first level and residential on the upper levels. Furthermore, there is some question as to the viability of a residential project at this time.

Based on the above, the subject is considered as having very good mixed-use appeal over the long-term; however, immediate development is not considered economically viable. Nevertheless, considering the fact that the entitlement process can take up to 24 months, with another 7 to 9 months for construction, and considering the fact that most forecasts are for a rebound in the housing market within 18 to 30 months, the appeal of the subject as a mixed-use development site is above average.

There are virtually no vacant land parcels available in the area and the land that is available does not have exposure similar to the subject. Any development that is occurring is happening primarily through redevelopment. However, brokers have indicated an increase in property values over the past 6 months. Reportedly, the baseline value range for property like the subject is \$200/SF to \$250/SF.

Location Map



Site Description

The following description is based on our property inspection and assessment records.

SITE	
Location:	The subject is located on the southeast corner of Santa Monica Boulevard and Spaulding Avenue.
Current Use:	Improved as a pay parking lot with a double-sided billboard.
Site Size:	Total: 0.23 acre; 10,000 square feet Usable: 0.23 acre; 10,000 square feet
Shape:	The site is rectangular.
Frontage/Access:	The subject property is a corner, alley-serviced site with average access. It has 80 feet of frontage along Santa Monica Boulevard and 125 feet of frontage along Spaulding Avenue. Access to the subject is available via a curb cut along Santa Monica Boulevard and the alley (assuming the existing fence is removed). Currently, there is no vehicular access from Spaulding Avenue or the alley.
Primary Street:	Name: Santa Monica Boulevard Direction: East/West Type: Arterial No. of Lanes: 4 total Median: Painted
Secondary Street:	Name: Spaulding Avenue Direction: North/South Type: Secondary No. of Lanes: 2 total Median: None
Street Improvements:	Street: Asphalt Lighting: Overhead Sidewalks: Concrete Curbs/Gutters: Concrete Landscaping: The subject has average landscaping.
Visibility:	Good
Topography:	The subject has level topography at grade. No adverse influence is noted.
Soil Conditions:	The soil conditions observed at the subject appear to be typical of the region and adequate to support development.

Utilities: On Site: Electricity, water, sewer, gas
Type: All underground except overhead power
Adequacy: The subject's utilities are typical and adequate for the market area.

Flood Zone: The subject is located in an area mapped by the Federal Emergency Management Agency (FEMA). The subject is located in FEMA flood zone X, which is not classified as a flood hazard area.

FEMA Map Number: 06037C1605F
FEMA Map Date: September 26, 2008

The subject is not in a flood zone. Thus flood insurance is not required.

Wetlands/Watershed: No wetlands were observed during our site inspection.

Earthquake Zone: The subject is not in an earthquake zone.

Environmental Issues: There are no known adverse environmental conditions on the subject site. Please reference Limiting Conditions and Assumptions.

**Encumbrance/
Easements:** There are no known adverse encumbrances or easements. Please reference Limiting Conditions and Assumptions.

Immediate Uses: North: Commercial
South: Residential
East: Commercial
West: Commercial

Site Comments: The site has average and typical utility.

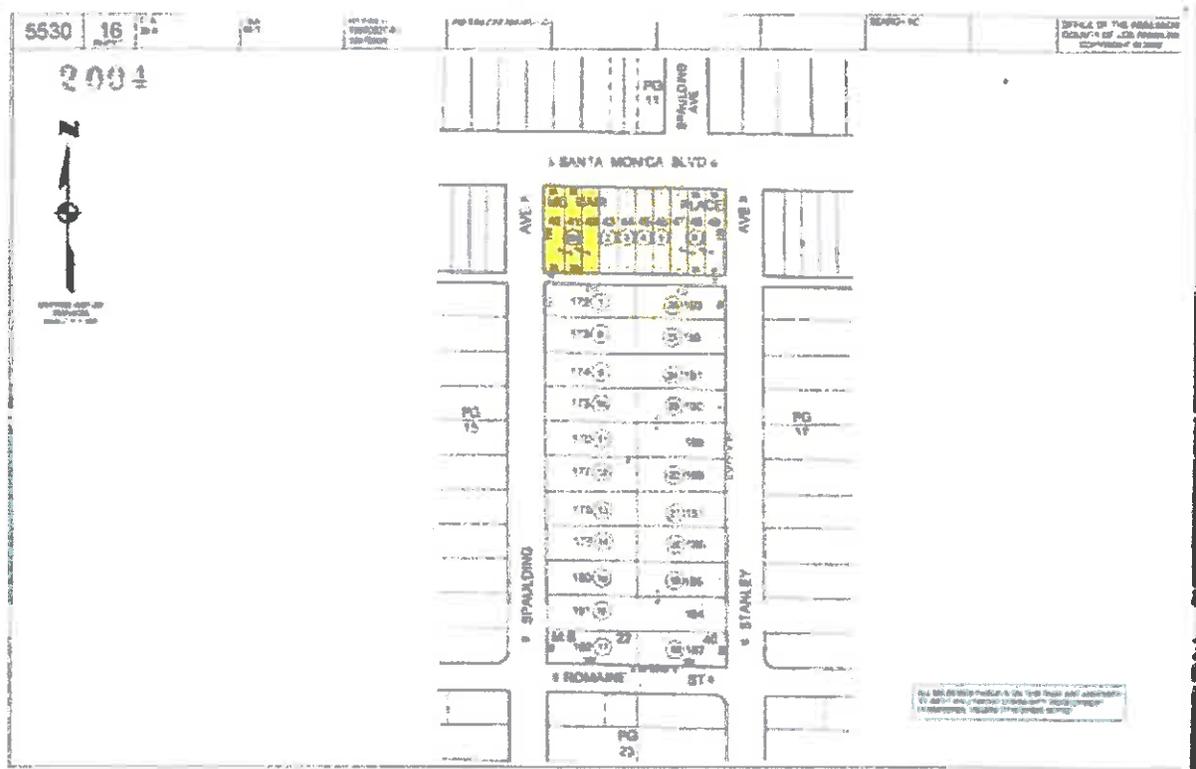
Americans With Disabilities Act

Please reference the ADA section of this report on page 13.

Hazardous Substances

Please reference the General Limiting Conditions and Assumptions section of this report on page 10.

Assessor Parcel Map



Assessment and Taxes

REAL ESTATE ASSESSMENT AND TAXES	
Taxing Authority:	Los Angeles
Assessment Year:	2013

ASSESSED VALUES				
APN	Land	Improvements	Other	Total
5530-016-900	N/A	N/A	\$0	\$0

TAX RATE AND TAXES				
APN	Tax Rate	Special Assessments	Current Taxes	Estimated Taxes
5530-016-900	1.227856%	N/A	N/A	\$30,266.65*

**Based on the "as is" land value.*

Property Tax Comments:

The Community Development Commission of West Hollywood, as a governmental agency is exempt from property taxes and special assessments. Real estate taxes are based on the assessed value of real property, hence, the term ad valorem (according to value). The records of the county assessor provide detail pertaining to the property's assessed value and annual tax load. The assessed value is based on, but not necessarily equivalent to, market value. Current and/or historical assessments and tax rates help in forming a conclusion about the probable tax burden. Taxes are typical.

Zoning

Land Use Controls	
-------------------	--

Zoning Designation:	CC1 - Commercial, Community 1
----------------------------	-------------------------------

Permitted Uses:	<p>This zone provides for a wide variety of commercial opportunities to serve local community needs, as well as broader market areas. The CC1 zoning district identifies areas appropriate for a variety of commercial uses including retails; professional offices; business support and personal services; entertainment uses; restaurants; specialty shops; overnight accommodations; cultural uses; and small-scale manufacturing uses related to design furnishings, galleries, motion pictures, television, music or design-related uses. Mixed-use development with residential and office uses above businesses are encourage, except in the commercial-only district. The CC1 zoning district is consistent with the CC1 land use designations of the General Plan.</p>
------------------------	--

Maximum Floor Area Ratio:	1.5 maximum*	Front Setback:	10 feet minimum
Minimum Lot Area:	5,000 SF	Rear Setback:	10 feet minimum
Maximum Building Height:	35 feet or 3 stories	Sideyard Setback:	None

**unless density bonus granted for residential uses above commercia*

Subject Photographs



The subject is located at 7718 Santa Monica Boulevard in West Hollywood.



A view of the subject looking northeast from Spaulding Avenue.



A view of the subject looking north.



A view of the billboard west side.



Another side of the billboard east side.



A view of the Alley looking east.



A view of Santa Monica Boulevard looking east.



A view of Santa Monica Boulevard looking west.



A view of Spaulding Avenue looking north.



A view of Spaulding Avenue looking south.

Highest and Best Use

Introduction

The highest and best use analysis is one of the most essential concepts in the valuation of real estate. It is the foundation on which market value is based. Standards Rule 1-3 (a) and (b) of the Uniform Standards of Professional Appraisal Practice (USPAP), require that in developing an appraisal, the appraiser must (a); "identify and analyze the effect on use and value of existing land use regulations, reasonably probable modifications of such land use regulations, economic demand, the physical adaptability of the real estate, and market area trends; and (b); "develop an opinion of the highest and best use of the real estate." "Comment: An appraiser must analyze the relevant legal, physical, and economic factors to the extent necessary to support the appraiser's highest and best use conclusions(s). The appraiser must recognize that land is appraised as though vacant and available for development to its highest and best use, and that the appraisal of improvements is based on their actual contribution to the site."

According to the Appraisal Institute's publication **The Appraisal of Real Estate** (Thirteenth Edition, page 277), Highest and Best Use is defined as follows:

The reasonably probable and legal use of vacant land or an improved property, that is physically possible, legally permissible, appropriately supported, financially feasible, and that results in the highest value.

Criteria for Determining Highest and Best Use

Highest and best use is analyzed in two parts; 1) as though the site is vacant, and 2) as improved. There are four criteria in establishing highest and best use and these criteria are typically considered sequentially. The four stages are as follows:

- 1) *Legally permissible* – considers zoning and building codes, environmental regulations, and private deed restrictions.
- 2) *Physically Possible* – considers parcel size, shape, area, terrain, and potential for natural disasters.
- 3) *Financially Feasible* – all uses that meet the first two criteria and that produce a positive return are regarded as financially feasible.
- 4) *Maximally Productive* – among the financially feasible uses, the use that produces the highest rate of return to the land, is the maximally productive use.

In determining the highest and best use as vacant, the primary questions to be answered are: If the site is or was vacant, what use should be made of it? What type of building or other improvements, if any, should be constructed on the site and when? Highest and best use as if vacant requires the application of the aforementioned four criteria.

Highest and Best Use as Vacant

The site is rectangular in shape, easily accessible, and fairly level so that most any development would be physically possible. The only inhibiting factor would be size. From the legally permissible standpoint, the zoning for the subject calls for most commercial uses including mixed commercial/residential uses. Industrial uses are prohibited. Although rental rates and values have improved to justify redevelopment, A prudent developer would not undertake a speculative project, but would probably hold the property until a user (or users) requiring a specific building (build-to-suit) is found. Based on the foregoing discussion, we conclude the highest and best use as vacant is to hold for future speculation.

Valuation Methodology

Three basic approaches may be used to arrive at an estimate of market value. They are:

1. The Cost Approach
2. The Income Approach
3. The Sales Comparison Approach

Cost Approach

The Cost Approach is summarized as follows:

$$\begin{array}{r} \text{Cost New} \\ - \text{Depreciation} \\ + \text{Land Value} \\ = \text{Value} \end{array}$$

Income Approach

The Income Approach converts the anticipated flow of future benefits (income) to a present value estimate through a capitalization and or a discounting process.

Sales Comparison Approach

The Sales Comparison Approach compares sales of similar properties with the subject property. Each comparable sale is adjusted for its inferior or superior characteristics. The values derived from the adjusted comparable sales form a range of value for the subject. By process of correlation and analysis, a final indicated value is derived.

Final Reconciliation

In this case, only the Direct Sales Comparison Approach was deemed relevant. Hence, the final value reconciliation is also irrelevant and the value conclusion is based upon the conclusion derived from the Direct Sales Comparison Approach.

Analyses Applied

A **Cost Approach** was considered and was not developed because we are assuming the subject is vacant land; therefore, this approach is irrelevant.

An **Income Approach** was considered and was not developed because we are assuming the subject is vacant land; therefore, this approach is irrelevant.

A **Sales Comparison Approach** was considered and was developed because there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.

Sales Comparison Approach – Land Valuation

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities. The following steps describe the applied process of the Sales Comparison Approach.

- The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
- The most pertinent data is further analyzed and the quality of the transaction is determined.
- The most meaningful unit of value for the subject property is determined.
- Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
- The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.

Land Comparables

We have researched nine comparables for this analysis; these are documented on the following pages followed by a location map and analysis grid. The comparables represent what a prospective buyer might consider along with the subject.

Comparable	Address	City	Date	Price	Price Per Land SF	Land SF	Zoning
1	621 S Catalina St	Los Angeles	2/15/13	\$4,000,000	\$164.04	24,384	CR
2	8950 W Sunset Blvd	West Hollywood	12/13/12	\$28,000,000	\$567.30	49,357	C2A
3	9040 W Sunset Blvd	West Hollywood	11/14/12	\$31,500,000	\$524.05	60,109	C2A/R2+PK/R4
4	1213-1237 S Olive St	Los Angeles	11/13/12	\$29,000,000	\$233.78	124,046	C2
5	7953 Santa Monica Blvd & 1105-1111 N Hayworth Ave	West Hollywood	10/2/12	\$2,400,000	\$246.15	9,750	C2A
6	1530 Santa Monica Blvd	Santa Monica	9/27/12	\$9,660,000	\$214.67	45,000	C4YY
7	359 & 417 S La Brea Ave	Los Angeles	5/9/12	\$10,472,000	\$153.77	68,102	C2-4
8	1717-1725 N Cherokee Ave	Los Angeles	3/16/12	\$9,200,000	\$185.52	49,590	C4-2D-SN
9	8955 W Olympic Blvd	Beverly Hills	Available	\$7,500,000	\$245.29	30,576	C3

Land Comparable 1



Transaction

Address	621 S Catalina St	Date	2/15/2013
City	Los Angeles	Price	\$4,000,000
APN	5502-028-021	Price Per Land SF	\$164.04
Grantor	Jung C & Kyung S Kim	Financing	Conventional
Grantee	The Nest on Catalina LLC	Document Number	242662
Days on Market	N/A	Property Rights	Fee Simple
		Verification Source	CoStar/NDC

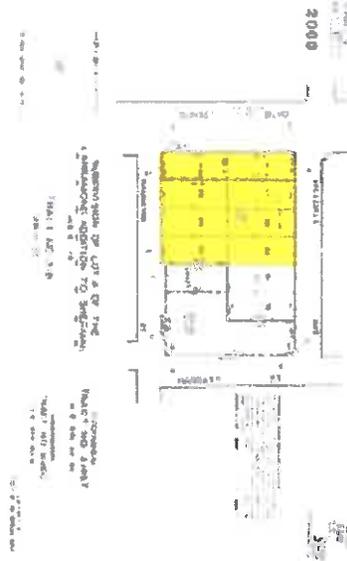
Site

Acres	0.56	Accessibility	Interior
Land SF	24,384	Zoning	CR
Road Frontage	150 feet on Catalina	Utilities	All to site
Topography	Level	Offsites	All complete

Notes

This property was being used as a parking lot at the time of sale.

Land Comparable 2



Transaction

Address	8950 W Sunset Blvd	Date	12/13/2012
City	West Hollywood	Price	\$28,000,000
APN	4340-002-063	Price Per Land SF	\$567.30
Grantor	James Hotel West Hollywood LLC	Financing	All Cash
Grantee	8950 Sunset Blvd Inc	Document Number	1930036
Days on Market	N/A	Property Rights	Fee Simple
		Verification Source	CoStar/NDC

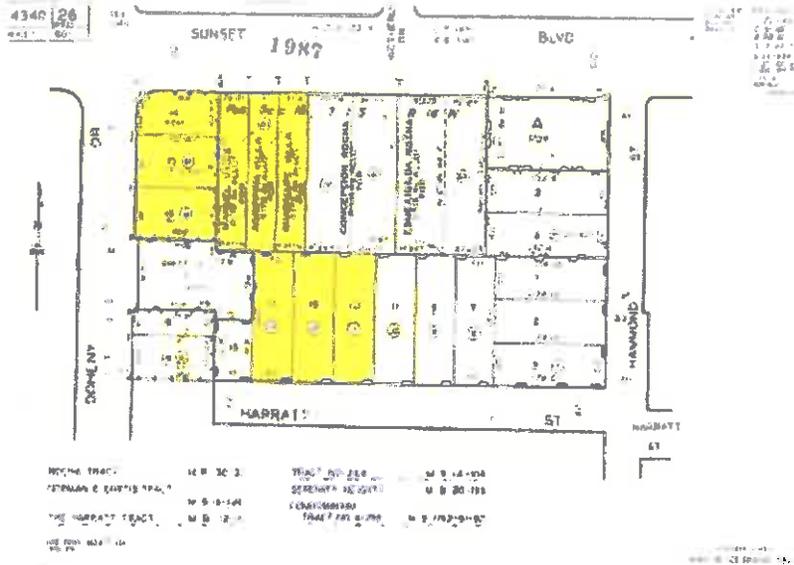
Site

Acres	1.13	Accessibility	Corner/St-to-St
Land SF	49,357	Zoning	C2A
Road Frontage	247 feet on Sunset, 199 feet on Hilldale, & 198 feet on Hammond	Utilities	All to site
Topography	Gentle Downward Slope	Offsites	All complete

Notes

This is a street-to-street, corner site located along Sunset Boulevard, between Hammond Street and Hilldale Avenue. The property was improved with partial paving at time of sale. The site was approved for a 196-room hotel, 4 extended stay residences, restaurants, cafe, fitness center, and function space in August 2005. Reportedly, the permit status has been extended. This property was listed and sold by Tony Azzi with Marcus & Millichap (310-909-5500).

Land Comparable 3



Transaction

Address	9040 W Sunset Blvd	Date	11/14/2012
City	West Hollywood	Price	\$31,500,000
APN	See below	Price Per Land SF	\$524.05
Grantor	WN Sunset LLC	Financing	All Cash
Grantee	Marriott International Inc.	Document Number	1726836
Days on Market	N/A	Property Rights	Fee Simple
		Verification Source	CoStar/NDC/Press Release

Site

Acres	1.38	Accessibility	Corner/St-to-St
Land SF	60,109	Zoning	C2A/R2+PK/R4
Road Frontage	211 feet on Sunset, 171 feet on Doheny & 150 feet on Harratt	Utilities	All to site
Topography	Dow n w a r d Slope	Offsites	All complete

Notes

This property consists of six parcels that form an irregular-shaped, street-to-street corner site. Reportedly, the property has been in the approval process for redevelopment into a hotel for several years. At the time of sale the property was improved with a 20,000 SF retail building and a 4,588-SF apartment building. This sale includes APNs 4340-026-011, 4340-026-012, 4340-026-013, 4340-026-018, 4340-026-021, and 4340-026-028. It has the addresses of 9040 W. Sunset Blvd., 9056 W. Sunset Blvd., and 1018 N. Doheny Dr.

Land Comparable 4



Transaction

Address	1213-1237 S Olive St	Date	11/13/2012
City	Los Angeles	Price	\$29,000,000
APN	See below	Price Per Land SF	\$233.78
Grantor	State Bar of California	Financing	All Cash
Grantee	G12 Partners LLC	Document Number	1714937
Days on Market	N/A	Property Rights	Fee Simple
		Verification Source	CoStar/NDC/LA Times

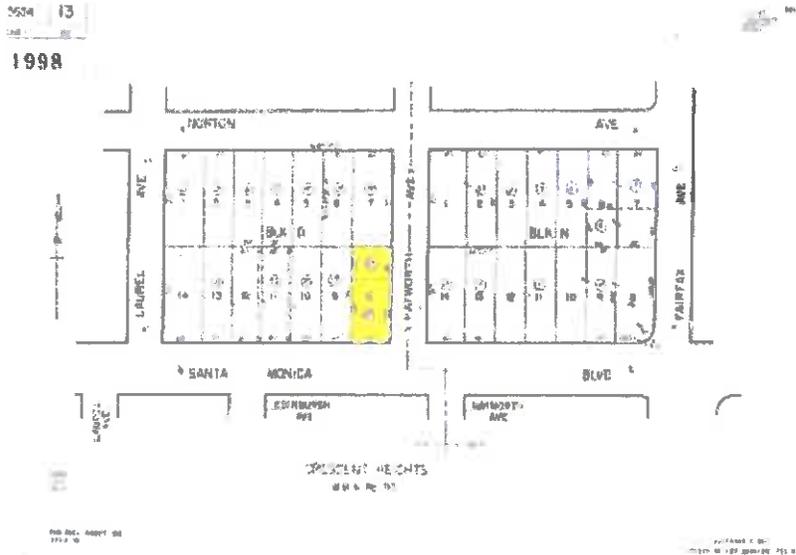
Site

Acres	2.85	Accessibility	Corner/St-to-St
Land SF	124,046	Zoning	C2
Road Frontage	360 feet on Olive, 403 feet on Grand, 159 feet on 12th, & 151 feet on Fico	Utilities	All to site
Topography	Level	Offsites	All complete

Notes

This property consists of a 14 tax parcels which form a street-to-street, corner site which included the vacated alley. The APNs are 5138-023-024, 5138-023-025, 5138-023-026, 5138-023-027, 5138-023-028, 5138-023-029, 5138-023-030, 5138-023-031, 5138-023-032, 5138-023-033, 5138-023-034, 5138-023-035, 5138-023-036, and 5138-023-037. The property will be improved with a mixed-use development consisting of 640 residential units with approximately 42,000-SF of ground-floor retail. Reportedly, the property sold with no entitlements. The property was listed with Mark Sullivan with Studley (213-553-3840).

Land Comparable 5



Transaction

Address	7953 Santa Monica Blvd & 1105- Date	10/2/2012
City	1111 N Hawthorn Ave West Hollywood	Price \$2,400,000
APN	5554-013-021 & -022	Price Per Land SF \$246.15
Grantor	10PO, Inc	Financing All Cash Assumed
Grantee	LJO Properties, LLC	Document Number 1481316
Days on Market	N/A	Property Rights Leased Fee
		Verification Source CoStar/NDC/Broker

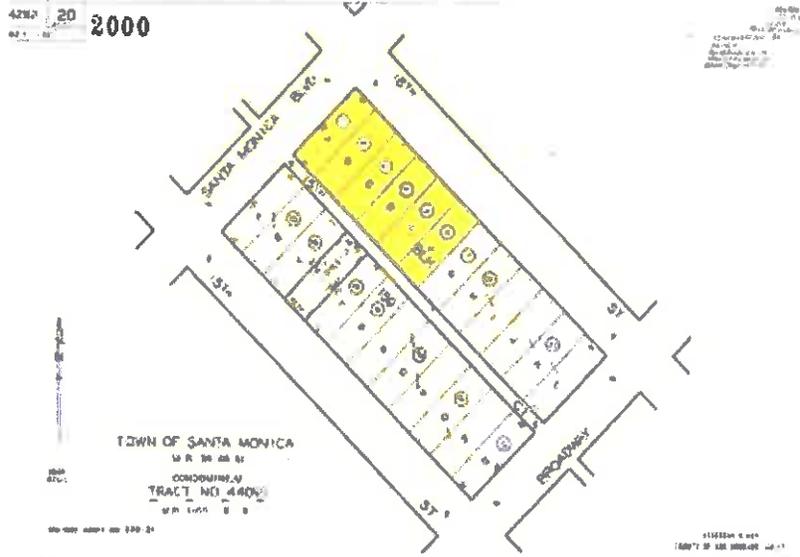
Site

Acres	0.22	Accessibility	Corner
Land SF	9,750	Zoning	C2A
Road Frontage	65 feet on Santa Monica & 150 feet on Hawthorn	Utilities	All to site
Topography	Gentle Upward	Offsites	All complete

Notes

This is a rectangular-shaped, corner site located at the northwest corner of Santa Monica Boulevard and Hawthorn Avenue. This property was improved with a 3,500 SF restaurant and a 5,124 SF retail building.

Land Comparable 6



Transaction

Address	1530 Santa Monica Blvd	Date	9/27/2012
City	Santa Monica	Price	\$9,660,000
APN	See below	Price Per Land SF	\$214.67
Grantor	WLC Properties	Financing	All Cash
Grantee	Sully Three SM, LLC	Document Number	1452703
Days on Market	196	Property Rights	Leased Fee
		Verification Source	CoStar/NDC/Brochure

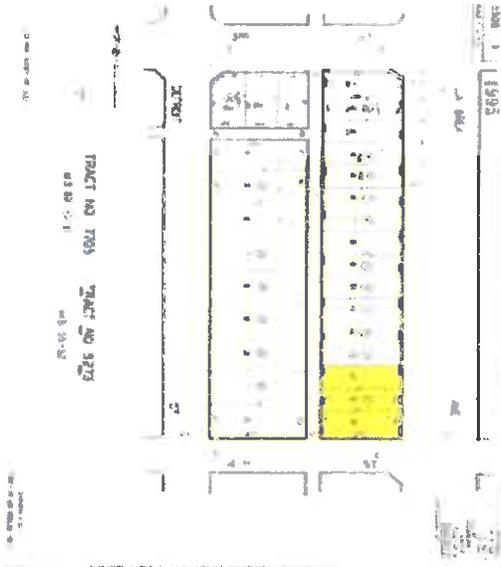
Site

Acres	1.03	Accessibility	Corner/Alley-serviced
Land SF	45,000	Zoning	C4YY
Road Frontage	150 feet on Santa Monica & 300 feet on 16th	Utilities	All to site
Topography	Level	Offsites	All complete

Notes

This is an alley-serviced, rectangular-shaped, corner site located at the southeast corner of Santa Monica Boulevard & 16th Street. The property was improved with a 4,335 SF automotive repair building. The property was purchased by the tenant. This property was listed with T.C. Macker with Coldwell Banker Commercial Westmac (310-478-7700). This property consists of APNs 4282-020-001, 4282-020-002, 4282-020-004, 4282-020-005, and 4282-020-006.

Land Comparable 7



Transaction

Address	359 & 417 S La Brea Ave	Date	5/9/2012
City	Los Angeles	Price	\$10,472,000
APN	5508-001-031, 5508-006-028	Price Per Land SF	\$153.77
Grantor	Chrysler Group Realty Co, LLC	Financing	All Cash Assumed
Grantee	401 South La Brea Avenue,	Document Number	694124
Days on Market	1120	Property Rights	Fee Simple
		Verification Source	CoStar/NDC

Site

Acres	1.56	Accessibility	Corner/Alley/Noncontiguous
Land SF	68,102	Zoning	C2-4
Road Frontage	645 feet on La Brea & 105 feet on 4th	Utilities	All to site
Topography	Level	Offsites	All complete

Notes

This transaction represents a sale for land value only. The sale included two noncontiguous parcels of land with 21,252 SF of building area formally used as a Chrysler Dealership, which is scheduled to be demolished. The exact date is currently unknown; however, according to the Los Angeles Department of Building and Safety a permit for demolition was submitted June 6, 2012. A pre-demo inspection was approved June 11, 2012 (permit No. 2019100001182). The property was on the market for about three years. The escrow time was about 90 days. The sellers divested of the property because it no longer fit in their inventory needs. The buyers declined to disclose their motivation for purchasing the properties; however, according to the Los Angeles Department of Building and Safety two permits were approved for plumbing (sewer caps) at both locations and a permit was submitted to construct a one-story retail building with on-grade

Land Comparable 8



Transaction

Address	1717-1725 N Cherokee Ave	Date	3/16/2012
City	Los Angeles	Price	\$9,200,000
APN	See below	Price Per Land SF	\$185.52
Grantor	CFRI-NCA Cheokee Las Palmas Venture LLC	Financing	All Cash
Grantee	Hollyw ood Cherokee	Document Number	418492
Days on Market	N/A	Property Rights	Fee Simple
		Verification Source	AR/Broker/CoStar/NDC

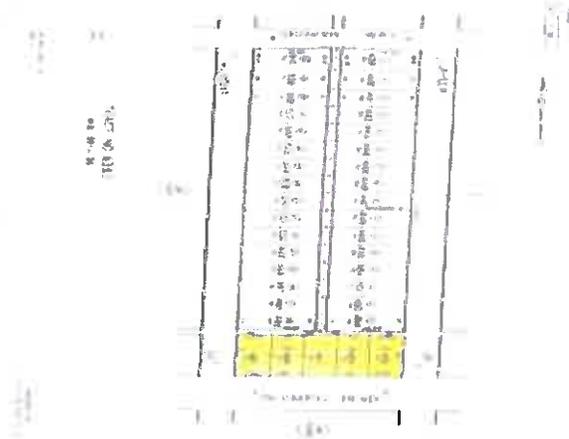
Site

Acres	1.14	Accessibility	Interior/St-to-St
Land SF	49,590	Zoning	C4-2D-SN
Road Frontage	109 feet on Cherokee & 167 feet on Las Palmas	Utilities	All to site
Topography	Level	Offsites	All complete

Notes

This property has street-to-street frontage along Cherokee Avenue and Las Palmas Avenue. At the time of sale the property was being operated as a parking lot for +/-154 cars. The property is entitled for mixed residential/hospitality project of a 15-story hotel/residential tower (289,000 SF) with 282 hotel rooms, 115 dwelling units and related retail. The buyer reportedly intends to continue to run the parking lot operation until conditions improve sufficiently for development to be feasible. This sale consists of APNs 5547-009-005, 5547-900-009, 5547-900-017 and 5547-900-019.

Land Comparable 9



Transaction

Address	8955 W Olympic Blvd	Date	Available
City	Beverly Hills	Price	\$7,500,000
APN	4333-004-017, -018, -019	Price Per Land SF	\$245.29
Grantor	Ford Motor Co.	Financing	All Cash Assumed
Grantee	NA	Document Number	N/Av
Days on Market	1144	Property Rights	Fee Simple
		Verification Source	CoStar/NDC/Loopnet

Site

Acres	0.702	Accessibility	Corner/St-to-St/Alley
Land SF	30,576	Zoning	C3
Road Frontage	255 feet on Olympic, 120 feet on Almont. & 120 feet on Level	Utilities	All to site
Topography	Level	Offsites	All complete

Notes

This property consists of a street-to-street, alley-serviced, corner site. The property is reportedly in escrow and is currently improved with a 18,990 SF former automobile repair facility. This property is currently listed with Timothy Bowler with CBRE (310-550-2521).

Land Sale Comparables Map



Note: The indicator for Comparable #2 is hidden by Comparable #3. The indicator for Comparable #5 is hidden by the subject.

Analysis Grid

The above sales have been analyzed and compared with the subject property. We have considered adjustments in the areas of:

- Property Rights Sold
- Financing
- Conditions of Sale
- Market Trends
- Location
- Physical Characteristics

On the following page is a sales comparison grid displaying the subject property, the comparables and the adjustments applied.

LAND SALES ANALYSIS

File #	Subject	Camp 1	Camp 2	Camp 3	Camp 4	Camp 5	Camp 6	Camp 7	Camp 8	Camp 9
13-394	7718 Santa Monica Boulevard West Hollywood	621 S Catalina St Los Angeles	8950 W Sunset Blvd West Hollywood	9040 W Sunset Blvd West Hollywood	1213-1217 S Olive St Los Angeles	7953 Santa Monica Blvd & West Hollywood	1530 Santa Monica Blvd Santa Monica	359 & 417 S La Brea Ave Los Angeles	1717-1723 N Cherokee Ave Los Angeles	8953 W Olympic Blvd Beverly Hills
	Distance to Subject (mi.)	4.0	1.8	1.9	6.4	0.4	8.6	1.9	1.5	2.8
DESCRIPTIVE DATA										
Lead SF	10,000	24,384	49,357	60,109	126,046	9,750	45,000	68,102	49,590	30,576
Zoning	CC1	CR	C2A	C2A/R2-2PK/R4	C2	C2A	CAYY	C2-4	C4-ZD-SN	C3
Accessibility	Corner/Alley-serviced	Interior	Corner/Street	Corner/Street	Corner/Street	Corner	Corner/Alley-serviced	Corner/Alley/Noncontiguous	Interior/Street	Corner/Street/Alley
Shape	Rectangular	Rectangular	Rectangular	Irregular	Slightly Irregular	Rectangular	Rectangular	Rectangular	Flag-shaped	Rectangular
Topography	Level	Level	Downward Slope	Downward Slope	Level	Grade Upward	Level	Level	Level	Level
Utilities	All to site	All to site	All to site	All to site	All to site	All to site	All to site	All to site	All to site	All to site
Outlets	All complete	All complete	All complete	All complete	All complete	All complete	All complete	All complete	All complete	All complete
Land Improvements	Parking Lot/Billboard	Parking Lot	Paving/Vacant	24,388 SF Buildings	Parking Lot	8,629 SF Buildings	4,333 SF Building	21,252 SF Building	Paving	16,590 SF Building
Proposed Use	Unknown	Hotel	Hotel	Hotel	Mixed Use	Unknown	Unknown	Redevelopment project	Mixed Use	Hot for Speculation
SALE DATA										
Date	February 15, 2013	December 13, 2012	November 14, 2012	November 13, 2012	November 13, 2012	October 2, 2012	September 27, 2012	May 9, 2012	March 16, 2012	Available
Price	\$4,000,000	\$28,000,000	\$31,500,000	\$29,000,000	\$2,400,000	\$10,472,000	\$9,660,000	\$10,472,000	\$9,200,000	\$7,500,000
Price per Land SF	\$164.04	\$567.30	\$524.05	\$233.78	\$246.15	\$214.67	\$214.67	\$153.77	\$185.52	\$245.29
FINANCING										
First Trust Deed/Lender	Open Bank	All Cash	All Cash	All Cash	All Cash Assumed	All Cash Assumed	All Cash	All Cash Assumed	All Cash	All Cash Assumed
First Trust Deed/Balance	\$2,555,000									
ADJUSTMENTS										
Demolition Costs	\$0.50	\$0.50	\$2.05	\$0.50	\$4.40	\$0.50	\$0.50	\$1.55	\$0.50	\$3.10
Conditions of Sale (Cash Equivalency, Financing, etc.)										(\$12.25)
Market Conditions/Time (0.0% Annual Rate of Change)										
Net	\$164.54	\$667.80	\$526.10	\$234.28	\$259.65	\$215.17	\$215.17	\$155.32	\$186.02	\$236.14
Location		(\$141.95)	(\$131.55)					\$31.05		
Traffic/Visibility		(\$56.80)	(\$52.60)					\$15.55	\$37.20	\$23.60
Topography										
Size				\$11.40				\$5.80	\$3.95	
Shape (Utility)			\$56.30		\$6.25			\$15.55	\$27.90	(\$11.80)
Corner vs. Intersect (Accessibility)										
Utilities/Outlets										
Other		(\$56.80)	(\$52.60)							
Adjusted SF Infill/Status	\$230.34	\$312.25	\$315.65	\$245.68	\$349.35	\$215.17	\$215.17	\$233.27	\$255.07	\$277.94
Net Percentage of Adjustments	40.4%	45.0%	59.8%	5.1%	9.4%	0.2%	0.2%	46.2%	37.5%	1.1%
Elements of Good Comparability	Date			% of Adj	Size/Proximity					
Sales Receiving Greatest Emphasis	****			*****	****					

Range Between Comparables before Adjustment = \$413,538/SF
 Range Between Comparables after Adjustment = \$100,468/SF
 Average of all SF Indicators = \$257.19
 Average of Best SF Indicators = \$240.14

Comparable Land Sale Adjustments

The following is a discussion of the adjustments applied to the comparables on the preceding page. The value of the comparables has been translated to a dollar per square foot indicator, which is a common expression of land values in this market. However, it should be noted that market participants typically do not analyze sales via the adjustment grid process. Nevertheless, any owner or buyer in any market will subjectively weigh the positives and negatives of each property choice in a market before making final decisions relative to appropriate pricing. Historical appraisal methodology has accepted the practice of using adjustment grids, and the use of such grids is intended to help the reader better understand our analysis of the magnitude of differences between the properties. Although the adjustments are felt to represent reasonable market reaction relative to the direction in terms of either the superiority or inferiority of each component, admittedly, in some cases the magnitude of the adjustment is largely subjective.

Demolition

The first adjustment takes into consideration "Demolition." Comparables #1, #2, #4, and #8 were adjusted upward by \$0.50/SF for paving. Comparables #3, #5, #6, #7, and #9 were adjusted upward to varying degrees to account for the cost of the demolition/removal of onsite improvements in order to arrive at a net sale price. The adjustments are based on cost estimates (\$5/SF) as found in Marshall Valuation Service handbook.

Conditions of Sale

The next adjustment is intended to account for "Conditions of Sale." The purpose of this adjustment is to reflect any atypical motivations of the buyer and seller. This might take into account special (non-market) financing (although this does not always impact price), concessions made by the buyer or seller that impacted the sale price, or any reduction in commissions offered by the brokers to facilitate a sale. More specifically, for example, an adjustment might be made for a higher price paid by a buyer during a site assemblage process, or for a discounted price that was the result of a quick-sale-for-cash scenario.

In the case of this analysis, all of the closed sales were either all-cash transactions (or assumed to be) or purchased through conventional financing; thus, no adjustments were warranted for Comparables #1-#8.

Although Comparable #9 is reportedly in escrow, the broker would not disclose the purchase price. Therefore, we have utilized the list price and have adjusted it downward by 5% because the asking price will likely be reduced through negotiation.

Market Conditions/Time

Based on paired-data analysis, no time adjustment was warranted.

Location

A location adjustment was applied next. Here the primary consideration was the difference in quality of surrounding commercial improvements. The adjustments applied are percentage adjustments that are intended to recognize general differences between the subject and the comparables. In a market like the subject, it is extremely difficult to obtain enough comparable data to produce reliable paired-data results that will quantify the direction and magnitude of the location adjustments. As a result, there is an element of subjectivity to the adjustments applied. However, an attempt is made to balance the magnitude of the adjustments through discussions with market participants and through a review of previous appraisal assignments.

In this case Comparables #2 and #3 are located along Sunset Boulevard, which is considered superior to the subject's location. Thus, these comparables were adjusted downward 25% for location. Comparable #7 is located in an inferior neighborhood and required a 20% upward adjustment.

Traffic/Visibility/Accessibility

Visibility, traffic exposure, and accessibility were considered next. Traffic exposure/visibility can have a direct impact on land value. Thus, in this category we have attempted to account for differences between the subject and the comparables with respect to their exposure to high volumes of traffic.

Comparables #1 and #8 are located along secondary streets and required a 20% upward adjustment for inferior traffic exposure. Comparables #2 and #3 were adjusted downward by 10% for their superior traffic and visibility along Sunset Boulevard. Comparables #7 and #9 were considered only slightly inferior and were adjusted upward by 10%.

Topography

No adjustments were necessary in this category.

Size

Size adjustments have been applied in order to reflect the economies of scale associated with the purchase and development of larger properties. These economies may be attributed to several factors. First, larger parcels generally have a higher cost of infrastructure and offsite improvements than smaller in-fill sites, which means that buyers tend to discount larger sites in contemplation of the development costs they will absorb. Second, smaller in-fill parcels in neighborhoods where development is more mature are simply scarcer. Third, there are generally more potential buyers for smaller in-fill sites. All of these factors generally result in higher purchaser prices on a per-SF basis for small sites. However, it takes a reasonably active marketplace to accurately quantify the magnitude of size adjustment necessary; and during the current sluggish real estate market, there have not been enough data available to mathematically calculate the relationship in this particular neighborhood. Nevertheless, this is where an appraiser is called to exercise good judgment. Based upon size relationships we have quantified for other local areas in earlier times of greater activity, positive or negative size adjustments were applied to the comparable land transactions in direct proportion to their size as compared to the subject.

Shape & Utility

The utility of a site can sometimes be affected by its configuration. Generally, the more level and square a site is, the easier it is to develop with respect to the layout of building improvements. For instance, a long narrow strip of land will likely only provide one access point and will suffer from reduced utility because of the difficulty in developing within restrained borders.

In this case, Comparable #3 required a 5% upward adjustment for its inferior irregular configuration. Comparable #5 is somewhat narrow which limits frontage along Santa Monica Boulevard and was adjusted upward by 2.5%. Comparable #7 was adjusted upward by 10% for its inferior non-contiguous configuration. Although Comparable #4 is slightly irregular in shape and Comparable #8 has a flag-shaped configuration, any affect that these issues has on utility is considered nominal and no adjustments were warranted.

Corner vs. Interior

Corner and street-to-street sites are generally considered superior to interior lots because they typically offer better access. As noted previously, the subject consists of an alley-serviced, corner site. Here, Comparable #1 received a 20% upward adjustment for its inferior, interior configuration. Comparables #5 is a corner site and received a 5% upward adjustment for its inferior non-alley site. Comparable #8 is an interior, street-to-street site and was adjusted upward by 15%. Comparable #9 is a corner, street-to-street, alley-serviced site and was adjusted downward by 5%.

Utilities & Off-sites

No adjustment for utilities and off-sites was warranted.

Other

Comparables #2 and #3 sold with entitlements in place. Therefore, a 10% downward adjustment was applied. No other adjustments were warranted.

Conclusion of Land Value, Assuming Vacant and Ready for Development

The adjusted values of the comparable properties range from \$215.17/SF to \$315.65/SF. The average of all adjusted indications is \$257.19/SF, while the average of best indicators (Comparables #1, #4, #5, and #6) is \$240.14/SF. As a result of the adjustment process, we conclude on a **hypothetical value indication of the fee simple interest of the subject land, assuming it is vacant and ready for immediate development and no billboard, in the amount of \$2,470,000, or \$247.00/SF.**

"As Vacant and Ready" Market Value

Concluded Value: \$2,470,000
Subject Size: 10,000
Value per Square Foot: \$247.00

Two Million Four Hundred Seventy Thousand Dollars

Conclusion of Land Value, "As Is,"

As noted previously, the subject is currently improved as a pay-parking lot with a billboard. For the purpose of this analysis, we have assumed a demolition cost not exceed \$5,000. When this cost is deducted from the preceding value conclusion, we conclude on a **hypothetical value indication of the leased fee interest of the subject land "as is," including the contributory value of the billboard, in the amount of \$2,465,000, or \$246.50/SF.**

"As Is" Market Value Including Contributory Value of the Billboard Income

Concluded Value: \$2,465,000
Subject Size: 10,000
Value per Square Foot: \$246.50

Two Million Four Hundred Sixty Five Thousand Dollars

Value Conclusion(s) Summarized

Based on the data and analyses developed in this appraisal, we have reconciled to the following value conclusion(s), as of June 15, 2013, subject to the Limiting Conditions and Assumptions of this appraisal.

Reconciled Value(s): Premise: "As Vacant" (No Improvements)
Interest: Fee Simple
Value Conclusion: \$2,470,000
Two Million Four Hundred Seventy Thousand Dollars

Premise: "As Is" Less Demolition
Interest: Fee Simple
Value Conclusion: \$2,465,000
Two Million Four Hundred Sixty Five Thousand Dollars



Julie A. Hackney, SCREA
CA-AG023446
Expires: April 7, 2014



Jeffrey O. Eggleston, SCREA
CA-AG017079
Expires: April 6, 2015



Stephen P. Rethmeier, SCREA
CA-AG012653
Expires: June 30, 2015

Certification Statement

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and our personal, impartial, and unbiased professional analyses, opinions and conclusions.
- We have no present or prospective future interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
- No one provided significant real property appraisal assistance to the person(s) signing this certification.
- We certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.
- The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- This appraisal is intended to comply with the OCC's amended Appraisal Rule, effective June 7, 1994, as published in the Federal Register, Volume 59, No. 108, and with the Interagency Appraisal and Evaluation Guidelines, dated December 10, 2010.
- The appraisers have not performed any prior services regarding the subject within the previous three years of the appraisal date.
- Julie A. Hackney has conducted a limited/drive-by inspection of the subject property.
- Jeffrey O. Eggleston has not conducted an inspection of the subject property.
- Stephen P. Rethmeier has not conducted an inspection of the subject property.



Julie A. Hackney, SCREA
CA-AG023446
Expires: April 7, 2014



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CA-AG017079
Expires: April 6, 2015



Stephen P. Rethmeier, SCREA
CA-AG012653
Expires: June 30, 2015

Addenda

Addenda "A" – Demographic Report



Executive Summary

2718 Santa Monica Blvd, West Hollywood, CA, 90046
 Ring: 1 mile radius

Prepared by Steve Reithmeier

Population	1 mile	3 miles	5 miles
2000 Population	58,017	299,030	862,218
2010 Population	54,989	293,176	840,813
2012 Population	55,471	296,730	849,482
2017 Population	56,451	302,993	867,003
2000-2010 Annual Rate	-0.53%	0.20%	0.25%
2010-2012 Annual Rate	0.39%	0.54%	0.46%
2012-2017 Annual Rate	0.35%	0.47%	0.41%
2012 Male Population	53.1%	51.3%	50.2%
2012 Female Population	46.9%	48.7%	49.8%
2012 Median Age	37.3	37.5	36.5

In the identified area, the current year population is 849,482. In 2010, the Census count in the area was 840,813. The rate of change since 2010 was 0.46% annually. The five-year projection for the population in the area is 867,003 representing a change of 0.41% annually from 2012 to 2017. Currently, the population is 50.2% male and 49.8% female.

Median Age

The median age in this area is 36.5, compared to U.S. median age of 37.3.

Race and Ethnicity

2012 White Alone	62.6%	68.6%	53.5%
2012 Black Alone	3.6%	6.1%	8.6%
2012 American Indian/Alaska Native Alone	0.3%	0.4%	0.6%
2012 Asian Alone	5.9%	11.5%	15.5%
2012 Pacific Islander Alone	0.1%	0.1%	0.1%
2012 Other Race	3.6%	8.8%	17.0%
2012 Two or More Races	4.0%	4.5%	4.6%
2012 Hispanic Origin (Any Race)	11.1%	19.9%	34.3%

Persons of Hispanic origin represent 34.3% of the population in the identified area compared to 16.9% of the U.S. population. Persons of Hispanic Origin may be of any race. The Diversity Index, which measures the probability that two people from the same area will be from different race/ethnic groups, is 62.6 in the identified area, compared to 61.4 for the U.S. as a whole.

Households

2000 Households	33,643	148,696	366,053
2010 Households	33,026	148,574	366,909
2012 Total Households	33,327	150,357	370,678
2017 Total Households	33,976	153,669	379,144
2000-2010 Annual Rate	-0.18%	0.01%	0.02%
2010-2012 Annual Rate	0.40%	0.53%	0.46%
2012-2017 Annual Rate	0.39%	0.46%	0.45%
2012 Average Household Size	1.64	1.94	2.26

The household count in this area has changed from 366,909 in 2010 to 370,678 in the current year, a change of 0.46% annually. The five-year projection of households is 379,144, a change of 0.45% annually from the current year total. Average household size is currently 2.26, compared to 2.26 in the year 2010. The number of families in the current year is 173,468 in the specified area.



Executive Summary

7718 Santa Monica Blvd, West Hollywood, CA, 90046
 Ring: 5 mile radius

Prepared by Steve Rehnmeier

	1 mile	3 miles	5 miles
Median Household Income			
2012 Median Household Income	\$44,715	\$49,053	\$41,771
2017 Median Household Income	\$54,135	\$58,239	\$49,951
2012-2017 Annual Rate	3.90%	3.49%	3.64%
Average Household Income			
2012 Average Household Income	\$67,743	\$78,612	\$70,886
2017 Average Household Income	\$78,977	\$92,600	\$83,363
2012-2017 Annual Rate	3.12%	3.33%	3.30%
Per Capita Income			
2012 Per Capita Income	\$41,074	\$40,327	\$51,376
2017 Per Capita Income	\$47,896	\$47,525	\$36,901
2012-2017 Annual Rate	3.12%	3.34%	3.36%

Households by Income

Current median household income is \$41,771 in the area, compared to \$50,157 for all U.S. households. Median household income is projected to be \$49,951 in five years, compared to \$56,895 for all U.S. households.

Current average household income is \$70,886 in this area, compared to \$68,162 for all U.S. households. Average household income is projected to be \$83,363 in five years, compared to \$77,137 for all U.S. households.

Current per capita income is \$51,376 in the area, compared to the U.S. per capita income of \$26,409. The per capita income is projected to be \$36,901 in five years, compared to \$29,882 for all U.S. households.

Housing

2000 Total Housing Units	34,600	155,481	383,265
2000 Owner Occupied Housing Units	5,558	37,359	93,984
2000 Renter Occupied Housing Units	28,085	111,337	272,069
2000 Vacant Housing Units	1,157	6,785	17,212
2010 Total Housing Units	35,545	162,240	397,825
2010 Owner Occupied Housing Units	5,750	37,558	94,599
2010 Renter Occupied Housing Units	27,476	111,016	272,310
2010 Vacant Housing Units	2,519	13,666	30,916
2012 Total Housing Units	35,886	163,872	401,556
2012 Owner Occupied Housing Units	5,397	35,904	90,657
2012 Renter Occupied Housing Units	27,925	114,453	280,021
2012 Vacant Housing Units	2,564	13,515	30,878
2017 Total Housing Units	36,592	167,221	409,835
2017 Owner Occupied Housing Units	5,710	37,584	94,874
2017 Renter Occupied Housing Units	28,267	116,285	284,270
2017 Vacant Housing Units	2,615	13,352	30,751

Currently, 27.6% of the 401,556 housing units in the area are owner occupied; 67.7% renter occupied; and 4.7% are vacant. Currently, in the U.S., 36.5% of the housing units in the area are owner occupied, 32.1% are renter occupied, and 11.4% are vacant. In 2010, there were 397,825 housing units in the area - 23.6% owner occupied, 66.4% renter occupied, and 9.9% vacant. The annual rate of change in housing units since 2010 is 0.42%. Median home value in the area is \$517,685, compared to a median home value of \$167,749 for the U.S. In five years, median value is projected to change by 3.76% annually to \$607,974.

Data Note: Income is expressed in 2012 dollars.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Fast Facts for 2012 and 2017. Data as of 2012. Data for 2017 is projected.

June 05, 2013

Addenda "B" – Appraisers Certificates and Qualifications



Business, Transportation & Housing Agency

OFFICE OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

JULIE A. HACKNEY

has successfully met the requirements for a license as a general real estate appraiser in the State of California and is, therefore, entitled to use the title "Certified General Real Estate Appraiser".

This license has been issued in accordance with the provisions of the Real Estate Appraisers Licensing and Certification Law.

OREA APPRAISER IDENTIFICATION NUMBER **AG023446**

Date Issued: April 8, 2012

Date Expires: April 7, 2014

Bob Clark

Director, OREA

Audit No. 138638



QUALIFICATIONS OF THE APPRAISER

Julie Ann Hackney
Certified General Real Estate Appraiser, State of California
Certification #AC023446

BUSINESS EXPERIENCE

Real Estate Appraiser, Syn-Mar Associates, Anaheim, California—October 1995 to present. Senior appraiser performing both UCTAR form and narrative appraisals. Performing appraisals on a variety of property types including office, industrial, retail, land, subdivisions, housing tracts, condominium projects, and special-purpose properties. Primary geographical areas of service include Los Angeles, Orange, Riverside, and San Bernardino Counties.

Real Estate Appraiser, S.S. Herron & Associates, Anaheim, California—May 1990 to October 1995. Senior Appraiser and top producer of UCTAR form reports. Appraised several property types including commercial, industrial, land, subdivisions, housing tracts, condominium projects, single-family residences, and special-purpose properties.

Real Estate Appraiser, Systems Plus, San Clemente, California—August 1989 to May 1990. Responsibilities included appraising single-family residences and vacant land.

Real Estate Appraiser, Paul Jockle & Associates, Huntington Beach, California—March 1988 to May 1990. Appraised various types of real estate property including single-family residences, housing tracts, condominium projects, apartment buildings, industrial and commercial buildings, vacant land, and special-purpose properties.

EDUCATION

Master Program, 1985—Whittier College, Whittier, California. Completed two years of Masters Program in Communication Disorders.

Bachelor of Arts in Communication, 1983—Biola University, La Mirada, California.

FORMAL TRAINING

Citrus College, Fall 1987
Appraisal Institute, Winter 1991
Cal. State University Fullerton, Fall 1991
Cal. State University Fullerton, Fall 1992
Cal. State University Fullerton, Winter 1993
Cal. State University Fullerton, Winter 1993
Cal. State University Fullerton, Spring 1993

Cal. State University Fullerton, Summer 1993
Appraisal Institute—Seminar, Summer 1997
Appraisal Institute—Seminar, Winter 1998
Appraisal Institute—Seminar, Spring 1998
Appraisal Institute—Seminar, Summer 1998
Appraisal Institute—Seminar, Summer 1998
Appraisal Institute—Seminar, Summer 1998

Residential Appraisals
Ethics
Real Estate Economics
Sale Approach
Income Approach
Legal Considerations
Fundamentals of Construction &
Land Valuations

Cost Approach
Operating Expense Information
So. California Market Trends
So. California Motel/Hotel Workshop
1998 Inland Empire Market Trends
Business Value
Trends in the Hospitality Industry

TYPES OF PROPERTIES APPRAISED

Office Buildings (Owner-user, single- and multi-tenant)
Industrial Buildings (Owner-user, single- and multi-tenant)
Neighborhood Shopping Centers
Retail Strip Centers
Special Purpose Properties
Subdivision Land and Residential Subdivisions
Vacant Land

Motels
Banks (Fee and Leased Fee)
Leasholds and Groundleases
Single-Family Residences
Apartment Complexes
Board and Care Facilities
Condominium Projects



Business, Transportation & Housing Agency
OFFICE OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Jeffrey O. Eggleston

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

"Certified General Real Estate Appraiser"

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

OREA APPRAISER IDENTIFICATION NUMBER: AG 017079

Effective Date: April 7, 2013
 Date Expires: April 6, 2015

Jim Martin
 Jim Martin, Director, OREA



QUALIFICATIONS OF THE APPRAISER

Jeffrey O. Eggleston

Certified General Real Estate Appraiser, Certificate #AG017079

General Associate Member Appraisal Institute (#M1931289)

BUSINESS EXPERIENCE

Real Estate Appraiser, Syn-Mar Associates, Anaheim, California--September 1998 to present
Independent Fee Appraiser, writing both UCLAR form and full narrative reports on a variety of property types including offices, banks, single-tenant industrial, multi-tenant industrial parks, and shopping centers

Real Estate Appraiser, Continental Realty Advisors, Irvine, California--April 1997 to September 1998
Independent Fee Appraiser, writing both UCLAR form and full narrative reports on a variety of property types including offices, banks, single-tenant industrial, multi-tenant industrial parks, and shopping centers

Real Estate Appraiser, Paul Jackle and Associates, Inc., Huntington Beach, California--February 1990 to September 1998. Independent Fee Appraiser, writing full narrative and short-form appraisal reports on a variety of commercial properties including proposed and existing shopping centers, industrial projects, motels, and special purpose properties.

Financial Analyst, Walt Disney Corporation, Anaheim, California--June 1989 to February 1990
Responsibilities included preparation, presentation, and monitoring of budgets for each division; calculation and explanation of budget variances; and research and analysis of various theme park operations. Ride Operations, Part-time April 1981 to June 1989.

EDUCATION

Bachelor of Science Program, 1989--California State University, Long Beach, Finance with a concentration in Real Estate.

FORMAL TRAINING

Calif. State University, Long Beach :

Income Property Valuation
Real Estate Law
Investment Principles
Real Estate Principles and Practices
Real Estate Finance
Money and Banking
Financial Management

Society of Real Estate Appraisers:

Principles of Income Property Appraisal

Appraisal Institute:

Standards of Professional Practice (430)
Highest & Best Use & Market Analysis (520)
Advanced Sales Comparison and Cost Approaches (530)
Report Writing and Valuation Analysis (540)
Advanced Applications (Case Studies 550)

Seminars:

IRREA Overview & Practical Application
Operating Expense Seminar
The Appraiser as an Expert Witness
Federal and State Laws and Regulations
Special Purpose Properties (Service Stations & Restaurants)
Small Motel Hotel Evaluation
Demonstration Report Writing Seminar

TYPES OF PROPERTIES APPRAISED

Office Buildings (Owner-user, single- and multi-tenant)	Motels
Industrial Buildings (Owner-user, single- and multi-tenant)	Banks (Fee and Leased Fee)
Neighborhood shopping Centers	Leaseholds and Groundleases
Retail Strip Centers	Service Stations
Special Purpose Properties	Car Washes
Subdivision Land and Residential Subdivisions	Senior Housing
Vacant Land	Board & Care



Business, Transportation & Housing Agency
OFFICE OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Stephen P. Reithmeier

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title

"Certified General Real Estate Appraiser"

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

OREA APPRAISER IDENTIFICATION NUMBER: AG 012653

Effective Date: July 1, 2013
Date Expires: June 30, 2015

Edward S. Martin
Jim Martin, Director, OREA

54007-8307

THIS DOCUMENT CONTAINS A TRIM WATERMARK. HOLD UP TO LIGHT TO SEE CHASE LINK.



QUALIFICATIONS OF THE APPRAISER

Stephen P. Rethmeier
Certified General Real Estate Appraiser, State of California
Certification #AG012653

BUSINESS EXPERIENCE

Owner, SYN-MAR Associates, Anaheim, California. Owner operator of an independent fee appraisal office performing appraisals on all types of properties, with in-house specialists in industrial, office, retail, and multi-family residential real estate. Primary geographical areas of service include Los Angeles, Orange, Riverside, and San Bernardino Counties. July 1995 to present.

Vice President/Production Manager, S.S. Herron & Associates, Inc., Anaheim, California. Developed and managed a department responsible for over 60% of total company production. This department consisted of eight full-time appraisers and additional support staff processing over 400 appraisals per year. Duties included overseeing the entire appraisal process, from booking appraisal assignments, to defining procedures and methodology, to reviewing appraisals. Also established and implemented department policy regarding interpretation and compliance with the Uniform Standards of Professional Appraisal Practice (USPAP) as well as the appraisal guidelines set forth in 12 CFR. March 1990 to July 1995.

Real Estate Appraiser, Paul Jackle & Associates, Huntington Beach, California. Performed appraisals on a variety of properties, including condominiums, apartments, office, retail, land, single-family residential, and special-purpose properties. March 1986 to March 1990.

FORMAL TRAINING

Courses:

Residential Valuation
Basic Valuation
Standards of Professional Practice
HP12C Seminar and Appraisal Applications
Course 201, Principles in Income Property Appraising
Appraisal Principles and Techniques
Federal and State Laws and Regulations
Complex Appraisals

FORMAL TRAINING (continued)

Seminars:

Appraisal Overview of Evaluations and Other Limited Scope Assignments
Theatres, Theme Parks and Thriving Developments
Valuation of Fast Food Restaurant Facilities
Appraisal of Self-Storage Facilities
Environmental Contamination and Natural Disasters
Business Valuation in the World of Real Estate
Appraiser's Role in the Redevelopment Process
Valuations Considerations Regarding Partial Acquisition
Southern California Market Trends
Inland Empire Market Trends

AFFILIATIONS/MEMBERSHIPS

Associate Member of the Appraisal Institute
Member of The Foundation of Real Estate Appraisers (FREAA)

TYPES OF PROPERTIES APPRAISED

Residential Commercial Industrial Land	Single-Family Residences
Individual Condominiums	Apartment Complexes
Office Buildings	Commercial Shopping Center
Single- & Multi-Tenant Industrial Buildings	Retail Strip Centers
Research & Development Properties	Special Purpose Properties including:
Subdivision Land & Residential Subdivisions	Religious Facilities
Hotels and Motels	Senior Housing
Leaseholds and Groundleases	Restaurants
Sandwich Leaseholds	Gas Stations
Partial Interest	Car Washes

ATTACHMENTS TO LONG-RANGE PROPERTY MANAGEMENT PLAN

Attachment 3:

Site License Agreement for Billboard

SITE LICENSE AGREEMENT

THIS SITE LICENSE AGREEMENT ("Agreement") is entered into this 28th day of September 2004, by and between the CITY OF WEST HOLLYWOOD, a California municipal corporation ("Licensor" or "City"), and VAN WAGNER COMMUNICATIONS, LLC, a New York limited liability company ("Licensee").

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows.

1. Premises.
 - a. Licensor owns the two parcels of real property located in the City of West Hollywood, County of Los Angeles, which are described in Exhibit A-1 and A-2 attached hereto and incorporated herein by this reference ("Land"). Subject to the following terms and conditions, Licensor grants to Licensee a non-exclusive right to use approximately 4 square feet of the Land on each parcel, including applicable non-exclusive easements for site access and utilities as described and/or shown in Exhibit A-3 and Exhibit A-4 attached hereto and incorporated herein by this reference ("Premises"), to erect, maintain and operate two, two-sided billboards (one on each parcel) for off-site advertising purposes.
 - b. Licensee acknowledges that Licensor will deliver the Premises in "as is" condition, without warranty, express or implied, as to its condition or usability, except as otherwise expressly set forth in this Agreement.
2. Use. The Premises may be used by Licensee for any lawfully permitted and licensed activity in connection with off-site advertising, including the construction, maintenance, and operation of a billboard structure and periodic change of advertising copy. Licensor agrees to cooperate with Licensee, at Licensee's expense, in making application for and obtaining all licenses, permits and any and all other necessary approvals that may be required for Licensee's intended use of the Premises. Licensee shall obtain a City business license during the term of this Agreement.
3. Representatives of the parties. Unless otherwise designated in writing, the Parking Operations Manager shall serve as City's representative for the administration of this Agreement. All activities performed by Licensee shall be coordinated with this person.. Licensee shall identify a responsible party to contact for all matters relating to the management of this Agreement.

4. Term and Termination.

- a. Effective Date of Agreement. The ten (10) year term of this Agreement shall commence on January 1, 2005 and shall terminate on December 31, ~~2015~~, unless the start is delayed, or is sooner terminated as set forth herein. 2014 JWC
- b. In the event that Licensor have the structures ready and are able to sell advertising space on either, or both billboards prior to January 1, 2005, the City will share in the revenue on a 50/50 basis as described in 5a until January 1, 2005 irrespective of how much revenue is generated. After January I, 2005 the minimum guaranteed prices will apply per 5a.
- c. Termination.
- i. In the event that Licensor elects to develop, or sell either or both of the locations any time after the first year, during the first seven years of the term, Licensor will give a minimum of six (6) months notice to the Licensee and pay Licensee in accordance with the following table, or prorate for any incomplete year:

	<u>Sunset Blvd.</u>	<u>Santa Monica Blvd.</u>
Year 2	\$ 60,000	\$ 60,000
Year 3	\$ 50,000	\$ 50,000
Year 4	\$ 40,000	\$ 40,000
Year 5	\$ 30,000	\$ 30,000
Year 6	\$ 20,000	\$ 20,000
Year 7	\$ 10,000	\$ 10,000

Licensor has the right to terminate the Agreement without incurring a cost if it elects to develop, or sell either property after 7 years from commencement of the term, provided that six (6) months notice is given.

- ii.. In the even that Licensor is not able to proceed with the implementation of all aspects of this Agreement due to the actions of third parties, Licensee shall be compensated for the actual expenses incurred for the erection of the structures up to a maximum value of \$70,000 per site.
- iii. In the event Licensee defaults in the performance of any of the terms or conditions of this Agreement, Licensor shall give Licensee written notice of such default. Licensee shall have ten (10) days from the date of any such notice to respond to Licensor in writing as to the action to be taken to cure the default. If the default is not reasonably curable within thirty (30) days, and Licensee fails or refuses either to cure the default or initiate the cure as described in writing, then Licensor may provide Licensee with

written notice of termination, which termination shall take effect not sooner than thirty (30) days following such notice. In addition, Licensor shall also have the right to perform or cause to be performed such defaulted work as it deems necessary to cure the default and charge the Licensee the full cost thereof.

- iv. Ownership of the billboard structures shall automatically and without any further action of the parties revert to City on termination or expiration of this Agreement.

5. Rent. Licensee shall compensate Licensor for the erection, maintenance and operation of the billboards rent as follows in this Section 5.

a. Guaranteed Minimum Price:

- i. Provided that only the Sunset Boulevard billboard is built or it is the only billboard in operation on the Land, Licensee shall pay Licensor \$35,000.00 per month for the operation of the Sunset Boulevard billboard
- ii. Provided that only the Santa Monica Boulevard billboard is built or it is the only billboard in operation on the Land, Licensee shall pay Licensor \$6,666.67 per month for the operation of the Santa Monica Boulevard billboard.
- iii. If both the Sunset Boulevard and Santa Monica Boulevard billboards are built and for so long as both are operational, a combined monthly rent of \$41,666.67.

b. Revenue Sharing:

- i. Provided that only the Sunset Boulevard billboard is built or it is the only billboard in operation on the Land, Licensee shall pay Licensor 50% of all gross revenues less a 15% Agency Commission, and less \$35,000.00 per month, for the operation of the Sunset Boulevard billboard, provided the City's share is greater than \$35,000.00.
- ii. Provided that only the Santa Monica Boulevard billboard is built or it is the only billboard in operation on the Land, Licensee shall pay Licensor 50% of all gross revenues, less a 15% Agency Commission and less \$6,666.67 per month, for the operation of the Santa Monica Boulevard billboard provided the City's share is greater than \$6,666.67.

- iii. If both the Sunset Boulevard and Santa Monica Boulevard billboards are built and for so long as both are operational, Licensee shall pay Licensor 50% of all gross revenues, less a 15% Agency Commission and less \$41,666.67 per month, for the operation of both billboards.

c. Payment Procedure.

- i. Licensee shall pay Licensor the guaranteed minimum price detailed in 5a.(i). above in advance on the 1st day of each month. Failure to pay by the 10th day of the month will result in a late payment penalty of \$500/day for each day that the amount for the Sunset Boulevard billboard is outstanding, calculated from the 1st of the month until payment is made.
- ii. Licensee shall pay Licensor the guaranteed minimum price detailed in 5a.(ii) above in advance on the 1st day of each month. Failure to pay by the 10th day of the month will result in a late payment penalty of \$100/day for each day that the amount for the Santa Monica Boulevard billboard is outstanding, calculated from the 1st of the month until payment is made.
- iii. When applicable, the revenue sharing as detailed in 5b. above, shall be calculated quarterly for each location and payments made to Licensor on the first of the month following the three-month cycle, so that, for example, the payment respecting the period ending March 31st would be payable by May 1st. Licensee is to keep records for each of the sites separate from any other contracts and the Licensor reserves the right to have an independent audit made of the accounts for each location.

6. Improvements.

- a. During the Term, Licensee has the right at its sole cost and expense to construct, maintain and operate on the Premises two, two-sided billboards, including equipment support structures, utility facilities and other necessary related facilities (collectively known as "Licensee's Facilities") as generally shown on Exhibit A-3 and Exhibit A-4 attached hereto and incorporated herein by this reference. The billboards shall adhere to the following criteria:

8755 – 8779 SUNSET BOULEVARD

The two-sided billboard will be located on an existing open surface parking lot, within the property as close to the Sunset Right of Way as possible at a location to

be decided by the CONTRACTOR, where it will have the least visual impact on the other billboards in the area and minimize the amount of tree trimming required. The maximum size permitted 14'X48' with an overall height restriction of 35 feet. Consideration must be made for the blocking of resident's views and other billboards. All elements of the billboard, including its framing, and supporting structure should positively contribute to the personality, and visual integrity of the cityscape. The billboard design may incorporate time or temperature information. Human beings and animals may not be placed on the billboard structure for promotional purposes.

7718 SANTA MONICA BOULEVARD

The billboard will be located within the newly constructed surface parking lot. The support column shall be in the existing planter on the eastern side of the lot. The maximum size permitted 14'X48' with an overall height restriction of 35 feet. Consideration must be made for the blocking of resident's views and other billboards. All elements of the billboard, including its framing, and supporting structure should positively contribute to the personality, and visual integrity of the cityscape. The billboard design may incorporate time or temperature information. Human beings and animals may not be placed on the billboard structure for promotional purposes.

- b. In connection therewith, Licensee has the right to do all work necessary to prepare, add, maintain and alter the Premises for Licensee's communications operations and to install utility lines and transmission lines. Licensee shall submit detailed 24"x36" plans with specifications to the City Building and Safety Department for approval prior to the erection of the billboards. The structure must be designed by a professional structural engineer licensed in the State of California. The lessee is to ensure that the structural integrity is sound and that seismic considerations are taken into account in the design. A copy of a geotechnical report produced for the site must be submitted with the design. All of Licensee's construction and installation work shall be performed at Licensee's sole cost and expense by licensed and bondable contractors in a good and workmanlike manner and shall not interfere with Licensor's facilities and operations on the Land. Any work performed by Licensee outside Licensee's facilities shall be subject to reasonable inspection and scheduling by Licensor. Title to the Licensee's Facilities and any equipment placed on the Premises by Licensee shall be held by Licensee until termination or expiration of this Agreement.
- c. Licensee shall have the right to install utilities, at Licensee's expense, and to improve the present utilities on or near the Premises. Any encroachment

necessary for such utility service will be at a location acceptable to Licensor and the servicing utility. Licensor will cooperate with Licensee in Licensee's efforts to obtain utilities from any location provided by Licensor or the servicing utility, including signing any easement or other instrument reasonably required by the utility company; provided, however, that Licensor shall not incur any costs related to compliance with this provision. Licensee shall at no time acquire any property interest in any of Licensor's property not described in Exhibit A-1 or A-2.

- d. Licensee shall fully and promptly pay for all utilities furnished to the Premises for its use throughout the term of this Agreement, and all other costs and expenses incurred by Licensee in connection with Licensee's use, operation and maintenance of the Premises.
- e. Licensee shall take precautions to minimize damage to the existing parking lots and to promptly repair any damage to the satisfaction of Licensor. The paving in the Santa Monica parking lot cannot be repaired using traditional methods, so it is advised that construction be undertaken from outside the lot. If entry is required on the lot, it is to be restricted to a 5 ton capacity. No parking spaces are to be lost due to the erection of the structures. Licensor and Licensee shall share any cost incurred to transplant any trees that need to be removed for the erection of the billboards; Licensee shall obtain prior permission from Licensor prior to removing any tree.
- f. Licensee shall maintain the Facilities in compliance with all requirements of law and City ordinance, and in a manner as not to cause a nuisance.

7. Access.

- a. Licensee shall have the right but not the obligation at any time following the full execution of this Agreement and prior to the Commencement Date to enter the Premises for the purpose of making necessary engineering surveys, inspections, and tests where applicable, for the purpose of determining the suitability of the Premises for Licensee's Facilities (as defined herein) for the purpose of construction of such facilities. During any pre-construction work and construction work, Licensee will have insurance as set forth in Article 13, and will notify Licensor of any proposed construction work and will coordinate the scheduling of same with Licensor. Licensor at no time warrants or guarantees the suitability of the Premises for Licensee's intended use.
- b. Licensor shall provide to Licensee, Licensee's employees, agents and subcontractors access to the Premises twenty-four (24) hours a day, seven (7) days a week, at no charge to Licensee. Licensor represents and warrants it has full right of ingress and egress to the Premises, and hereby grants such rights to

Licensee to the extent required to construct, maintain, install and operate Licensee's Facilities on the Premises and subject to Licensor's rights; provided, however, that the Licensee shall not interfere with or impair Licensor's use and enjoyment of the Land or any reasonable security measures which Licensor might implement, from time to time, in its sole reasonable discretion, on all or any portion of the Land. Licensee shall obtain an encroachment permit from City when changing advertising copy or when conducting any other work on the Premises.

8. Waiver of Rights. Licensee waives all rights under the California Outdoor Advertising Act (California Business & Professions Code § 5400 *et seq.* (the "Act")). The provisions of this Agreement, including but not limited to the provisions of Section 4 (Term and Termination) shall supersede any and all rights that Licensee may be accorded under the Act. LICENSEE EXECUTES THIS AGREEMENT VOLUNTARILY AND WITH FULL KNOWLEDGE OF THE SIGNIFICANCE OF THIS WAIVER, AND ON THE ADVICE OF LEGAL COUNSEL.
9. Taxes. This Agreement may create a taxable property interest in the Premises. Licensee shall pay all personal property taxes, possessory interest taxes and assessments attributable to Licensee's Facilities levied by any legal authority.
10. Advertising content. Advertising content on the billboards shall be subject to prior approval by Licensor. Licensor's approval shall be limited to assuring that the content does not violate City policy or community standards. Helen Goss, the City's Director of Public Information and Legal Services will serve as the City's Representative in approving advertising content. In the event that copy has not been disapproved within 5 business days of the date of submission, it shall be deemed approved. Any disapproval shall be in writing setting forth the reasons therefore in reasonable particularity.
11. Destruction or Condemnation.
 - a. If the Premises or Licensee's Facilities are damaged, destroyed or condemned by other than an act of the Licensee, Licensee may elect to terminate this Agreement as of the date of the damage, destruction or condemnation by giving notice to Licensor no more than forty-five (45) days following the date of such damage, destruction or condemnation and all rights and obligations of the parties which do not survive the termination of this Agreement shall cease as of the date of the damage, destruction or condemnation. If Licensee chooses not to terminate this Agreement, rent shall be reduced or abated in proportion to the actual reduction or abatement of use of the Premises for a period not to exceed one hundred twenty (120) days. Licensor reserves the right to audit Licensee's reduction or abatement request.

- b. In any condemnation proceeding, each party shall be entitled to make a claim against the condemning authority for just compensation (which for Licensee shall include the value of Licensee's Facilities, moving expenses, pre-paid rent, reasonable attorneys' fees, and business dislocation expenses).

12. Assignment and Subletting.

- a. Licensor may assign or otherwise transfer its interest in this Agreement upon written notice to Licensee, subject to the assignee or transferee assuming all of Licensor's obligations herein.
- b. Licensee may not assign, or otherwise transfer all or any part of its interest in this Agreement or in the Premises or Licensee Facilities without the prior written consent of Licensor. Any such assignee or transferee shall agree in writing to assume and perform all of the terms and conditions of this Agreement on Licensee's part to be performed from and after the effective date of such assignment or transfer, and shall in Licensor's sole and exclusive judgment, be deemed qualified and capable of so performing; provided, however, Licensee without prior consent of Licensor may assign its interest to its parent company, any subsidiary or affiliate or to any successor legal entities or to any entity acquiring substantially all of the assets of Licensee.

13. Insurance. Licensee, at Licensee's sole cost and expense, shall procure and maintain the following commercial general liability and automobile liability insurance:

- a. Coverage. Coverage for commercial general liability and automobile liability insurance shall be at least as broad as the following:
 - i. Insurance Services Office Commercial General Liability Coverage (Occurrence Form CG 0001).
 - ii. Insurance Services Office Automobile Liability Coverage (Form CA 0001), covering Symbol 1 (any auto).
- b. Limits. The Licensee shall maintain limits no less than the following:
 - i. General Liability. Two million dollars (\$2,000,000) per occurrence, Four million dollars (\$4,000,000) aggregate for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply to Premises leased (with the ISO CG 2503, or ISO CG

2504, or insurer's equivalent endorsement provided to Licensor) or the general aggregate limit shall be twice the required occurrence limit.

- ii. Automobile Liability. One million dollars (\$1,000,000) for bodily injury and property damage each accident limit.
- c. Required Provisions. The general liability and automobile liability policies are to contain, or be endorsed to contain the following provisions:
 - i. Licensor, its officers, employees, or authorized volunteers are included as additional insured as respects: liability arising out of Premises leased by the Licensee or automobiles owned, leased, hired or borrowed by the Licensee. The coverage shall contain no special limitations on the scope of protection afforded to Licensor, its directors, officers, employees, or authorized volunteers.
 - ii. For any claims related to this lease, the Licensee's insurance shall be primary insurance to Licensor, its officers, employees or authorized volunteers. Any insurance, self-insurance or other coverage maintained by Licensor, its officers, employees, or authorized volunteers shall not contribute to it.
 - iii. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to Licensor, its officers, employees, or authorized volunteers.
 - iv. The Licensee's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
 - v. Each insurance policy required by this clause shall state or be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days (10 days for non-payment of premium) prior written notice by U.S. mail has been given to Licensor.

The general liability policy shall cover bodily injury and property damage liability, and blanket contractual liability.

The automobile liability policy shall cover all owned, non-owned, and hired automobiles.

All of the insurance shall be provided on policy forms and through companies reasonably satisfactory to Licensor.

- d. Deductibles and Self-Insured Retentions. Any deductible or self-insured retention must be declared to and approved by Licensor. At the option of Licensor, the insurer shall either reduce or eliminate such deductibles or self-insured retentions.
- e. Acceptability of Insurers. Insurance is to be placed with insurers having a current A.M. Best rating of no less than A-/VIII or equivalent or as otherwise approved by Licensor.
- f. Workers' Compensation and Employer's Liability Insurance. The Licensee shall cover or insure under the applicable laws relating to workers' compensation insurance, all of their employees working on or about the property, all in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any Acts amendatory thereof. The Licensee shall provide employers liability insurance in the amount of, at least, \$1,000,000 per accident for bodily injury and disease.
- g. Evidences and Cancellation of Insurance. Prior to the beginning of construction of any improvements provided in Article 6(a), the Licensee shall file with Licensor a certificate of insurance (Accord Form 25-S or insurer's equivalent) and an additional insured endorsement (CG 2010 or insurer's equivalent) both signed by a properly authorized officer, agent or representative of the insurer. Licensee shall also provide a waiver of subrogation in favor of Licensor. Licensor shall provide a waiver of subrogation in favor of Licensee. Such evidence of insurance shall confirm that coverage includes or has been modified to include the required provisions as provided in Article 13 (c)(i) through (v).

The Licensee shall, upon demand of Licensor, deliver to Licensor such policy or policies of insurance and the receipts for payment of premiums thereon.

- h. Workers' Compensation Insurance. By his/her signature hereunder, Licensee certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and it will comply with such provisions in connection with any work performed on the Premises. Any persons providing services with or on behalf of Licensee shall be covered by workers' compensation, or qualified self-insurance.

14. Indemnification.

- a. To the fullest extent permitted by law, Licensee shall indemnify and hold harmless and defend Licensor, its directors, officers, employees, agents or volunteers, and each of them from and against:

- i. Any and all claims, demands, causes of action, damages, costs, expenses, losses or liabilities (including attorney's fees, costs and expenses of defending against such claims by counsel acceptable to Licensor), in law or in equity, of every kind and nature whatsoever for, but not limited to, injury to or death of any person including Licensor and/or Licensee, or any directors, officers, employees, agents or volunteers of Licensor or Licensee, and damages to or destruction of property of any person, including but not limited to, Licensor and/or Licensee and their directors, officers, employees, agents or volunteers, to the extent caused by the negligent acts, errors or omissions or willful misconduct of Licensee, but except to the extent caused by the negligence, willful misconduct or active negligence of Licensor or its directors, officers, employees, agents or volunteers.
 - ii. Any and all actions, proceedings, damages, costs, expenses, penalties or liabilities, in law or equity, of every kind or nature whatsoever, to the extent caused by the violation of any governmental law or regulation by Licensee.
 - iii. Any and all losses, expenses, damages (including damage to the work itself), attorney's fees and other costs, including all costs of defense, which any of them may incur to the extent caused by Licensee's failure, neglect, or refusal by Licensee to faithfully perform all of its obligations under this Agreement. Licensee agrees to carry insurance for this purpose as set out in the specifications. Licensee's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Licensor, or its directors, officers, employees or volunteers.
- b. Licensor shall indemnify, defend and hold harmless Licensee, its directors, officers, employees, or volunteers, and each of them from and against any and all claims, demands, causes of action, damages, costs, expenses, losses or liabilities (including attorney's fees, costs and expenses of defending against such claims), in law or in equity, of every kind and nature whatsoever for, but not limited to, injury to or death of any person including Licensor and/or Licensee, or any directors, officers, employees or volunteers of Licensor or Licensee, and damages to or destruction of property of any person, including but not limited to, Licensor and/or Licensee and their directors, officers, employees or volunteers, to the extent caused by the negligent acts, errors or omissions or willful misconduct of Licensor, but except to the extent caused by the sole negligence, willful misconduct or active negligence of Licensee or its directors, officers, employees, agents or volunteers.

c. The foregoing indemnities will survive the expiration or termination of this Agreement.

15. Safety and Environmental Protection. The Licensee shall operate and maintain the Premises so as to avoid injury or damage to any person or property.

In carrying out its work, the Licensee shall at all times, exercise all necessary precautions for the safety and environmental protection of Premises, and be in compliance with all federal, state and local statutory and regulatory requirements including State of California, Division of Industrial Relations (Cal/OSHA) regulations, Cal/EPA, US/EPA and the U.S. Department of Transportation including the Omnibus Transportation Employee Testing Act (as applicable).

The Licensee shall not use or allow anyone else to use the Premises to generate, manufacture, refine, transport, treat, store, handle, recycle, release or dispose of any hazardous material, other than as reasonably necessary for the operation of the Licensee's activities as contemplated under this agreement. The term "hazardous material" means any hazardous substance, material or waste, including but not limited to those listed in 49 CFR 172.101 (U.S. Department of Transportation), the Cal/EPA Chemical Lists of lists or petroleum products and their derivatives. However, this shall not apply to the use of petroleum products and related substances incidental to operation of motorized equipment and vehicles whose operation on the Premises is contemplated by this agreement.

The Licensee shall immediately notify the Licensor in writing upon becoming aware of any release of hazardous material, violation of any environmental law or actions brought by third parties against the Licensee alleging environmental damage.

- a. Licensee shall identify by a sign permanently affixed to Licensee's Facilities the responsible party to notify in case of emergency or maintenance. The sign shall provide a 24/7 response phone number posted in a visible manner on the billboards. This number will be hot-line to be used for public complaints and to provide notification for an anti-graffiti service. The service shall remove all graffiti within 48 hours of it being reported. Licensee agrees that all services shall be performed by qualified and experienced personnel.
- b. Licensor represents that neither Licensor nor, to Licensor's knowledge (without having researched the matter) a third party has used, generated, stored, treated or disposed of hazardous materials, as defined above.
16. Notices. Any notice, demand or payment required to be given herein shall be made by certified or registered mail, return receipt requested, or reliable overnight courier to the address of the respective parties set forth below:

Licensor: City of West Hollywood
8300 Santa Monica Boulevard
West Hollywood, CA 90269
Attention: City Manager

Licensee: Van Wagner Communications, LLC
11829 Ventura Boulevard,
Studio City, California ~~508-8888~~ 91604 e
Attention: ~~William~~ Crabtree, President, Western Division
C Biv

17. Attorney's Fees.

- a. In the event legal action by either party is brought to enforce any term hereof or in the recovery of damages for any breach hereof, or to determine any rights of the parties under this Agreement, the prevailing party in such actions may recover reasonable attorneys' fees to be fixed by the court.
- b. When any provision of this Agreement entitles either party to receive costs or expenses from the other, the term costs and expenses shall include reasonable attorney's fees incurred, notwithstanding any reference or lack of reference to attorney's fees. When any article or provision of this Agreement provides that Licensee will hold Licensor harmless from claims, Licensee shall pay all of Licensor's reasonable attorney's fees incurred in investigating and defending such claims.

18. Miscellaneous.

- a. This Agreement constitutes the entire agreement and understanding between the parties, and supersedes all offers, negotiations and other agreements concerning the subject matter contained herein. There are no representations or understandings of any kind not set forth in this Agreement. Any amendments to this Agreement must be in writing and executed by both parties.
- b. If any provision of this Agreement is invalid or unenforceable with respect to any party, the remainder of this Agreement or the application of such provision to persons other than those as to whom it is held invalid or unenforceable, shall not be affected and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

- c. This Agreement shall be binding on and inure to the benefit of the successors and permitted assignees of the respective parties.
- d. This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of Los Angeles, State of California.
- e. In any case where the approval or consent of one party hereto is required, requested or otherwise to be given under this Agreement, such party shall not unreasonably delay or withhold its approval or consent.
- f. The Licensee shall give all notices required by law and comply with all laws, ordinances, rules and regulations pertaining to the conduct of the Premises. The Licensee shall be liable for all violations of the law in connection with this Agreement.
- g. All Exhibits attached hereto are material parts of this Agreement.
- h. This Agreement may be executed in duplicate counterparts, each of which shall be deemed an original.
- i. Upon request, either party may require that a Memorandum of Lease be recorded in the form of Exhibit A. Upon termination of this Agreement, Licensee shall record a quitclaim deed or Memorandum of Termination in the official records of the County of Los Angeles Recorder's office.
- j. Licensee represents and agrees that it does not and will not discriminate against any employee or applicant for employment because of race, religion, color, medical condition, sex, sexual orientation, national origin, political affiliation or opinion, pregnancy or pregnancy-related condition.
- k. No member of the governing body of City and no other elected official, officer, employee, or agent of the City shall knowingly have any personal financial interest, direct or indirect, in this Agreement.
- l. Licensee agrees to store general hard and soft copy correspondence for Licensor for the full term of the Agreement and for two (2) years from the date of last file action and/or payment, whichever is longer.
- m. As a condition of the contract, Licensee shall abide by the provisions of the West Hollywood Living Wage Ordinance. During the term of the Agreement, the company shall keep on file with the City sufficient evidence of its employee compensation to enable verification of compliance with the West Hollywood

Living Wage Ordinance.

- n. Licensee represents neither it, nor any subsidiary substantially owned by it, honors the Arab League Boycott of Israel.

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

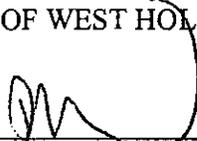
October 12, 2004
Dated: ~~September 28, 2004~~

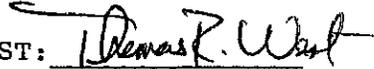
29TH
Dated: ~~September 28, 2004~~

LICENSOR:

CITY OF WEST HOLLYWOOD

By: _____


Paul Arevalo
City Manager

ATTEST: 
City Clerk

LICENSEE:

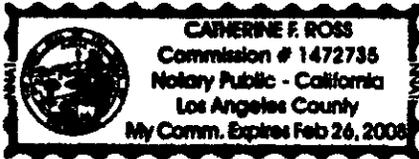
VAN WAGNER COMMUNICATIONS, LLC

By: _____


Bill Crabtree
President, Western Division

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On ~~September 28~~^{October 12}, 2004 before me, personally appeared Paul Arevalo, personally known to me (~~or proved to me on the basis of satisfactory evidence~~) to be the person whose name is subscribed to the within instrument and acknowledged to me that ~~she~~ executed the same in his/~~her~~ authorized capacity, and that by his/~~her~~ signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

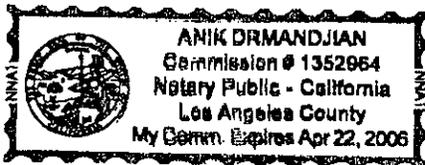


WITNESS my hand and official seal.

Catherine F. Ross
Notary Public

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On September ~~28~~^{29th}, 2004 before me, personally appeared ~~William~~^{Bill} Crabtree, personally known to me (~~or proved to me on the basis of satisfactory evidence~~) to be the person whose name ~~is~~ subscribed to the within instrument and acknowledged to me that ~~she~~ executed the same in ~~his~~ authorized capacity, and that by ~~his~~ signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.



WITNESS my hand and official seal.

Anik Drmandjian
Notary Public

EXHIBIT A

RECORDING REQUESTED BY, AND
WHEN RECORDED RETURN TO:

City of West Hollywood
8300 Santa Monica Boulevard
West Hollywood, CA 90269
Attention: City Manager

MEMORANDUM OF LICENSE AGREEMENT

THIS MEMORANDUM OF LICENSE AGREEMENT ("Memorandum") is executed as of September 28, 2004, by and between City of West Hollywood ("Licensor"), and Van Wagner Communications, LLC, a New York limited liability company ("Licensee").

RECITALS

WHEREAS, Licensor and Licensee have entered into that certain Site License Agreement ("Agreement") dated as of September 28, 2004, for the purpose of erecting, operating and maintaining off-site advertising billboards and other improvements. All of the foregoing are set forth in the Agreement; and

WHEREAS, Licensor and Licensee desire to record notice of the Agreement in the Official Records of Los Angeles, California;

NOW, THEREFORE, in consideration of the foregoing, Licensor and Licensee hereby declare as follows:

1. Demise. The Land which is the subject of the Agreement is described in Exhibit A-1 and A-2 attached hereto. The portion of the Land licensed to Licensee (the "Premises") is described on Exhibit A-3 and A-4 attached hereto. Licensor grants to Licensee a non-exclusive easement for site access and utilities as described in Exhibit A-3 and A-4.
2. Expiration Date. The term of the Agreement ("Term") is for ten (10) years commencing on January 1, 2005 ("Commencement Date"), and terminating on December 31, 2015.

Site License Agreement
With Van Wagner Outdoor

2014 TW
C

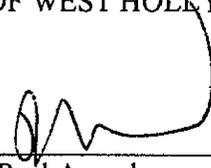
3. Agreement Controlling This Memorandum is solely for the purpose of giving constructive notice of the Agreement. In the event of conflict between the terms of the Agreement and this Memorandum, the terms of the Agreement shall control.

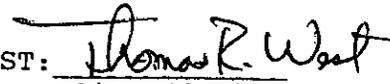
IN WITNESS WHEREOF, Licensor and Licensee have executed this Memorandum as of the date and year first written above.

October 12
Dated: ~~September 28~~, 2004

LICENSOR:

CITY OF WEST HOLLYWOOD

By: 
Paul Arevalo
City Manager

ATTEST: 
City Clerk

LICENSEE:

VAN WAGNER COMMUNICATIONS, LLC

By: 
Bill William Crabtree
President, Western Division

29
Dated: ~~September 28~~, 2004

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

October 12
On ~~September 28~~, 2004 before me, personally appeared Paul Arevalo, personally known to me (or ~~proved to me on the basis of satisfactory evidence~~) to be the person whose name is subscribed to the within instrument and acknowledged to me that ~~s/he~~ executed the same in his/~~her~~ authorized capacity, and that by his/~~her~~ signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.



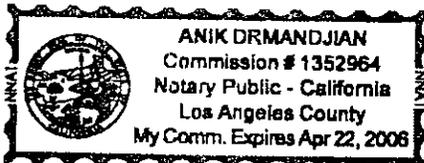
WITNESS my hand and official seal.

Catherine F. Ross

Notary Public

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

29th
On September ~~28~~, 2004 before me, personally appeared *Bill* ~~William~~ Crabtree, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in his/~~her~~ authorized capacity, and that by his/~~her~~ signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.



WITNESS my hand and official seal.

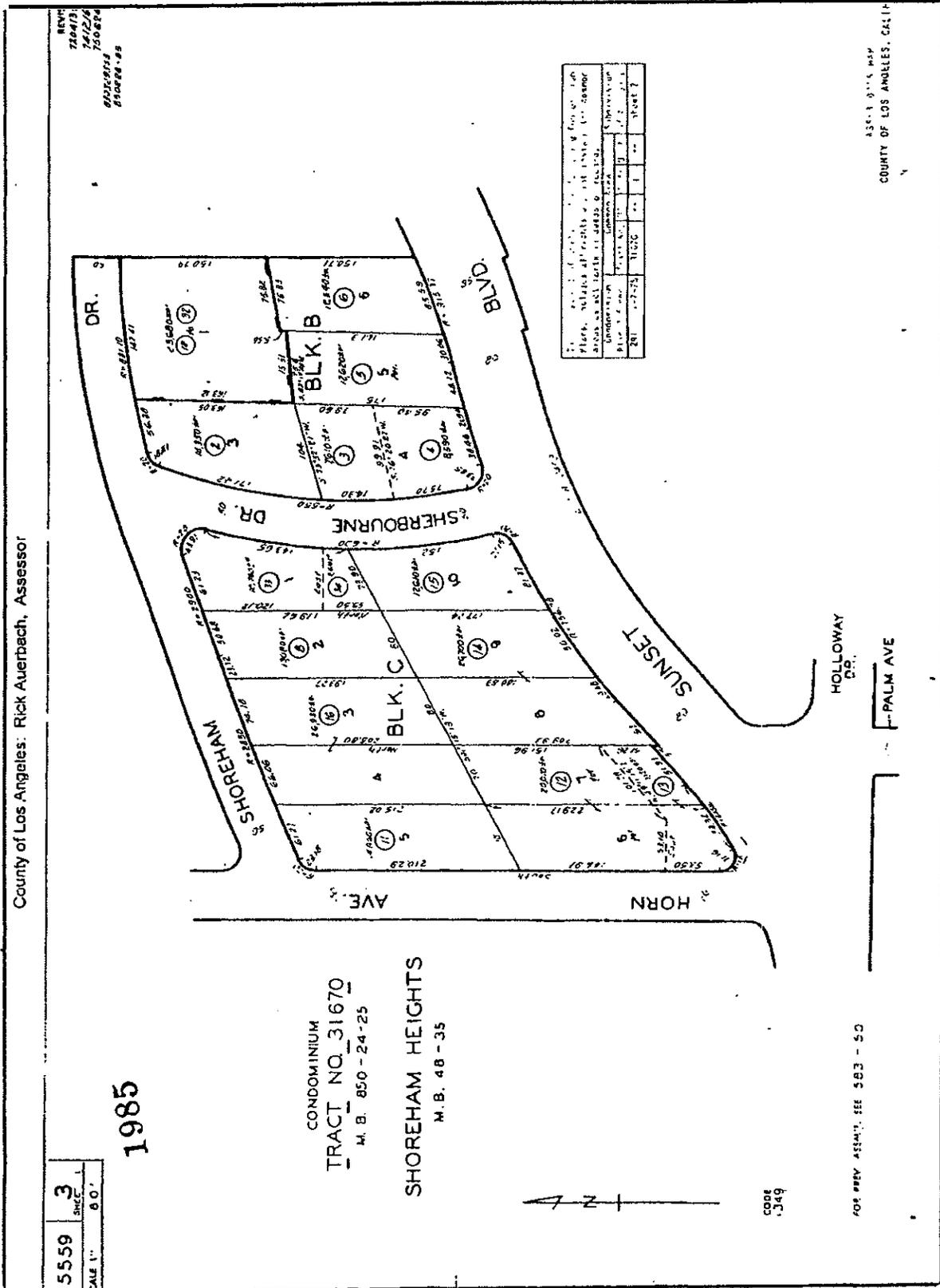
Anik Drmandjian

Notary Public

EXHIBIT A-1

DESCRIPTION OF LAND

The real property situated in Los Angeles County, State of California, particularly described as:
 Open, paved and landscaped Parking Lot located at 8755 - 8779 SUNSET BOULEVARD
 Assessor Parcel Number # 5559/3/14&15

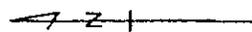


County of Los Angeles: Rick Auerbach, Assessor

5559
 DATE 11-30-85

1985

CONDOMINIUM
 TRACT NO. 31670
 M. B. 850-24-25
 SHOREHAM HEIGHTS
 M. B. 48-35



CODE .349

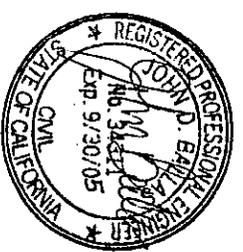
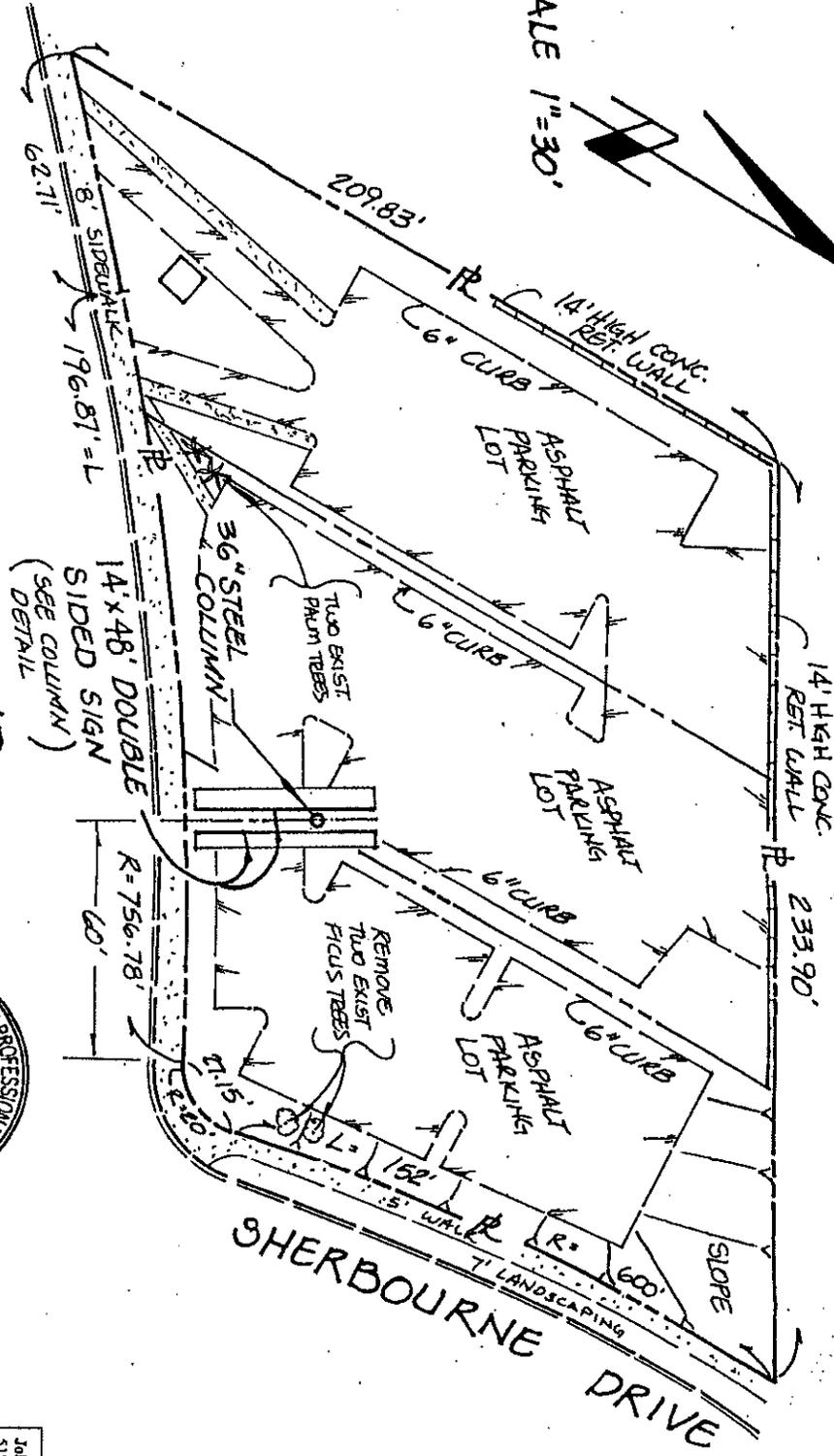
FOR FEES ASS'N'T. SEE 883 - 50

ASS. 1 0115 HSP
 COUNTY OF LOS ANGELES, CALIF.

SCALE 1"=30'

SUNSET

BLVD.

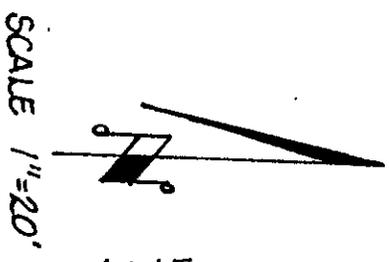


Plot Plan
 Off site sign installation at 8755-8779
 Sunset Blvd. In the City of West
 Hollywood for Van Wagner Outdoor.

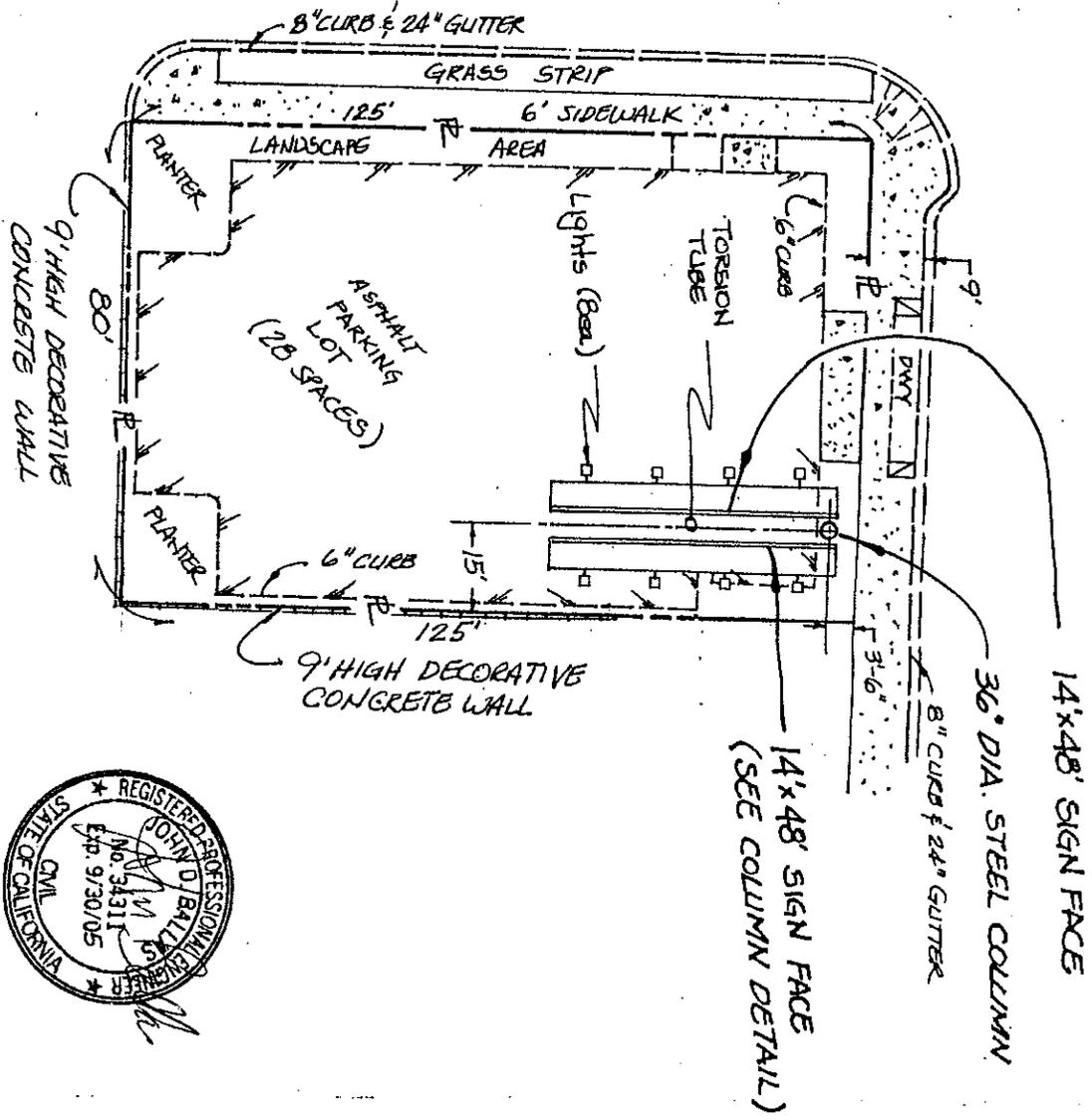
John Baliza Registered Civil Engineer
 5186 Lupine Street Yorba Linda, CA 92886
 (714) 693-1999 (714) 693-1006

SANTA MONICA BLVD.

EXHIBIT A-3



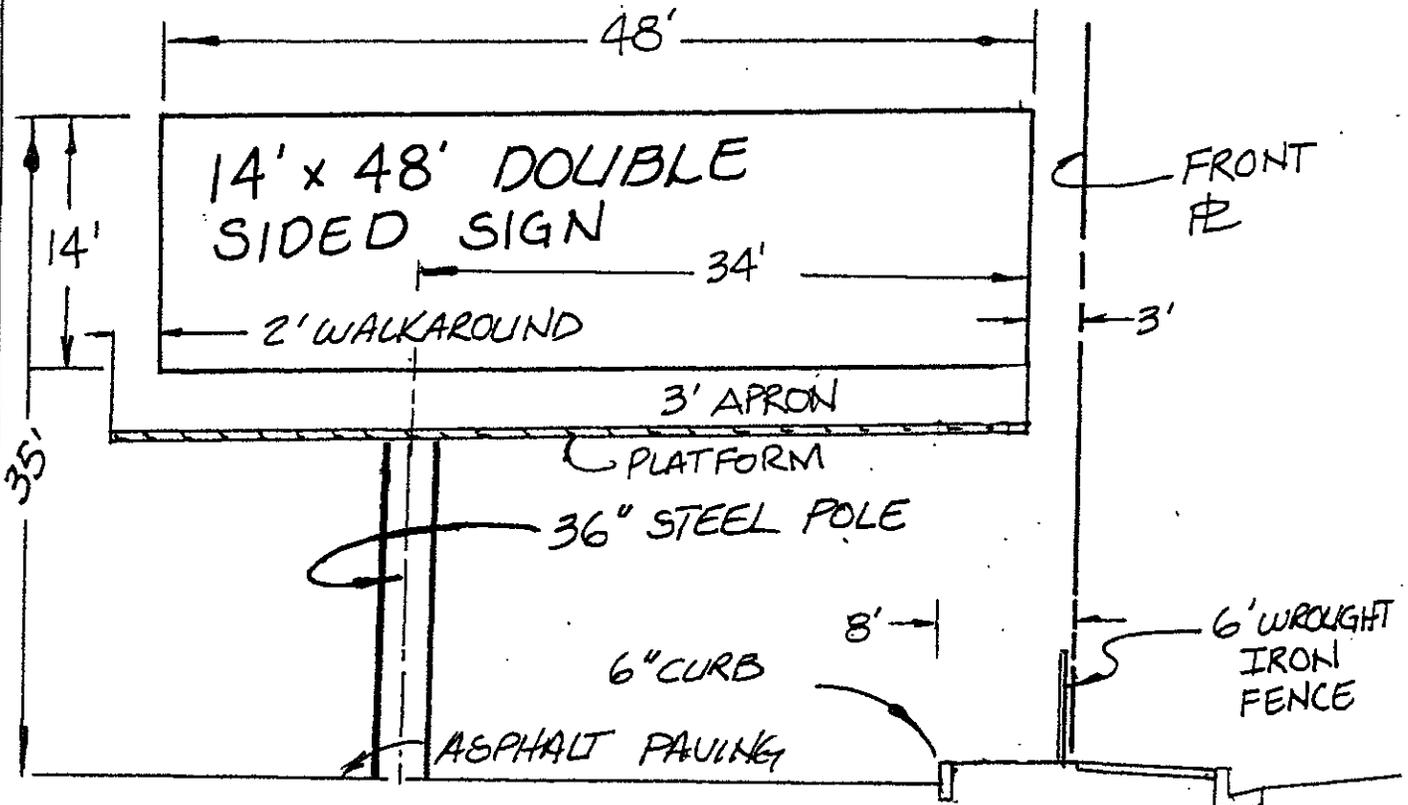
SPAULDING AVE.



Plot Plan
Off site sign installation at 7718 Santa Monica Blvd. In the City of West Hollywood for Van Wagner Outdoor.

John Ballas Registered Civil Engineer
5186 Lupine Street, Yorba Linda, CA 92886
(714) 693-1999 (714) 693-1006

EXHIBIT A-4



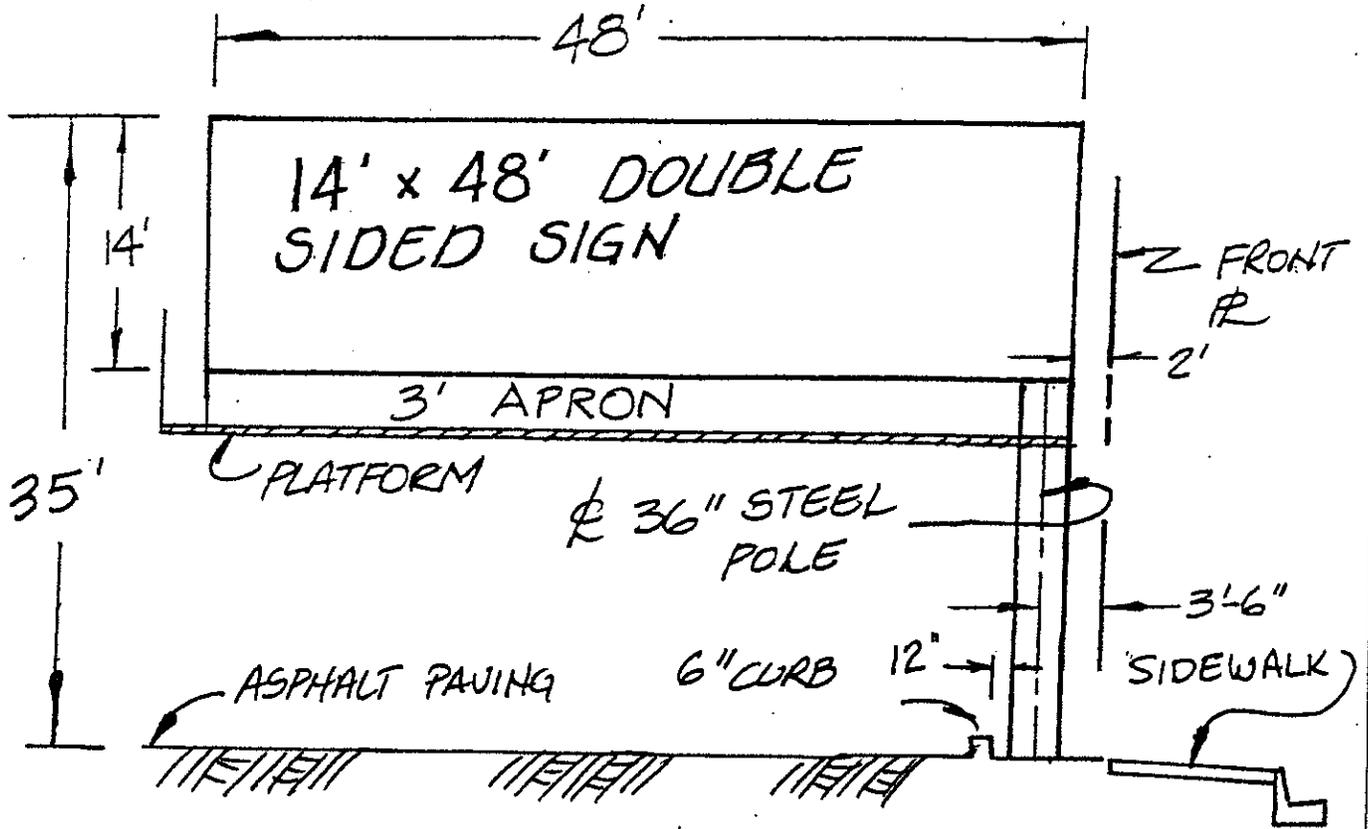
SCALE 1" = 10'

Elevation

Off site sign installation at 8755-8779
Sunset Blvd. in the City of West
Hollywood for Van Wagner Outdoor

John Ballas Registered Civil Engineer
5186 Lupine Street Yorba Linda, CA 92886
(714) 693-1999 (714) 693-1006

EXHIBIT A-4



SCALE 1" = 10'



John Ballas Registered Civil Engineer
5186 Lupine Street Yorba Linda, CA 92886
(714) 693-1999 (714) 693-1006

C:\local\5508 P1.dwg

Elevation

Off site sign installation at 7718 Santa Monica Blvd. in the City of West Hollywood for Van Wagner Outdoor

2956
Amend. # 1

CITY OF WEST HOLLYWOOD
CONTRACT AUTHORIZATION FORM

COMPLETED BY DIVISION Parking Services

VENDOR NAME: Van Wagner Communications, LLC
CONTRACT AMOUNT: **N/A (no change)** EXPIRATION DATE: 12/31/14
CONTRACT SUMMARY: Addendum to existing contract.

CITY STAFF CONTACT PERSON: Oscar Delgado
 NO CHANGES MADE TO TEMPLATE INSURANCE REQUIREMENTS (FINANCE SIGN-OFF NOT NEEDED)
 INSURANCE REQUIREMENTS HAVE BEEN CHANGED TO: Excluded Professional Liability Insurance.

Insurance Requirement Changes OK Date: _____
Finance/Risk Management

DIRECTOR APPROVAL: [Signature] Approval Date: _____

COMPLETED BY CITY CLERK

Contract Review: City Clerk aw Date: 11/10/04
Contract Approval: City Manager City Council Item# _____ Date: _____

NEEDS: GL AUTO W/C PROF OTHER _____

Date	Name	Date	Name
_____	E-Mail _____	_____	E-Mail _____
_____	E-Mail _____	_____	E-Mail _____
_____	E-Mail _____	_____	E-Mail _____

Notes:

#2956
Amend. #1

ADDENDUM TO SITE LICENSE AGREEMENT

WITNESSETH

This Addendum represents the first amendment to the original agreement by and between the CITY OF WEST HOLLYWOOD, a California municipal corporation ("Licensor" or "City"), and VAN WAGNER COMMUNICATIONS, LLC, a New York limited liability company ("Licensee").

NOW, THEREFORE, in consideration of the foregoing and the covenants and agreements set forth below, City and Licensee agree to the following:

Section 1- Amend Section 6, "Improvements", by amending paragraph 3 to read as follows:

7718 SANTA MONICA BOULEVARD

The billboard will be located within the newly constructed surface parking lot. The support column shall be in the existing planter on the eastern side of the lot. The maximum size permitted 14'X48' with an overall height restriction of 40 feet. Consideration must be made for the blocking of resident's views and other billboards. All elements of the billboard, including its framing, and supporting structure should positively contribute to the personality, and visual integrity of the cityscape. The billboard design may incorporate time or temperature information. Human beings and animals may not be placed on the billboard structure for promotional purposes.

Executed on this 4TH day of November, 2004.

VAN WAGNER COMMUNICATIONS, LLC

By: Bill Crabtree
Bill Crabtree, President Western Division

CITY OF WEST HOLLYWOOD:

By: Paul Arevalo
Paul Arevalo, City Manager

ATTEST:

BY: Tom West
Tom West, City Clerk

BY: [Signature]
Department Director