



City of
SANTA CLARITA

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www.santa-clarita.com

July 9, 2014

Sachi A. Hamai, Executive Officer
Board of Supervisors
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 383
Los Angeles, California 90012

Dean C. Logan, Registrar-Recorder/County Clerk
Election Coordination Unit
12400 Imperial Highway, 2nd Floor, Room 2013A
Norwalk, California 90650

Dear Ms. Hamai and Mr. Logan:

On July 2, 2014, the City transmitted Resolution 14-55 calling a Special Election to take place on November 4, 2014, and requesting consolidation and services with Los Angeles County for the Los Angeles County General Election of the same date.

Please find enclosed Resolution 14-55, documenting the Council's vote, for approval by the Los Angeles County Board of Supervisors. An electronic copy of the resolution was also transmitted today, July 9, 2014, to ecu@rcc@lacounty.gov with a copy to executiveoffice@bos.lacounty.gov.

Please contact me at (661) 255-4392, if you need more information or if you have any questions.

Sincerely,

Arminé Chaparyan
Interim City Clerk

S:\CITY\ELECTION\Measure 2014\Billboard Measure Ballot Reso_resubmitted 070914.doc

Enclosure

cc: Efrain Escobedo, Los Angeles County Executive Liaison Officer
Alex Olvera, Los Angeles County Election Coordination and Planning Manager
Kenneth Striplin, City Manager
Joe Montes, City Attorney
Frank Oviedo, Assistant City Manager
Darren Hernandez, Deputy City Manager

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

43 July 29, 2014

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER



RESOLUTION 14-55

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CLARITA, CALIFORNIA, CALLING AND GIVING NOTICE OF THE HOLDING OF A SPECIAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 4, 2014, TO SUBMIT TO THE VOTERS ORDINANCE 14-02, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA CLARITA, ADOPTING A DEVELOPMENT AGREEMENT WITH LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY (METRO) FOR THE REMOVAL OF 62 OFF-SITE ADVERTISING STRUCTURES, AND CONSTRUCTION AND OPERATION OF THREE DIGITAL BILLBOARDS ADJACENT TO THE INTERSTATE 5 (I-5) AND STATE ROUTE 14 (SR-14) FREEWAYS, AND REQUESTING THE BOARD OF SUPERVISORS TO CONSOLIDATE SAID SPECIAL ELECTION WITH THE NOVEMBER 4, 2014, STATEWIDE GENERAL ELECTION AND PERMIT THE COUNTY REGISTER-RECORDER TO RENDER CERTAIN SERVICES TO THE CITY OF SANTA CLARITA FOR SAID ELECTION PURSUANT TO SECTION 10403 OF THE ELECTIONS CODE

WHEREAS, on March 25, 2014, the City Council adopted Ordinance 14-02, an Ordinance adopting a Development Agreement with Los Angeles County Metropolitan Transportation Authority (METRO) for the removal of 62 off-site advertising structures, and construction and operation of three digital billboards adjacent to the Interstate 5 and State Route 14 freeways (Ordinance 14-02 or Ordinance); and

WHEREAS, on May 5, 2014, a referendum petition was filed with the City Clerk protesting the adoption of Ordinance 14-02 and the City Clerk conducted the required initial prima facie review and determined that on a preliminary review, it appeared that petitions with at least 11,170 signatures were submitted; and

WHEREAS, the petitions were submitted to the Los Angeles County Registrar-Recorder (County) and on June 6, 2014 the County verified that 11,370 valid signatures were submitted; and

WHEREAS, the City Clerk Certified the Petition and presented it to the City Council on June 24, 2014; and

WHEREAS, the Referendum has qualified and Ordinance 14-02 has been suspended pursuant to Elections Code section 9237; and

WHEREAS, pursuant to Elections Code sections 9237 and 9241, the City Council must reconsider the Ordinance and, if the City Council does not entirely repeal the Ordinance, it shall submit the Ordinance to the voters; and

WHEREAS, the City Council desires to submit Ordinance 14-02 to the voters at a special election called for such purpose, to occur not less than 88 days after this order of the City Council; and

WHEREAS, a general state-wide election is currently scheduled for November 4, 2014 and the Council would like to request that the County Board of Supervisors agree to consolidate the City's Special Election with the County's general election.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Santa Clarita does hereby resolve, declare and order as follows:

SECTION 1. That pursuant to the laws of the State of California relating to general law cities, there is called and ordered to be held in the City of Santa Clarita, California, on November 4, 2014, a Special Election, for the purpose of voting on a referendum ballot measure to approve an Ordinance adopting a Development Agreement with Los Angeles County Metropolitan Transportation Authority (METRO) for the removal of 62 off-site advertising structures, and construction and operation of three digital billboards adjacent to the Interstate 5 and State Route 14 freeways. The language of the proposed Ordinance is attached to this Resolution as Exhibit A.

SECTION 2. That the City Council hereby orders the measure to be placed on the ballot in the following form:

Shall Ordinance No. 14-02 adopting a Development Agreement with Los Angeles County Metropolitan Transportation Authority (METRO) for the removal of 62 advertising structures, within the City, by METRO or any other means, and construction and operation of three digital billboards, adjacent to the Interstate 5 and State Route 14 freeways, and the dedication to the City of revenue received from digital billboards, which creates an ongoing revenue stream, be adopted?	YES	
	NO	

Said Ordinance shall become effective if a majority of the voters voting on the above measure vote yes.

SECTION 3. That the full text of the Ordinance shall not be printed in the Voter Information Pamphlet, but a statement shall appear under the Impartial Analysis informing voters that the information may be obtained from the City Clerk's office and the City's website.

SECTION 4. That pursuant to Elections Code Section 9282, Councilmember Bob Kellar is authorized by the Santa Clarita City Council to author the argument in favor of the Ordinance and a rebuttal in response to the argument against the Ordinance.

SECTION 5. That in accordance with Elections Code Sections 9281 to 9287, primary arguments in favor or against the Ordinance may be submitted to the City Clerk by August 15, 2014, at 5:00 p.m. Rebuttal arguments may be submitted to the City Clerk by August 25, 2014, at 5:00 p.m. In the event multiple arguments are submitted, the City Clerk shall select an argument using the priorities set forth in Elections Code Section 9287, choosing at random within the most senior priority submitted if multiple arguments sharing priority are submitted.

SECTION 6. That the City Council directs the City Clerk to transmit a copy of the Ordinance to the City Attorney for preparation of an impartial analysis. The impartial analysis shall be filed by August 15, 2014 at 5:00 p.m.

SECTION 7. That the City Attorney is authorized to defend the City and any party that has authored the ballot argument or rebuttal in favor on behalf of the City Council or the impartial analysis as it relates to any challenges to the argument in favor and rebuttal, ballot language or the impartial analysis.

SECTION 8. That notice of the time and place of holding said Election is hereby given, and the City Clerk is hereby authorized to give such further or additional notice of the Election in the time, form and manner as required by law.

SECTION 9. That the ballots to be used at said Election shall be, both as to form and matter contained therein, such as may be required by law.

SECTION 10. That the City Clerk is hereby authorized to procure and furnish any and all official ballots, notices, consultant assistance and printed matters that may be necessary in order to properly and lawfully conduct said Election, except as noted herein.

SECTION 11. That the City Council of the City of Santa Clarita does hereby request the Los Angeles County Board of Supervisors to consolidate the Special Election with the November 4, 2014, Statewide General Election. The City agrees to reimburse the County for its costs incurred.

SECTION 12. That the City Council of the City of Santa Clarita does hereby request the Los Angeles County Board of Supervisors to authorize the County Registrar-Recorder to prepare and perform certain services described below for the City of Santa Clarita in relation to said consolidated Election consistent with the Elections Code.

SECTION 13. That the City Council of the City of Santa Clarita requests that the County Registrar-Recorder conduct the election in a manner in all respects as if there were only one election with one ballot, and the election precincts, polling places and voting booths shall in every case be the same. There shall be only one set of election officers in each of said precincts, and the Board of Supervisors shall canvass the returns of said election.

SECTION 14. That the City Council of the City of Santa Clarita requests the County Registrar-Recorder open the polls for said election at seven o'clock on the morning of the day of the election and keep open until eight o'clock of the evening of the same day when the polls

shall be closed, pursuant to Elections Code § 10242, except as provided in Elections Code § 14401.

SECTION 15. The City Clerk of the City of Santa Clarita is directed to forward a certified copy of this Resolution to the Clerk of the Board of Supervisors for presentation to the Board of Supervisors, and to the County of Los Angeles Registrar-Recorder.

SECTION 16. The City Clerk shall certify to the adoption of this resolution and certify this record to be a full true, correct copy of the action taken.

PASSED, APPROVED, AND ADOPTED this 24th day of June 2014.


Marsha McLean, Mayor Pro Tem

ATTEST:


INTERIM CITY CLERK

DATE: 7/1/14

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.
CITY OF SANTA CLARITA)

I, Arminé Chaparyan, Interim City Clerk of the City of Santa Clarita, do hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Santa Clarita at a regular meeting thereof, held on the 24th day of June 2014, by the following vote:

AYES: COUNCILMEMBERS: Acosta, Kellar, McLean

NOES: COUNCILMEMBERS: Boydston

ABSENT: COUNCILMEMBERS: None

RECUSED: COUNCILMEMBERS: Weste


INTERIM CITY CLERK

Exhibit A

[entirety of Ordinance 14-02 is attached]

ORDINANCE NO. 14-02

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA CLARITA ADOPTING A DEVELOPMENT AGREEMENT WITH LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY (METRO) FOR THE REMOVAL OF 62 OFF-SITE ADVERTISING STRUCTURES, AND CONSTRUCTION AND OPERATION OF THREE DIGITAL BILLBOARDS ADJACENT TO THE INTERSTATE 5 (I-5) AND STATE ROUTE 14 (SR-14) FREEWAYS

THE CITY COUNCIL OF THE CITY OF SANTA CLARITA, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. FINDINGS OF FACT. The City Council does hereby make the following findings of fact:

- A. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California enacted Government Code section 65864 (the "Development Agreement Law"), which authorizes the City of Santa Clarita (City) to enter into an agreement with any person having a legal or equitable interest in real property regarding the development of such property.
- B. The Los Angeles County Metropolitan Transportation Authority (METRO) has filed an application with the City for the construction and operation of three digital billboards on City-owned sites, and the removal of all 62 of the existing off-site structures within the METRO right-of-way (ROW). In consideration of the removal of the existing METRO Billboards, the City and METRO have identified three City-owned sites adjacent to the Interstate 5 (I-5) and State Route 14 (SR-14) freeways as suitable for the development of three digital billboards. The City has proposed to lease the sites to METRO subject to the terms and conditions of a Development Agreement for the Reduction and Relocation of Billboards and associated site Lease Agreement, pursuant to the Development Agreement Law.
- C. A Mitigated Negative Declaration has been prepared in accordance with the California Environmental Quality Act (CEQA) requirements.
- D. The City and METRO have prepared a Development Agreement, which is attached as Exhibit A. The proposed Development Agreement and associated Lease Agreement provide for: (1) staged removal of all 62 existing outdoor advertising structures on the METRO ROW; (2) the development of three digital billboards on the City-owned sites; (3) the management and operation of the digital billboards; (4) the allocation of revenue derived from the digital billboards (collectively, the "Project").
- E. On January 7, 2014, the Planning Commission received City staff's presentation summarizing the proposed Project, opened the public hearing, and received public

testimony regarding the Project. Staff received comments and questions from the Planning Commission regarding the Project. The Commission reviewed three alternative Billboard Design Options (attached) and voted 3-1 to adopt a resolution recommending that the City Council amend its General Plan Land Use Map and Unified Development Code (UDC) Zoning Map, amend Titles 11 and 17 of the Municipal Code, approve the Development Agreement, and approve the Lease Agreement. The Planning Commission further recommended that the billboard design be consistent with Option 1, modified to utilize more neutral colors that will blend into the background to the extent feasible, that the minimum spacing between digital billboards be increased from 1,000 feet to 2,500 feet, that the minimum spacing between static billboards be increased from 500 feet to 1,000 feet, that the applicant continue to work with the billboard companies on the matter of compensation and to work with small business owners to provide alternative advertising opportunities. Following the discussion and comments, the public hearing was closed.

- F. The City Council conducted a duly noticed public hearing on February 25, 2014. The Project was advertised in The Signal newspaper on February 4, 2014, and notices were mailed to all property owners within a 1,000-foot radius of each of the three proposed development sites. Additional notices were mailed to residences up to 1,700 feet from the proposed Norland Road development site in areas where the visual line-of-sight exhibits indicated there would be some visibility of the Norland Road billboard. Additionally, Notice of Public Hearing signs were posted at each of the three proposed development sites in accordance with the City's public notice requirements. The hearing was held at City Hall, 23920 Valencia Boulevard, Santa Clarita, at 6:00 p.m. All interested parties were given full opportunity to be heard and to present evidence regarding the Mitigated Negative Declaration and the Project-related approvals and entitlements, including the Development Agreement.
- G. At the City Council meeting on February 25, 2014, the City Council received City staff's presentation summarizing the proposed Project, opened the public hearing, and received public testimony regarding the Project. Staff received comments and questions from the City Council regarding the Project, and the public hearing was closed.
- H. The Mitigated Negative Declaration was adopted by City Council resolution and incorporated by reference.
- I. On February 25, 2014, the City Council has adopted a resolution which approved an amendment to the General Plan necessary to make the Project consistent with the General Plan (GPA 13-003).
- J. On February 25, 2014, the City Council conducted a first reading of an ordinance approving a Zone Change and Zoning Amendment to the text of Titles 11 and 17 of the Municipal Code in furtherance of the Project (ZC 13-007 and ZA 13-003), and passed the ordinance to a second reading on March 11, 2014.

- K. On February 25, 2014, the City Council conducted a first reading of an ordinance adopting a Development Agreement with METRO for the removal of 62 off-site advertising structures, and the construction and operation of three digital billboards adjacent to the I-5 and SR-14 freeways, and passed the ordinance to a second reading on March 11, 2014.
- L. Subsequent to the February 25, 2014, Council meeting, METRO staff had indicated that they were not comfortable recommending for METRO Board adoption of the agreements with the included traffic accident indemnity. Based upon this information, the agenda packet for the March 11, 2014, meeting which was distributed to Council included a staff recommendation to deny the project. On March 11, 2014, staff received written correspondence from METRO staff stating they would accept all of the City Council's requested modifications, and would move the item to the METRO Board for its consideration upon City approval of the second reading.
- M. At the March 11, 2014, City Council meeting, the City Council voted 3-1 to direct that the ordinances be brought back for second reading at the next City Council meeting (March 25, 2014).
- N. The documents and other materials that constitute the record of proceedings upon which the decision of the City Council is based for Master Case No. 13-184 project file. This record is with the Community Development Department, specifically in the custody of the Director of Community Development.

SECTION 2. GENERAL FINDINGS FOR DEVELOPMENT AGREEMENT 13-002.

Based on the above findings of fact and recitals and the entire record, including, without limitation, oral and written testimony and other evidence received at the public hearings, reports and other transmittals from City staff to the City Council, and upon studies and investigations made by the City Council, the City Council finds as follows:

- A. The proposed Project is consistent with the objectives, policies, general land uses, and programs specified in the General Plan.

The proposed Project is consistent with the following relevant General Plan policies:

General Plan Policy LU 4.1.4: Promote economic opportunity for all segments of the community including small businesses and new businesses.

The three proposed freeway-oriented digital billboard structures (six billboard faces) will provide advertising opportunities to a wide spectrum of both large and small businesses due to multiple "flips" within each time slot, as well as potential for differential advertising rates during different hours throughout the day and different days of the week. The freeway-oriented locations will provide advertising exposure to a larger number of potential customers than the current METRO ROW locations due to substantially greater traffic volumes on both the I-5 and SR-14 freeways.

General Plan Policy LU 6.3.5: Restrict the establishment of billboards within the planning area. General Plan Policy CO 6.6.3: Restrict establishment of billboards throughout the planning area, and continue abatement efforts to remove existing billboards that impact scenic views.

The proposed Project is consistent with these policies because it will result in the overall net reduction of 59 billboards and the elimination of significant visual blight within the railroad corridor along Newhall Avenue, Sierra Highway, Railroad Avenue, Bouquet Canyon Road, and Soledad Canyon Road. The Zone Amendment, which is a related component of this Project, restricts the establishment of new billboards because the only new billboards permitted would be those authorized pursuant to City Council approval of a Billboard Reduction and Relocation Agreement, which approval would require, at a minimum, an overall reduction in the number of existing billboards within the City.

General Plan Policy CO 6.6.4: Where appropriate, require new development to be sensitive to scenic viewpoints or viewsheds through building design, site layout, and building heights.

Each of the three proposed billboard sites have been carefully selected to maximize freeway visibility while minimizing potential for visual intrusion on existing residential neighborhoods as evidenced by the visual analysis prepared for each of the three sites, which is included in the environmental document.

With regard to land use, the Magic Mountain Parkway and Remsen Street sites currently hold a land use designation of Business Park (BP). The Project includes an amendment to the City's General Plan for the Norland Road site which will also designate this site as Business Park. The three proposed billboards are fully compatible with the types of light industrial and supportive commercial uses within the Business Park General Plan land use category, and therefore the Project would be consistent with the General Plan as amended.

Economic Development Element Page E-26: The Santa Clarita Valley is home to a variety of cultural and sports-related events, attracting large audiences from key regional and national markets. The goal of these events is to expose visitors to a memorable experience they cannot find elsewhere, while encouraging visitor spending at local businesses.

The Development Agreement and Lease Agreement include provisions that allocate advertising time to the City at no cost on all six digital billboard faces, for the purpose of promoting civic and community events. This extensive promotional opportunity will help to further the economic development goal as noted above.

- B. The proposal is allowed within the applicable underlying zone and complies with all other applicable provisions of the Unified Development Code.

The Project contains a Zone Amendment which would amend the text of the Unified Development Code to include provisions that would authorize the City Council to enter into Billboard Reduction and Relocation Agreements under which new billboards, including digital billboards, may be constructed within a designated Billboard Relocation Overlay Zone along the I-5 and SR-14 freeways in exchange for the permanent removal and overall reduction in the number of existing billboards. With regard to zoning, the Magic Mountain Parkway and Remsen Street sites are currently zoned Business Park. The Project includes a Zone Change for the Norland Road site that rezones this site from Open Space to Business Park. The three proposed billboards are fully compatible with the types of light industrial and supportive commercial uses within the Business Park zone, and therefore comply with both the site zoning and the provisions of the Zoning Ordinance as amended.

- C. The proposal will not endanger, jeopardize, or otherwise constitute a hazard to the public convenience, health, interest, safety, or general welfare, or be materially detrimental or injurious to the improvements, persons, property, or uses in the vicinity and zone in which the property is located.

The proposed digital billboards will comply with all relevant Federal Highway Administration (FHWA) and California Department of Transportation (CALTRANS) traffic safety standards. Nothing in the development of the three billboard sites will be detrimental to the improvements, persons or property in the vicinity. The billboard removals will positively affect the improvements and property in the vicinity of the 62 billboard structures to be removed (118 billboard faces) by eliminating a significant visual blight from the railroad corridor along Newhall Avenue, Sierra Highway, Railroad Avenue, Bouquet Canyon Road, and Soledad Canyon Road.

- D. The proposal is physically suitable for the site. The factors related to the proposal's physical suitability for the site shall include, but are not limited to, the following:
- 1) The design, location, shape, size, and operating characteristics are suitable for the proposed use;
 - 2) The highways or streets that provide access to the site are of sufficient width and are improved as necessary to carry the kind and quantity of traffic such proposal would generate;
 - 3) Public protection services (e.g., Fire protection, Sheriff protection, etc.) are readily available; and
 - 4) The provision of utilities (e.g., potable water, schools, solid waste collection and disposal, storm drainage, wastewater collection, treatment, and disposal, etc.) is adequate to serve the site.

The three proposed billboard sites are three small leasehold areas within larger City-owned properties. The proposed billboards are physically suitable for the selected sites because they are located immediately adjacent to the I-5 or SR-14 freeways, and have been located to minimize visual intrusion on residential neighborhoods. Each of the three sites have existing electrical service nearby. The three billboards will generate negligible traffic during construction and periodic maintenance, and will have positive impact on public safety as the City is guaranteed usage of the three digital billboards for emergency messaging. Therefore, there is no impact to traffic, public protection services and the provision of utilities.

SECTION 3. ADDITIONAL FINDINGS FOR DEVELOPMENT AGREEMENT 13-002.

Based on the foregoing facts and findings for Development Agreement 13-002, the City Council finds as follows:

- A. The proposed Development Agreement is consistent with and furthers the goals of State Planning and Zoning Laws (California Government Code Section 65000 and following), and complies with City zoning, subdivision, and other applicable ordinances and regulations, and is consistent with good planning and land use practices.

The proposed Project includes a Zone Amendment to the text of the Unified Development Code and Title 11 of the Municipal Code that will allow the City Council to approve Billboard Reduction and Relocation Agreements. Upon approval of this Zone Amendment, the proposed Project will fully comply with all applicable ordinances and regulations. The Project is consistent with good planning and land use practices because a substantial aesthetic benefit will result from the removal of 62 billboard structures, and the three new digital billboards have been attractively designed and appropriately located to ensure that existing residential communities are not adversely impacted.

- B. That the proposed Development Agreement provides for clear and substantial public benefit to the City and/or residents along with a schedule for delivery of the benefit.

The proposed Development Agreement provides the following substantial public benefits to the City:

- 1) Abatement of substantial visual blight through the phased removal of all 62 offsite advertising structures (118 billboard faces) within the METRO ROW;
- 2) Advertising opportunities for civic and community events at no cost to the City;
- 3) Emergency messaging for disaster communications and Amber Alerts at no cost to the City;

- 4) An advertising medium that can be utilized by local businesses; and
- 5) An ongoing revenue stream from leasehold rents that could be utilized to enhance City programs.

The terms of the Development Agreement mandate that all of these benefits be delivered expeditiously within the five-year term of the Development Agreement.

SECTION 4. APPROVAL OF DEVELOPMENT AGREEMENT. Based on the findings made in Sections 1-3 above, the City Council hereby approves Development Agreement 13-002, which is attached as Exhibit A, and authorizes the Mayor to execute the Development Agreement on behalf of the City.

SECTION 5. SEVERABILITY. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this ordinance or the application thereof to any persons or place, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision will not affect the validity of the remainder of this ordinance. The City Council hereby declares that it would have adopted this ordinance, and each any every section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

SECTION 6. RECORDATION. Pursuant to California Government Code Section 65868.5, the City will cause the Development Agreement to be recorded with the County Recorder of the County of Los Angeles within ten days after the Agreement is executed on behalf of the City and METRO.

SECTION 7. This Ordinance will become effective thirty (30) days from its passage and adoption.

SECTION 8. The City Clerk is directed to certify to the passage of this Ordinance and cause it to be published as required by law.

PASSED, APPROVED, AND ADOPTED this 25th day of March, 2014.

Marsha M. Leon
MAYOR

ATTEST:


INTERIM CITY CLERK

DATE: 4/3/14

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.
CITY OF SANTA CLARITA)

I, Arminé Chaparyan, Interim City Clerk of the City of Santa Clarita, do hereby certify that the foregoing Ordinance 14-02 was regularly introduced and placed upon its first reading at a regular meeting of the City Council on the 25th day of February, 2014. That thereafter, said Ordinance was duly passed and adopted at a regular meeting of the City Council on the 25th day of March, 2014, by the following vote, to wit:

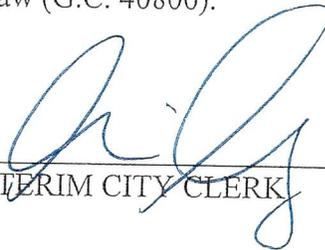
AYES: COUNCILMEMBERS: Ferry, McLean, Kellar

NOES: COUNCILMEMBERS: Boydston

ABSENT: COUNCILMEMBERS: None

RECUSED: COUNCILMEMBERS: Weste

AND I FURTHER CERTIFY that the foregoing is the original of Ordinance and was published in The Signal newspaper in accordance with State Law (G.C. 40806).



INTERIM CITY CLERK

EXHIBIT A

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

SPACE ABOVE THIS LINE FOR RECORDER'S USE

DEVELOPMENT AGREEMENT FOR THE REDUCTION
AND RELOCATION OF BILLBOARDS

by and among

THE CITY OF SANTA CLARITA

and

THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

_____, 2014

DEVELOPMENT AGREEMENT FOR THE REDUCTION AND RELOCATION OF BILLBOARDS

This Development Agreement for the Reduction and Relocation of Billboards ("Agreement") is effective this ____ day of _____, 2014, by and between the CITY OF SANTA CLARITA, a California municipal corporation ("City") and THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY, a California public entity doing business at One Gateway Plaza, Mail Stop 99-18-4, Los Angeles, CA 90012-2952 ("Metro"), pursuant to California Government Code Section 65864 et seq., and the implementing procedures of the City, with respect to the following:

1. DEFINITIONS.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context requires:

- 1.1 "Agreement" means this Agreement and all attachments and exhibits hereto, and all amendments and modifications thereto.
- 1.2 "Applicable Rules" means the rules, regulations, ordinances and officially adopted policies of the City in full force and effect as of the Effective Date of this Agreement, including, but not limited to the City's General Plan, zoning code, as amended immediately prior to the Effective Date of this Agreement, and the Project Approvals. Additionally, notwithstanding the language of this Section or any other language in this Agreement, all specifications, standards and policies regarding the design and construction of the Project will be those that are in effect at the time the Project plans are being processed for approval and/or under construction.
- 1.3 "Assignment Agreement" means a written agreement between Metro and a Transferee of Metro, consistent with the terms of this Agreement, in which the Parties agree to the transfer of a portion of the rights and obligations of this Agreement from Metro to the Transferee of Metro, subject to the terms of Section 6.8.
- 1.4 "CEQA" means the California Environmental Quality Act (Cal. Public Resources Code Sections 21000 et seq.) and the State CEQA Guidelines (Cal. Code of Regs., Title 14, Sections 15000 et seq.).
- 1.5 "CEQA Compliance Document" means the compliance document prepared and certified by the City for the Project in accordance with the requirements of CEQA.
- 1.6 "City" means the City of Santa Clarita, a California municipal corporation.
- 1.7 "City Council" means the City Council of the City and the legislative body of the City pursuant to California Government Code Section 65867.

- 1.8 **“Community Development Director”** means the Community Development Director for the City.
- 1.9 **“Conditions of Approval”** means the Conditions of Approval for the Project, including those contained in Resolution No. _____, approved by the City Planning Commission on January 7, 2014, and in Resolution No. _____ and Ordinance No. 14-____ approved by the City Council on March 11, 2014, addressing among other things, the permitting approval process of all designs and plans and all necessary Ministerial Permits and Approvals, and the construction, design, operation, and maintenance of, and control of illumination and light from, the Digital Signs and Digital Sign Sites. The Conditions of Approval are included as part of the Project Approvals attached hereto as Exhibit D.
- 1.10 **“Development Agreement Act”** means Section 65864 et seq., of the California Government Code.
- 1.11 **“Digital Signs”** means the three (3) Outdoor Advertising Structures to be constructed on the Digital Sign Sites, containing double-sided digital display faces so that six (6) digital faces will be constructed (two (2) on each structure) having a total of no more than 4,032 square feet of display area consistent with the Project Approvals and this Agreement.
- 1.12 **“Digital Sign Sites”** means the portions of the parcels of real property owned by the City that will be leased to Metro for the construction and operation of the Digital Signs. The Digital Sign Sites are more specifically described in Exhibit B and depicted in Exhibit C attached hereto and incorporated herein.
- 1.13 **“Discretionary Action”** means an action which requires the exercise of judgment, deliberation or a decision on the part of the City, including any board, commission or department or any officer or employee thereof, in the process of approving or disapproving a particular activity, as distinguished from an activity which merely requires the City, including any board, commission or department or any officer or employee thereof, to determine whether there has been compliance with statutes, ordinances or regulations.
- 1.14 **“Effective Date”** is the date on which this Agreement is attested by the City Clerk of the City of Santa Clarita after execution by Metro and the Mayor of the City of Santa Clarita, which is _____, 2014.
- 1.15 **“Existing Metro Billboards”** means the existing sixty-two (62) Outdoor Advertising Structures that are located on Metro property within the City’s boundaries at the Existing Metro Billboard Sites as specifically described in Exhibit A.
- 1.16 **“Existing Metro Billboard Sites”** means the sixty-two (62) locations of the Existing Metro Billboards described in Exhibit A attached hereto.

- 1.17 **"Fees"** means Impact Fees, Processing Fees and any other fees or charges imposed or collected by the City.
- 1.18 **"General Plan"** means the adopted General Plan of the City.
- 1.19 **"Impact Fees"** means impact fees, linkage fees, exactions, assessments or fair share charges or other similar impact fees or charges imposed on and in connection with new development by the City pursuant to rules, regulations, ordinances and policies of the City in full force and effect as of the Effective Date of this Agreement. Impact Fees do not include (i) Processing Fees or (ii) other City-wide fees or charges of general applicability, provided that such City-wide fees or charges are not imposed on impacts of new development.
- 1.20 **"Leases"** mean the three lease agreements between City, as Lessor, and Metro, as Lessee, for the Digital Sign Sites attached as part of Exhibit D.
- 1.21 **"Lessee"** means Metro who is concurrently entering into three lease agreements with the City, as Lessor, for the Digital Sign Sites that will be used for the Digital Signs.
- 1.22 **"Lessor"** means the City that is leasing the Digital Sign Sites to Metro, as Lessee.
- 1.23 **"Licensee"** means the company or companies (including, without limitation, individuals or entities such as partnerships, limited liability companies, corporations, or sole proprietorships), if Metro so elects, that will do one or more of the following: (a) construct and/or operate a Digital Sign; (b) sell the media inventory from a Digital Sign; and/or (c) pay directly to the City the Development Fee pursuant to Section 3.1.6.1.
- 1.24 **"Ministerial Permits and Approvals"** means the permits, approvals, plans, inspections, certificates, documents, licenses, and all other actions required to be taken by the City in order for Metro to implement, develop and construct the Project and the Mitigation Measures, including without limitation, building permits, foundation permits, public works permits, grading permits, stockpile permits, encroachment permits, and other similar permits and approvals which are required by the Municipal Code and Project plans and other actions required by the Project Approvals to implement the Project and the Mitigation Measures. Ministerial Permits and Approvals do not include any Discretionary Actions.
- 1.25 **"Mitigation Measures"** means the mitigation measures described in the Project Approvals.
- 1.26 **"Outdoor Advertising Structure"** means and includes an "off-site sign" as defined in Chapter 17.11 of the Santa Clarita Municipal Code and an "advertising structure" as defined in Business and Professions Code Section 5203.
- 1.27 **"Parties"** means collectively Metro and the City. Each will be referred to in the singular as a "Party."

- 1.28 **"Planning Commission"** means the Planning Commission of the City pursuant to California Government Code Section 65867.
- 1.29 **"Processing Fees"** means all processing fees and charges required by the City including, but not limited to, fees for land use applications, Project permits and/or approvals, building applications, building permits, grading permits, encroachment permits, tract or parcel maps, lot line adjustments, air right lots, street vacations and certificates of occupancy which are necessary to accomplish the intent and purpose of this Agreement. Expressly exempted from Processing Fees are all Impact Fees which may be imposed by the City on development projects pursuant to rules, regulations, ordinances and policies enacted after the Effective Date of this Agreement, except as specifically provided for in this Agreement. The amount of the Processing Fees to be applied in connection with the development of the Project will be the amount which is in effect on a City-wide basis at the time an application for the City action is made. Notwithstanding the language of this Section or any other language in this Agreement, Metro will not be exempt from the payment of fees, if any, imposed on a City-wide basis as part of the City's program for storm water pollution abatement mandated by the Federal Water Pollution Control Act of 1972 and subsequent amendments thereto, unless a waiver of these fees is provided by the City in a subsequent agreement.
- 1.30 **"Project"** means the development, installation, management and operation of the Digital Signs and the removal of the Existing Metro Billboards identified on Exhibit A. As more particularly set forth in the Project Approvals, the Project includes, among other things, grading, the construction of infrastructure related to the Project whether located within or outside the Digital Sign Sites as shown on Exhibit C; the construction of the Digital Signs; and other facilities and improvements necessary or appropriate for the construction of the Digital Signs and the maintenance, repair, or reconstruction of any structure, improvement, or facility after the construction and completion thereof in accordance with the Project Approvals, Conditions of Approval and terms of this Agreement.
- 1.31 **"Project Approvals"** means the following land use actions taken by the City of Santa Clarita: (a) certification of the CEQA compliance document for the Project; (b) this Agreement; (c) the Leases; (d) and the Conditions of Approval.
- 1.32 **"Reserved Powers"** means the rights and authority excepted from this Agreement's restrictions on the City's police powers and which are instead reserved to the City subject to Metro's Exemption from Local Laws. The Reserved Powers include the powers to enact regulations or take future Discretionary Actions after the Effective Date of this Agreement that may be in conflict with the Applicable Rules and Project Approvals, but: (1) are necessary to protect the public health and safety, and are generally applicable on a City-wide basis (except in the event of natural disasters as found by the City Council such as floods, earthquakes and similar acts of God); (2) are amendments to Uniform Codes, as adopted by the City of Santa Clarita, and/or the Santa Clarita Municipal Code, as applicable, regarding the construction, engineering and design standards

for private and public improvements to be constructed on the Digital Sign Sites; or (3) are necessary to comply with state or federal laws and regulations (whether enacted previous or subsequent to the Effective Date of this Agreement) as provided in Section 3.2.5.3.

- 1.33 “**Term**” means the period of time for which this Agreement will be effective in accordance with Section 6.2 hereof.
- 1.34 “**Transferee**” means individually or collectively, Metro’s successors in interest, assignees or transferees of all or any portion of this Agreement.
- 1.35 “**Uniform Codes**” means those building, electrical, mechanical, plumbing, fire and other similar regulations of a City-wide scope which are applicable throughout the City, such as, but not limited to, the Los Angeles County Building Code, the Los Angeles County Electrical Code, the Los Angeles County Mechanical Code, Los Angeles County Plumbing Code, or the Los Angeles County Fire Code (including those amendments to the promulgated uniform codes which reflect local modification to implement the published recommendations of the multi-state organization and which are applicable City-wide) subject to Metro’s Exemption from Local Laws.

2. **RECITALS OF PREMISES, PURPOSE AND INTENT.**

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

The Legislature finds and declares that:

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

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

Notwithstanding the foregoing, to ensure that the City remains responsive and accountable to its residents while pursuing the benefits of development agreements contemplated by the Legislature, the City: (1) accepts restraints on its police powers contained in development agreements only to the extent and for the duration required to achieve the mutual objectives of the Parties; and (2) seeks public benefits.

2.2 General Purpose of this Agreement.

- 2.2.1 The City generally prohibits the construction and operation of new Outdoor Advertising Structures or billboards in the City under Santa Clarita Municipal Code ("SCMC") Chapter 17.51 ("Sign Code") and Chapter 11.12, and has been working with property owners and outdoor advertising companies for a number of years to reduce the number of billboards within the City.
- 2.2.2 The City has adopted SCMC section 17.26.100 and amended section 17.28.100, and has also adopted SCMC section 17.38.005, which collectively authorize City to enter into billboard reduction and relocation agreements under which new billboards, including the Digital Signs, may be constructed in new locations in exchange for the permanent removal of existing billboards.
- 2.2.3 The Existing Metro Billboards are located on Metro's rights-of-way, facilities, structures and properties within the City.
- 2.2.4 Metro is willing to remove or cause the removal of all of the Existing Metro Billboards to further Metro's primary, transportation-related purposes, provided that it is able to develop and operate the Digital Signs on the Digital Sign Sites.
- 2.2.5 In consideration of the removal of the Existing Metro Billboards, the City and Metro have identified the Digital Sign Sites as suitable for the development of the Digital Signs, and the City is willing to lease the Digital Sign Sites to Metro subject to the terms and conditions of this Agreement and the applicable Leases.
- 2.2.6 Metro and the City desire to enter into this Agreement in order to provide for the (1) staged removal of the Existing Metro Billboards; (2) the development of the Digital Signs on the Digital Sign Sites; (3) the management and operation of the Digital Sign Sites and the Digital Signs; (4) the allocation between the Parties of revenue derived from the Digital Sign Sites and Digital Signs; and (5) certain other matters pertaining to such Digital Sign Sites and Digital Signs all as more particularly set forth in this Agreement and the respective Leases.

- 2.3 **Public Benefits.** This Agreement provides assurances that the public benefits identified below in Section 3.1 will be achieved and developed in accordance with the Applicable Rules and Project Approvals and with the terms of this Agreement

and subject to the City's Reserved Powers. The Project will provide local and regional public benefits to the City, including without limitation those public benefits listed in Section 3.1 below. The Project will also provide additional regional public benefits through Metro's rights under the Leases to utilize up to 6.25% of the monthly advertising time on each Digital Sign so that Metro may provide transit informational messages and promote the use of Metro services and other public transit services ("Transit Messages"). To the extent that advertising time is unsold and available, the Project will also enable Metro to utilize up to an additional 6.25% of the monthly advertising time on each Digital Sign for Transit Messages. As set forth above, the parties intend that Metro will have at least 6.25% of the total advertising time on each Digital Sign per month available for Transit Messages and may have up to 12.5% of the total advertising time each month if space is available. All Transit Message content will be provided by Metro at its sole cost and expense.

2.4 **Metro Objectives.** In accordance with the legislative findings set forth in the Development Agreement Act, Metro wishes to obtain reasonable assurances that the Project may be developed in accordance with the Applicable Rules and Project Approvals and with the terms of this Agreement and subject to the City's Reserved Powers. To the extent of Project development, and as provided by Section 3.1.1, Metro anticipates making capital expenditures or causing capital expenditures to be made in reliance upon this Agreement. In the absence of this Agreement, Metro would have no assurance that it can complete the development of the Project as forth in this Agreement and the Project Approvals. This Agreement, therefore, is necessary to assure Metro that, as to approvals and regulations within the City's police powers to control, the Project will not be (1) reduced or otherwise modified in intensity or use from what is set forth in the Project Approvals, or (2) subjected to new rules, regulations, ordinances or official policies or plans of the City, which are not adopted or approved pursuant to the City's Reserved Powers. This Agreement and the underlying Project will also serve to provide information on and promote the use of Metro services and other public transit services.

2.5 **Mutual Objectives.** Development of the Project in accordance with this Agreement will provide for the orderly removal of the Existing Metro Billboards and the development of the Digital Signs. This Agreement will eliminate uncertainty in planning for the orderly development of the Digital Signs. The Parties believe that such orderly development of the Project will provide public benefits, as described in Section 3.1, to the City through the imposition of development standards and requirements under the provisions and conditions of this Agreement, including increased revenues, reasonable public use of the Digital Signs for public messaging and improving the aesthetics in the City by reducing the total number of Existing Metro Billboard Sites, resulting in overall benefits to the City. Additionally, although development of the Project in accordance with this Agreement will restrain the City's land use or other relevant police powers, this Agreement provides the City with sufficient reserved powers during the Term hereof to remain responsible and accountable to its residents.

2.6 Procedures and Actions.

2.6.1 City Planning Commission Action. The City Planning Commission held a duly noticed public hearing on January 7, 2014 and recommended approval of this Agreement.

2.6.2 City Council Action. The City Council on March 11, 2014, after conducting a duly-noticed public hearing, adopted Ordinance No. 14-____, to become effective on the thirty-first day after approving this Agreement, found that its provisions are consistent with the City's General Plan and the Municipal Code, and authorized the execution of this Agreement.

3. AGREEMENT AND ASSURANCES.

3.1 Agreement and Assurance on the Part of Metro. In consideration for the City entering into this Agreement, and as an inducement for the City to obligate itself to carry out the covenants and conditions set forth in this Agreement, and in order to effectuate the promises, purposes and intentions set forth in Section 2 of this Agreement, Metro hereby agrees as follows:

3.1.1 Project Development. Metro agrees that it will diligently undertake development of the Project in accordance with the terms and conditions of this Agreement and the Project Approvals.

3.1.2 Removal of Existing Metro Billboards. No later than forty-five (45) days following the issuance of the final approval by City's building department ("Building Final") for the completion of the first Digital Sign, Metro must cause the removal of no less than 40% of either (a) the Existing Metro Billboards or (b) the total square footage of sign area of the Existing Metro Billboards. No later than forty-five (45) days following the issuance of the Building Final for the second Digital Sign, Metro must cause the removal of no less than 30% of either (x) the total of the Existing Metro Billboards or (y) the total square footage of sign area of the Existing Metro Billboards. No later than forty-five (45) days following the issuance of the Building Final for the third Digital Sign, Metro must cause the removal of the then remaining Existing Metro Billboards. If Metro has commenced the construction of a Digital Sign, the removal obligation for the applicable Existing Metro Billboards under this Section 3.1.2 will survive the expiration or earlier termination of this Agreement until all applicable Existing Metro Billboards corresponding to the permitted construction of such Digital Sign have been removed.

3.1.3 Waiver of Compensation for Removal of Existing Metro Billboards. Metro waives and releases all claims for compensation Metro has or may have in the future against City or City's officials, officers, employees and agents that are related to or arise from Metro's removal of the Existing Metro Billboards. This waiver and release includes any claims made or

arising under the California Government Claims Act (California Government Code §§ 810 and following), the Outdoor Advertising Act, the California Constitution, the federal Highway Beautification Act of 1965 (23 U.S.C. § 131), or the United States Constitution.

- 3.1.4 **Release of Claims for Removal of Existing Metro Billboards.** Metro unconditionally and forever releases and discharges City and City's elected officials, officers, employees, and agents from all liabilities, claims, demands, damages, and costs (including attorneys' fees and litigation costs through final resolution on appeal) that in any way arise from, or are connected with, Metro's removal of the Existing Metro Billboards. This release and discharge covers all claims, rights, liabilities, demands, obligations, duties, promises, costs, expenses, damages, and other losses or rights of any kind, past, present, and future, whatever the theory of recovery, and whether known or unknown, patent or latent, suspected or unsuspected, fixed or contingent, or matured or unmatured. Metro hereby waives all rights it has or may have in the future under California Civil Code section 1542, which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

- 3.1.5 **Indemnity for Claims Arising from the Removal of Existing Metro Billboards.** In addition to the indemnity provided in Section 6.12, Metro agrees to indemnify, defend (upon City's written request), and hold harmless City and City's officials, officers, employees, and agents from all liabilities, claims, demands, damages, and costs (including attorneys' fees and litigation costs through final resolution on appeal) (collectively, "claims") that in any way arise from, or are connected with the acts or omissions of Metro or Metro's officers, employees, or agents in removing or causing the removal of the Existing Metro Billboards

- 3.1.6 **Additional Obligations of Metro as Consideration for this Agreement.** As additional consideration for this Agreement, Metro will also provide public benefits including, but not limited to, the specific public benefits listed below:

- 3.1.6.1 **Development Fee.** Metro must pay or require the Licensee to pay a percentage fee directly to City from the Digital Signs in the amount and manner provided in the Leases, which amount will not be less than 65% of the "Net Revenue" as defined in the Leases ("Development Fee").

- 3.1.6.2 **Audit of Revenue.** City will have the right to audit the “Gross Revenue” and “Net Revenue” from the Digital Signs in the manner provided in the applicable Leases.
- 3.1.6.3 **City Promotional Message Benefits.** As a public benefit during the entire term of the applicable Leases, Metro will provide as part of the consideration for this Agreement to City, at no cost to City, up to 6.25% of the advertising time on each Digital Sign per month for City to promote the City of Santa Clarita, any municipal service provided by City to its residents, or public events sponsored by City (“City Promotional Messages”). To the extent that advertising time is unsold and available, Metro agrees to allocate, at no cost to City, up to 6.25% additional advertising time on each Digital Sign per month. As set forth above, the parties intend that the City will have at least 6.25% of the total advertising time on each Digital Sign per month available for City Promotional Messages and may have up to 12.5% of the total advertising time each month if space is available. A pro-rata share of the time allotted for City promotional messages shall be distributed throughout the day, including prime time. All City Promotional Message content will be provided by City at its sole cost and expense to Metro. City will endeavor to provide its message content at least three months in advance of the requested date for display of the content to ensure the timely display of the message, but Metro will use reasonable commercial efforts to accommodate City Promotional Message requests whenever the content is provided. All City Promotional Messages must be consistent with the format and such specifications and protocols as may be provided by Metro from time to time. Metro will have no liability whatsoever for the content, art or copy of any City Promotional Message provided by or on behalf of City and such content, art and copy will, at all times, be subject to reasonable approval by Metro.
- 3.1.6.4 **City Emergency Message Benefits.** As a public benefit during the entire Term of this Agreement and the applicable Leases, City emergency messaging will be permitted on the Digital Signs during emergencies that involve the need to reach the traveling public at-large. For purposes of this Agreement, an “emergency” means a bona-fide emergency involving the public health, safety and welfare as reasonably determined by the City Manager of City, Captain or Commander of Santa Clarita Valley Sheriff’s Station or the Fire Chief of the Los Angeles County Fire Department, or their designees, acting in their official capacities. An “emergency” does not include traffic updates, routine traffic advisories or road advisories for previously scheduled maintenance, repair or improvement work. Metro will have no obligation to display any emergency

messaging without interruption for longer than one (1) hour (and intermittently thereafter) for a particular emergency.

3.1.6.5 **Residential View Preservation Condition.** Prior to issuance of the building permit for the Digital Sign proposed for the Norland Road Digital Sign Site, Metro must demonstrate to the satisfaction of the City Council or its designee that the Digital Sign will not be visible from existing homes in the residential neighborhood immediately to the north or south of the Antelope Valley Freeway (SR-14) by utilizing one or more of the following measures: (1) reduction in height of the Digital Sign; (2) planting of Ficus Nitida or similar trees to be maintained by Metro for the duration of the Lease of the Digital Sign Site; or (3) such other reasonable and effective measures as City may require. In the event that the Digital Sign becomes visible to the existing homes immediately north or south of the Digital Sign after the building permit is issued, the City may impose additional measures to ensure that the Digital Sign is not visible from these existing homes, up to and including, the removal and relocation of the Digital Sign. This condition of approval will also be incorporated into the Lease for the Norland Road Digital Sign Site.

3.2 City Approvals and Assurances for Project Development and Operation.

- 3.2.1 **Approval of Leases for the Digital Sign Sites.** City hereby approves the Leases for the Digital Sign Sites and the construction and development of the Digital Signs as provided in the Leases as set forth in the attached Exhibit D.
- 3.2.2 **Approval of Digital Signs.** City hereby approves the Digital Signs to be constructed on the City Digital Sites in accordance with the site plans and specifications set forth in the Leases and operated in accordance with this Agreement and the applicable Leases, which are attached as part of Exhibit D.
- 3.2.3 **Entitlement to Develop.** Pursuant to this Agreement, Metro has the vested right to develop the Project subject to the terms and conditions of this Agreement, including but not limited to the Conditions of Approval, the Applicable Rules, Project Approvals and the Reserved Powers for a period of five (5) years from the Effective Date (the "Development Period"). Metro's vested rights under this Agreement also include, without limitation, the right to remodel, renovate, rehabilitate, rebuild or replace the Project or any portion thereof throughout the applicable Term in the event of damage, destruction or improvements to technology legally required to be incorporated on the Digital Signs or any portion thereof, subject to the Applicable Rules, Project Approvals and Reserved Powers.

3.2.4 Consistency in Applicable Rules. Based upon all information made available to the City up to or concurrently with the execution of this Agreement, the City finds and certifies that no Applicable Rules prohibit or prevent the full completion of the Project in accordance with the uses, intensities, densities, designs and heights, permitted demolition, and other development entitlements incorporated and agreed to herein and in the Project Approvals.

3.2.5 Changes in Applicable Rules.

3.2.5.1 Nonapplication of Changes in Applicable Rules. Except as provided in Sections 3.2.5.2 and 3.2.5.3 below, any change in, or addition to, the Applicable Rules, including, without limitation, any change in any applicable general or specific plan, zoning or building regulation, adopted or becoming effective after the Effective Date of this Agreement, including, without limitation, any such change by means of ordinance, City Charter amendment, initiative, resolution, motion, policy, order or moratorium, initiated or instituted for any reason whatsoever and adopted by the City, City Council, Planning Commission or any other Board, Commission, Department or Agency of the City, or any officer or employee thereof, or by the electorate, as the case may be, which would, absent this Agreement, otherwise be applicable to the Digital Sign Sites and/or the Project and which would conflict in any way with the Applicable Rules, Project Approvals, or this Agreement, will not be applied to the Digital Sign Sites or the Project unless such changes represent an exercise of the City's Reserved Powers, or are otherwise agreed to in this Agreement. Notwithstanding the foregoing, Metro may, in its sole discretion, consent to the application to the Project of any change in the Applicable Rules.

3.2.5.2 Changes in Uniform Codes. Notwithstanding any provision of this Agreement to the contrary, development of the Project will be subject to changes which may occur from time to time in the Uniform Codes, as such Codes are adopted by the City of Santa Clarita. In addition, development of the Project will be subject to changes occurring from time to time in the Municipal Code regarding the construction, engineering and design standards for both public and private improvements provided that these changes are (1) necessary to the health and safety of the residents of the City, and (2) are generally applicable on a Citywide basis (except in the event of natural disasters found by the City Council, such as floods, earthquakes and similar disasters).

3.2.5.3 Changes Mandated by Federal or State Law. This Agreement will not preclude the application to the Project of changes in, or additions to, the Applicable Rules, including rules, regulations, ordinances and official policies, to the extent that such changes or additions are mandated to be applied to developments such as this Project by state or federal regulations, pursuant to the Reserved Powers. In the event state or federal laws or regulations prevent or preclude compliance with one or more provisions of this Agreement, such provisions will be modified or suspended as may be necessary to comply with such state or federal laws or regulations.

3.2.6 Subsequent Development Review. The City will not require Metro to obtain any approvals or permits for the development of the Project in accordance with this Agreement other than those permits or approvals which are required by the Applicable Rules, the Reserved Powers and/or the Project Approvals. However, any subsequent Discretionary Action initiated by Metro which substantially changes the entitlements allowed under the Project Approvals, will be subject to the rules, regulations, ordinances and official policies of the City then in effect. The Parties agree that this Agreement does not modify, alter or change the City's obligations pursuant to CEQA and acknowledge that future Discretionary Actions may require additional environmental review pursuant to CEQA. As determined by the City, in the event that additional environmental review is required by CEQA, the City agrees to utilize tiered environmental documents to the fullest extent permitted by law, and as provided in California Public Resources Code Sections 21093 and 21094.

3.2.7 Effective Development Standards. The City agrees that it is bound to permit the uses on the Digital Sign Sites that are permitted by this Agreement and the Project Approvals, insofar as this Agreement and the Project Approvals so provide. The City hereby agrees that it will not unreasonably withhold or unreasonably condition any Discretionary Action which must be issued by the City in order for the Project to proceed, provided that Metro reasonably and satisfactorily complies with all applicable City standard procedures for processing applications for Discretionary Actions.

3.2.8 Moratoria or Interim Control Ordinances. In the event an ordinance, resolution, policy, or other measure is enacted, whether by action of the City, by initiative, or otherwise, which relates directly or indirectly to the Project or to the rate, amount, timing, sequencing, or phasing of the development or construction of the Project on all or any part of the Digital Sign Sites or the implementation of the Mitigation Measures adopted in connection with approval of the Project, City agrees that such ordinance, resolution or other measure will not apply to the Digital Sign Sites, the

Project or this Agreement, unless such changes are adopted pursuant to the Reserved Powers or other applicable provisions of this Agreement.

- 3.2.9 **Special Taxes and Assessments.** Metro will not be obligated to support infrastructure financing undertaken by the City or others. Metro will have the right, to the extent permitted by law, to protest, oppose and vote against any and all special taxes, assessments, levies, charges and/or fees imposed with respect to any assessment districts, Mello-Roos or community facilities districts, maintenance districts or other similar districts.
- 3.2.10 **Impact Fees.** Impact Fees imposed by the City with respect to the Project will be only those Impact Fees in full force and effect as of the Effective Date, the amounts of which are subject to ongoing annual increases which will be calculated at time of payment. The installation of improvements identified in the Mitigation Measures and/or the Conditions of Approval implemented in connection with the Project will be accepted by the City in lieu of otherwise applicable Impact Fees. This Agreement does not limit any impact fees, linkage fees, exaction, assessments or fair share charges or other similar fees or charges imposed by other governmental entities and which the City is required to collect or assess pursuant to applicable law (e.g., school district impact fees pursuant to Government Code Section 65995).
- 3.2.11 **Processing Fees.** Metro must pay all Processing Fees for Ministerial Permits and Approvals.
- 3.2.12 **Timeframes and Staffing for Processing and Review.** The City agrees that expeditious processing of Ministerial Permits and Approvals and Discretionary Actions, if any, and any other approvals or actions required for the Project are critical to the implementation of the Project. In recognition of the importance of timely processing and review of Ministerial Permits and Approvals, the City agrees to work with Metro to establish reasonable time frames for processing and reviewing such Ministerial Permits and Approvals and to comply with any timeframes established in the Project Approvals. Furthermore, the City will expedite to the extent reasonably possible all requests by Metro for Discretionary Actions requested for the Project, if any.
- 3.2.13 **Termination of Project Approvals upon Expiration of Term or Abandonment of Project.** Upon the earlier to occur of (a) expiration of the Term or (b) City's receipt of notice from Metro that it is voluntarily abandoning further pursuit of the Project, to the extent that Metro has failed to cause the commencement of construction of any Digital Sign under a City-issued building permit, then all Project Approvals with respect to such unconstructed Digital Sign will automatically terminate,

including the underlying Lease of the Digital Sign Site, unless the Term is extended by mutual agreement.

- 3.3 **Local Business Marketing Program.** Upon issuance of the building permit for the first Digital Sign, City will organize and administer a program to assist local businesses in developing and enhancing their advertising and marketing efforts within the community. For the purposes of this program, "local business" means a business located within the corporate limits of City that is independently owned or a locally-owned franchise. City and Metro each agree to contribute \$15,000 annually towards the costs of this local business marketing program, which will be offered for a period of two years. The Parties further acknowledge and agree that such contributions may be paid from each Party's share of Net Revenue as defined under the Lease for the first Digital Sign to be constructed and operated.

4. ANNUAL REVIEW.

- 4.1 **Annual Review.** During the Term of this Agreement, the City will have the right to review annually good faith compliance with this Agreement by Metro, or its successors, transferees, and/or assignees, as the case may be. Such periodic review will be limited in scope to good faith compliance with the provisions of this Agreement and Metro will have the burden of demonstrating such good faith compliance.
- 4.2 **Pre-Determination Procedure.** Metro's submission of evidence of compliance with this Agreement, in a form which the Parties will reasonably agree to, will be made in writing and transmitted to the Community Development Director not later than sixty (60) days prior to the yearly anniversary of the Effective Date. The public will be afforded an opportunity to submit written comments regarding compliance to the Community Development Director at least sixty (60) days prior to the yearly anniversary of the Effective Date. All such public comments and final staff reports will, upon receipt by the City, be made available as soon as possible to Metro.
- 4.3 **Director's Determination.** In any year where City performs the annual review per Section 4.1, on or before the yearly anniversary of the Effective Date of the Agreement, the Community Development Director will make a determination regarding whether or not Metro has complied in good faith with the provisions and conditions of this Agreement. This determination will be made in writing with reasonable specificity, and a copy of the determination will be provided to the City Council and to Metro in the manner prescribed in Section 6.13. Copies of the determination will also be made available to members of the public. If the City Council desires to review the Director's determination, then a public hearing will be scheduled for such review.
- 4.4 **Appeal by Metro or Council Initiated Review.** In the event the Community Development Director makes a finding and determination of non-compliance, Metro will be entitled to appeal that determination to the City Council. After a

public hearing on the appeal or on a City Council initiated review, the City Council will make written findings and determinations, on the basis of substantial evidence, whether or not Metro has complied in good faith with the provisions and conditions of this Agreement.

- 4.5 **Period to Cure Non-Compliance.** If, as a result of this Annual Review procedure, it is found and determined by the Community Development Director or the City Council, on appeal by Metro or on a City Council initiated review, that Metro has not complied in good faith with the provisions and conditions of this Agreement, the City will submit to Metro, by registered or certified mail, return receipt requested, a written notice of non-compliance in the manner prescribed in Section 6.13, stating with specificity those obligations of Metro which have not been performed. Upon receipt of the notice of non-compliance, Metro must promptly commence to cure the identified items of non-compliance at the earliest reasonable time after receipt of the notice of non-compliance and must complete the cure of such items of non-compliance not later than sixty (60) days after receipt of the notice of non-compliance, or such longer period as is reasonably necessary to remedy such items of non-compliance, provided that Metro must continuously and diligently pursue such remedy at all times until such item of non-compliance is cured.
- 4.6 **Failure to Cure -- Termination or Modification of Agreement.** If the Community Development Director determines that Metro, or its successors, transferees, and/or assignees, as the case may be, has not cured or commenced to cure an item of non-compliance pursuant to this Section, and that the City intends to terminate or modify this Agreement or those transferred or assigned rights and obligations, as the case may be, the Community Development Director will then set a date for a public hearing before the City Council in accordance with the notice and hearing requirements of Government Code Sections 65867 and 65868. If after such public hearing, the City Council finds and determines, on the basis of substantial evidence, that Metro, or its successors, transferees, and/or assignees, as the case may be, has not brought the Project into compliance pursuant to this Section, the City may terminate or modify this Agreement, or those transferred or assigned rights and obligations, as the case may be.
- 4.7 **Termination or Modification of Agreement.** The City or Metro may terminate or modify this Agreement, or those transferred or assigned rights and obligations, as the case may be, after a finding or determination of noncompliance by the City Council. There shall be no modifications of this Agreement unless the City Council acts pursuant to Government Code Sections 65867.5 and 65868.

5. **DEFAULT PROVISIONS**

5.1 **Default by Metro.**

- 5.1.1 **Default.** In the event Metro does not perform its obligations under this Agreement in a timely manner, the City will have all rights and remedies

provided by this Agreement, which include compelling the specific performance of the obligations of Metro under this Agreement, or modification or termination of this Agreement, provided that the City has first complied with the procedure in Section 5.1.2.

5.1.2 Notice of Default. City must first submit to Metro a written notice of default stating with specificity those obligations which have not been performed. Upon receipt of the notice of default, Metro must promptly commence to cure the identified default(s) at the earliest reasonable time after receipt of the notice of default and must complete the cure of such default(s) not later than sixty (60) days after receipt of the notice of default, or such longer period as is reasonably necessary to remedy such default(s), provided that Metro must continuously and diligently pursue such remedy at all times until such default(s) is cured. In the event that Metro has assigned any portion of its interests pursuant to Section 6.8, Metro will have the right but not the obligation to cure any defaults of any assignee or successor-in-interest. Further, any assignee or successor-in-interest will have the right but not the obligation to cure any defaults of Metro. In the case of a dispute as to whether Metro (or its respective assignee or successor-in-interest) has cured the default, the Parties may submit the matter to dispute resolution pursuant to Section 6.4.

5.1.3 Failure to Cure Default Procedures. If after the cure period has elapsed, the Community Development Director finds and determines that Metro or its successors, transferees and/or assignees, as the case may be, remains in default and that the City intends to terminate or modify this Agreement, or those transferred or assigned rights and obligations, as the case may be, the Director must make a report to the City Council and then set a public hearing before the Council in accordance with the notice and hearing requirements of Government Code Sections 65867 and 65868. If after public hearing, the City Council finds and determines, on the basis of substantial evidence, that Metro or its successors, transferees and/or assigns, as the case may be, has not cured such default pursuant to this Section, the City may terminate or modify this Agreement, or those transferred or assigned rights and obligations, as the case may be.

5.1.4 Termination or Modification of Agreement. The City or Metro may terminate or modify this Agreement, or those transferred or assigned rights and obligations, as the case may be, after such final determination of the City Council. There may be no modifications of this Agreement unless the City Council acts pursuant to Government Code Sections 65867.5 and 65868.

5.2 Default by City.

5.2.1 Default. In the event the City does not accept, process, or render a decision on necessary development permits, entitlements, or other land use

or building permits or approvals for the Project as provided in this Agreement upon compliance with the requirements thereof, or as otherwise agreed to by the Parties, or the City otherwise defaults under the provisions of this Agreement, Metro will have all rights and remedies provided herein or by applicable law, which will include compelling the specific performance of the City's obligations under this Agreement, provided that Metro or its transferee or assignee, as the case may be, has first complied with the procedures in Section 5.2.2. No part of this Agreement may be deemed to abrogate or limit any immunities or defenses the City may otherwise have with respect to any claims.

5.2.2 Notice of Default. Metro must first submit to the City a written notice of default stating with specificity those obligations which have not been performed. Upon receipt of the notice of default, the City must promptly commence to cure the identified default(s) at the earliest reasonable time after receipt of the notice of default and must complete the cure of such default(s) not later than sixty (60) days after receipt of the notice of default, or such longer period as is reasonably necessary to remedy such default(s), provided that the City must continuously and diligently pursue such remedy at all times until such default(s) is cured. In the case of a dispute as to whether the City has cured the default, the Parties must submit the matter to dispute resolution pursuant to Section 6.4 of this Agreement.

5.3 No Monetary Damages. It is acknowledged by the Parties that the City and Metro would not have entered into this Agreement if either were liable in monetary damages under or with respect to this Agreement or the application thereof except as provided below. Therefore, the Parties agree that the Parties will not be liable in monetary damages and the Parties covenant not to sue for or claim any monetary damages for the breach of any provision of this Agreement except for Sections 3.1.5, 3.1.6.1, and 3.2.11 above and Section 6.12 below.

6. GENERAL PROVISIONS.

6.1 Effective Date. This Agreement will be effective as set forth in Section 1.13 above.

6.2 Term. The Term of this Agreement will commence on the Effective Date and will extend for a period of five (5) years after the Effective Date. Following the expiration of this Term or earlier termination, this Agreement will terminate and be of no further force and effect; provided, however, that this termination shall not affect any right or duty arising from entitlements or approvals, including the Project Approvals on the Property, approved concurrently with, or subsequent to, the Effective Date of this Agreement. The Term of this Agreement will automatically be extended for the period of time of any actual delay resulting from any enactments pursuant to the Reserved Powers or moratoria, or from legal actions, administrative proceedings such as appeals or delays of ministerial

actions, or appeals which enjoin performance under this Agreement or act to stay performance under this Agreement (other than bankruptcy or similar procedures), or for the period of time during which a third-party lawsuit or litigation (including appeals) relating to the Project or the Project Approvals, including this Agreement, has been filed and is pending in a court of competent jurisdiction.

- 6.3 **Enforced Delay; Extension of Time of Performance.** In addition to specific provisions of this Agreement, whenever a period of time, including a reasonable period of time, is designated within which any Party hereto is required to do or complete any act, matter or thing, the time for the doing or completion thereof will be extended by a period of time equal to the number of days during which such Party is actually prevented from, or is unreasonably interfered with, the doing or completion of such act, matter or thing because of causes beyond the reasonable control of the Party to be excused, including: war; insurrection; riots; floods; earthquakes; fires; casualties; acts of God; unusual economic or governmental circumstances that limit the ability to generate advertising revenue from the Digital Signs, litigation and administrative proceedings against the Project (not including any administrative proceedings contemplated by this Agreement in the normal course of affairs (such as the Annual Review)); any approval required by the City (not including any period of time normally expected for the processing of such approvals in the ordinary course of affairs); any approval or restrictions imposed or mandated by other governmental entities (including the California Department of Transportation), other than restrictions or regulations imposed by Metro; enactment of conflicting state or federal laws or regulations; judicial decisions; the exercise of the City's Reserved Powers; or similar bases for excused performance which is not within the reasonable control of the Party to be excused (financial inability excepted). This Section will not be applicable to any proceedings with respect to bankruptcy or receivership initiated by or on behalf of Metro, or by any third parties against Metro if not dismissed within ninety (90) days; provided however, this Section will be applicable to every other provision in this Agreement. If written notice of such delay is given to any Party within thirty (30) days of the commencement of such delay, an extension of time for such cause will be granted in writing for the period of the enforced delay, or longer as may be reasonable or mutually agreed upon.

6.4 **Dispute Resolution.**

- 6.4.1 **Dispute Resolution Proceedings.** The Parties may mutually agree to dispute resolution proceedings to fairly and expeditiously resolve disputes or questions of interpretation under this Agreement. These dispute resolution proceedings may include any manner of dispute resolution which is mutually agreed upon by the Parties. The results of any dispute resolution proceeding will not be binding upon the Parties except by separate agreement approved in writing by both Parties. Any such separate agreement will be implemented as an amendment to this Agreement. In no event will an arbitrator make any findings.

- 6.4.2 **Arbitration.** Any dispute between the Parties that is mutually agreed to be resolved by arbitration will be conducted by an arbitrator who must be a former judge of the Los Angeles County Superior Court or Appellate Justice of the Second District Court of Appeals or the California Supreme Court. This arbitrator will be selected by mutual agreement of the Parties.
- 6.4.3 **Arbitration Procedures.** Upon appointment of the arbitrator, the matter will be set for arbitration at a time not less than thirty (30) nor more than ninety (90) days from the effective date of the appointment of the arbitrator. The arbitration may be conducted under the procedures set forth in Code of Civil Procedure Section 638, et seq., or under such other procedures as are agreeable to the Parties, except that provisions of the California Code of Civil Procedure pertaining to discovery and the provisions of the California Evidence Code will be applicable to such proceeding.
- 6.4.4 **Extension of Term.** The Term of this Agreement as set forth in Section 6.2 may be extended by the arbitrator for the period of time in which progress on the development or the operation of the Project was delayed by the City if the arbitrator finds that Metro was not in default under this Agreement.
- 6.5 **Legal Action.** Subject to the limitations on remedies imposed by this Agreement, each Party may, in addition to any other rights or remedies, institute legal action in the Superior Court of Los Angeles County, to cure, correct, or remedy any default, enforce any covenant or agreement herein, enjoin any threatened or attempted violation, or enforce by specific performance the obligations and rights of the Parties hereto. Notwithstanding the above, the City's right to seek specific performance will not extend to compelling Metro to develop any or all of the Digital Signs unless Metro has already initiated construction of any such Digital Sign and specific performance is necessary to complete, demolish or make safe any particular improvement(s) on the Digital Sign Sites, including the Digital Signs, under this Agreement and the Project Approvals. Metro will have no liability (other than the potential termination of this Agreement and payment of all outstanding Processing Fees) if it elects not to pursue the development of any or all of the Digital Signs.
- 6.6 **Applicable Law.** This Agreement will be construed and enforced in accordance with the laws of the State of California.
- 6.7 **Amendments.** This Agreement may be amended from time to time by mutual consent in writing of the Parties to this Agreement in accordance with Government Code Section 65868.
- 6.8 **Assignment.** Metro may assign or transfer its rights and obligations under this Agreement to another entity, upon presentation to the City of an assignment agreement in a form reasonably acceptable to the City Attorney and the City's

written approval of such assignment or transfer by the City Manager, which may not be unreasonably withheld; provided, however, that Metro remains fully obligated and liable for all obligations of Metro under this Agreement and the Leases if the assignee or transferee fails to fulfill any of the assigned or transferred obligations, duties and covenants arising under this Agreement or the Leases.

- 6.9 **Covenants.** The provisions of this Agreement constitute covenants which run with the land comprising the Digital Sign Sites for the benefit thereof, and the burdens and benefits hereof will bind and inure to the benefit of all assignees, transferees, and successors to the Parties hereto.
- 6.10 **Cooperation and Implementation.**
- 6.10.1 **Processing.** Upon satisfactory completion by Metro of all required preliminary actions and payment of appropriate Processing Fees, including the fee for processing this Agreement, the City will commence and diligently process all required steps necessary for the implementation of this Agreement and development of the Digital Sign Sites in accordance with the terms of this Agreement, subject to the provisions of Section 3.2.12. Metro will, in a timely manner, provide the City with all documents, plans, fees and other information necessary for the City to carry out its processing obligations pursuant to this Agreement.
- 6.10.2 **Other Governmental Permits.** Metro will apply in a timely manner for such other permits and approvals as may be required from other governmental or quasi-governmental agencies having jurisdiction over the Project, including, without limitation, the California State Department of Transportation, as may be required for the development of, or provision of services to, the Project. The City will cooperate with Metro in its endeavors to obtain such permits and approvals and will, from time to time at the request of Metro, attempt with due diligence and in good faith to enter into binding agreements with any such entity if required as the owner of the Digital Sign Sites in order to ensure the availability of such permits and approvals, or services, provided such agreements are reasonable and not detrimental to the City.
- 6.10.3 **Cooperation in the Event of Legal Challenge.** In the event of any legal action instituted by a third party or other governmental entity or official challenging the validity of any provision of this Agreement, the Parties hereby agree to affirmatively cooperate in defending such action.
- 6.11 **Relationship of the Parties.** It is understood and agreed by the Parties that the contractual relationship created between the Parties hereunder is that Metro is an independent contractor with respect to the City and is not an agent of the City. Further, the Parties agree and hereby renounce the existence of any form of joint venture or partnership between the City and Metro and agree that nothing herein

or in any document executed in connection herewith will be construed as making the City a joint venturer or partner with Metro.

6.12 Indemnification and Insurance.

6.12.1 **Indemnification by Metro.** Metro agrees to indemnify the City, its officials, officers, employees, and agents against, and will hold and save them and each of them harmless from, any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions, or liabilities (herein "claims or liabilities") that may be asserted or claimed by any person, firm, or entity arising out of or in connection with the work, operations, or activities of Metro, its agents, employees, subcontractors, or invitees, arising under this Agreement and in furtherance of the Project, including upon the Digital Sign Sites or arising from traffic accidents related to the operation of the Digital Signs, whether or not there is current passive or active negligence on the part of the City, its officers, agents, or employees and in connection therewith. Metro will defend any action or actions filed in connection with any of said claims or liabilities and will pay all costs and expenses, including legal costs and attorneys' fees incurred in connection therewith. Metro will promptly pay any judgment rendered against the City, its officials, officers, agents, or employees for any such claims or liabilities arising out of or in connection with the work, operations, or activities of Metro, hereunder, and Metro agrees to save and hold the City, its officers, agents, and employees harmless therefrom. In the event the City, its officials, officers, agents, or employees is made a party to the action or proceeding filed or prosecuted against for such damages or other claims arising out of or in connection with operation or activities of Metro hereunder, Metro agrees to pay the City, its officials, officers, agents, or employees any and all costs and expenses incurred by the City, its officers, agents, or employees in such action or proceeding, including by not limited to legal costs and attorneys' fees.

6.12.1.1 **Exceptions.** The foregoing indemnity does not include claims or liabilities arising from the sole or gross negligence or willful misconduct of the City, its officials, officers, agents, or employees, or any claims or liabilities arising from the Digital Sign Sites that occurred prior to the commencement of the applicable Lease for the Digital Sign Sites between the City and Metro.

6.12.1.2 **Additional Coverage.** Without limiting the generality of the foregoing, said indemnity will include any liability arising by reason of: (a) any claim made by any assignee, employee, agent, visitor, invitee, or user of any portion of the Digital Sign Sites; (b) any accident or other occurrence in or on the Digital Sign Sites causing injury to any person or property whatsoever;

(c) any failure of Metro to comply with performance of all of the provisions of this Agreement; or (d) Metro's failure to prevent any employee or any invitee or any other person from entering upon or remaining in any place upon the Digital Sign Sites which is not safe and does not comply with all laws pertaining thereto as they may now or hereafter exist.

6.12.2 Period of Indemnification. The obligations for indemnity and defense under this Section 6.12 begin upon the Effective Date and will terminate upon termination of this Agreement; provided, however, that the duties of indemnification and defense will continue to apply to all claims or liabilities arising during that period even if asserted at any time thereafter.

6.12.3 Insurance. For claims or liabilities for personal injury or death, or property damage relating to this Agreement and the Digital Sign Sites, Metro represents that it is self-insured and relies on its excess insurance layers to cover liabilities in excess of its self-insured retention. Metro will provide the City with reasonable evidence of such coverages and will promptly notify City in writing of any changes in the amount of its self-insurance or the availability of sufficient reserves in order to pay any claims or liabilities up to the stated amount of self-insurance.

6.13 Notices. Any notice or communication required hereunder between the Parties must be in writing, and must be given either personally or by registered or certified mail, return receipt requested. If given by registered or certified mail, the same will be deemed to have been given and received on the first to occur of (i) actual receipt by any of the addressees designated below as the Party to whom notices are to be sent, or (ii) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If personally delivered, a notice will be deemed to have been given when delivered to the Party to whom it is addressed. Any Party hereto may at any time, by giving ten (10) days' written notice to the other Party hereto, designate any other address in substitution of the address, or any additional address, to which such notice or communication may be given. Such notices or communications must be given to the Parties at their addresses set forth below:

To City:

City of Santa Clarita
Santa Clarita City Hall
23920 Valencia Boulevard
Suite 300
Santa Clarita, CA 91355
Attn: Community Development Director

To Metro:

Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
Mail Stop 99-18-4
Los Angeles, CA 90012-2952

Attn: Deputy Executive Officer Real Estate

- 6.14 **Recordation.** As provided in Government Code Section 65868.5, this Agreement must be recorded with the Registrar-Recorder of the County of Los Angeles within ten (10) days following the Effective Date. If required, Metro will provide the City Clerk with the fees for such recording prior to or at the time of such recording should the City Clerk record the Agreement.
- 6.15 **Constructive Notice and Acceptance.** Every person who now or hereafter owns or acquires any right, title, interest in or to any portion of the Digital Sign Sites, is and will be conclusively deemed to have consented and agreed to every provision contained herein, whether or not any reference to this Agreement is contained in the instrument by which such person acquired an interest in the Digital Sign Sites.
- 6.16 **Severability.** If any provisions, conditions, or covenants of this Agreement, or the application thereof to any circumstances of any Party, is held invalid or unenforceable, the remainder of this Agreement or the application of such provision, condition, or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable will not be affected thereby and will be valid and enforceable to the fullest extent permitted by law.
- 6.17 **Time of the Essence.** Time is of the essence for each provision of this Agreement of which time is an element.
- 6.18 **Waiver.** No waiver of any provision of this Agreement will be effective unless in writing and signed by a duly authorized representative of the Party against whom enforcement of a waiver is sought and refers expressly to this Section. No waiver of any right or remedy with respect to any occurrence or event will be deemed a waiver of any right or remedy with respect to any other occurrence or event.
- 6.19 **No Third Party Beneficiaries.** The only Parties to this Agreement are the City and Metro, and their successors-in-interest, transferees, or assignees, as the case may be. There are no third party beneficiaries and this Agreement is not intended, and will not be construed to benefit or be enforceable by any other person whatsoever.
- 6.20 **Entire Agreement.** This Agreement sets forth and contains the entire understanding and agreement of the Parties and there are no oral or written representations, understandings or ancillary covenants, undertakings or agreements which are not contained or expressly referred to herein or therein (or any such representations, understandings or ancillary covenants, undertakings or agreements are integrated in this Agreement) and no testimony or evidence of any such representations, understandings, or covenants will be admissible in any proceedings of any kind or nature to interpret or determine the provisions or conditions of this Agreement.
- 6.21 **Legal Advice; Neutral Interpretation; Headings, Table of Contents, and Index.** Each Party acknowledges that it has received independent legal advice

from its attorneys with respect to the advisability of executing this Agreement and the meaning of the provisions hereof. The provisions of this Agreement will be construed as to their fair meaning, and not for or against any Party based upon any attribution to such Party as the source of the language in question. The headings, table of contents, and index used in this Agreement are for the convenience of reference only and will not be used in construing this Agreement.

- 6.22 **No Discretion to Encumber.** Metro may not in any manner, encumber the City Digital Sign Sites or any portion of the City Digital Sign Sites by any mortgage, deed of trust or other security device except as may be permitted in the Leases.
- 6.23 **Expedited Processing of Legal Actions.** Each Party agrees to cooperate in the expedited processing of any legal action seeking specific performance, declaratory relief or injunctive relief, to set court dates at the earliest practicable date(s) and not cause delay in the prosecution/defense of the action, provided such cooperation will not require any Party to waive any rights.
- 6.24 **Nonliability of City and Metro Officials.** No officer, official, member, employee, attorney, agent, or representatives of City or Metro will be liable for any amounts due hereunder, and no judgment or execution thereon entered in any action hereon will be personally enforced against any such officer, official, member, employee, attorney, agent, or representative.
- 6.25 **No Brokers.** Each Party represents and warrants to the other that it has not employed any broker and/or finder to represent its interest in this transaction. Each Party agrees to indemnify and hold the other free and harmless from and against any and all liability, loss, cost, or expense (including court costs and attorney's fees) in any manner connected with a claim asserted by any individual or entity for any commission or finder's fee in connection with this Agreement arising out of agreements by the indemnifying party to pay any commission or finder's fee.
- 6.26 **Counterparts.** This Agreement is executed in duplicate originals, each of which is deemed to be an original. This Agreement, not counting the Cover Page, consists of ___ pages and _____ () Exhibits.

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

City: CITY OF SANTA CLARITA

By _____
Mayor

ATTEST:

By _____
City Clerk

APPROVED AS TO FORM:

By _____
City Attorney

LOS ANGELES COUNTY
METROPOLITAN TRANSPORTATION
AUTHORITY

By: _____

By: _____

[end of signatures]

Exhibit A

Existing Metro Billboards

EXHIBIT A-1

EXHIBIT A

Existing LACMTA Inventory in Santa Clarita

Allvision ID	Operator	Structures	Faces	Illuminated	Height	Width	Square Feet
1	Clear Channel	1	2	Yes	12	25	600
2	Clear Channel	1	1	Yes	14	48	672
3	Clear Channel	1	2	Yes	12	25	600
4	CBS	1	1	No	12	25	300
5	CBS	1	1	No	12	25	300
6	CBS	1	2	No	12	25	600
7	Clear Channel	1	2	Yes	12	25	600
8	Clear Channel	1	2	Yes	12	25	600
9	Clear Channel	1	1	Yes	12	25	300
10	Clear Channel	1	2	Yes	12	25	600
11	Clear Channel	1	2	Yes	12	25	600
12	CBS	1	2	Yes	12	25	600
13	CBS	1	2	Yes	12	25	600
14	Clear Channel	1	2	Yes	12	25	600
15	CBS	1	1	No	12	25	300
16	Clear Channel	1	2	Yes	12	25	600
17	Clear Channel	1	2	No	12	25	600
18	Edwards	1	2	No	6	12	144
19	Clear Channel	1	2	No	12	25	600
20	Edwards	1	2	No	6	12	144
21	Edwards	1	2	No	6	12	144
22	Edwards	1	2	No	6	12	144
23	Clear Channel	1	2	Yes	12	25	600
24	CBS	1	1	No	15	10	150
25	Clear Channel	1	2	Yes	12	25	600
26	Edwards	1	2	No	6	12	144
27	Edwards	1	2	No	6	12	144
28	Clear Channel	1	2	Yes	12	25	600
29	CBS	1	2	No	15	10	300
30	CBS	1	2	No	15	10	300
31	Edwards	1	2	No	6	12	144
32	CBS	1	2	Yes	12	25	600
33	Clear Channel	1	2	Yes	14	48	1344
34	CBS	1	2	Yes	12	25	600
35	Clear Channel	1	2	Yes	12	25	600
36	Edwards	1	2	No	6	12	144
37	CBS	1	2	No	12	25	600
38	Edwards	1	2	No	6	12	144
39	Edwards	1	2	No	6	12	144
40	Clear Channel	1	2	Yes	14	48	1344
41	Edwards	1	2	No	6	12	144
42	Edwards	1	2	No	6	12	144
43	CBS	1	2	No	12	25	600
44	Edwards	1	2	No	6	12	144
45	Clear Channel	1	2	Yes	12	25	600
46	Edwards	1	2	No	6	12	144
47	Clear Channel	1	2	Yes	12	25	600
48	Edwards	1	2	No	6	12	144
49	Edwards	1	2	No	6	12	144
50	Clear Channel	1	2	Yes	12	25	600
51	Edwards	1	2	No	6	12	144
52	Edwards	1	2	No	6	12	144
53	CBS	1	2	Yes	12	25	600
54	Edwards	1	2	No	6	12	144
55	Edwards	1	2	No	6	12	144
56	Unknown	1	2	No	6	10	120
57	Edwards	1	2	No	6	12	144
58	Edwards	1	2	No	6	12	144
59	Edwards	1	2	No	6	12	144
60	CBS	1	2	Yes	12	25	600
61	Unknown	1	2	No	6	12	144
62	CBS	1	2	Yes	14	48	1344
							25830

Exhibit A: Regional Location of 62 billboards to be removed

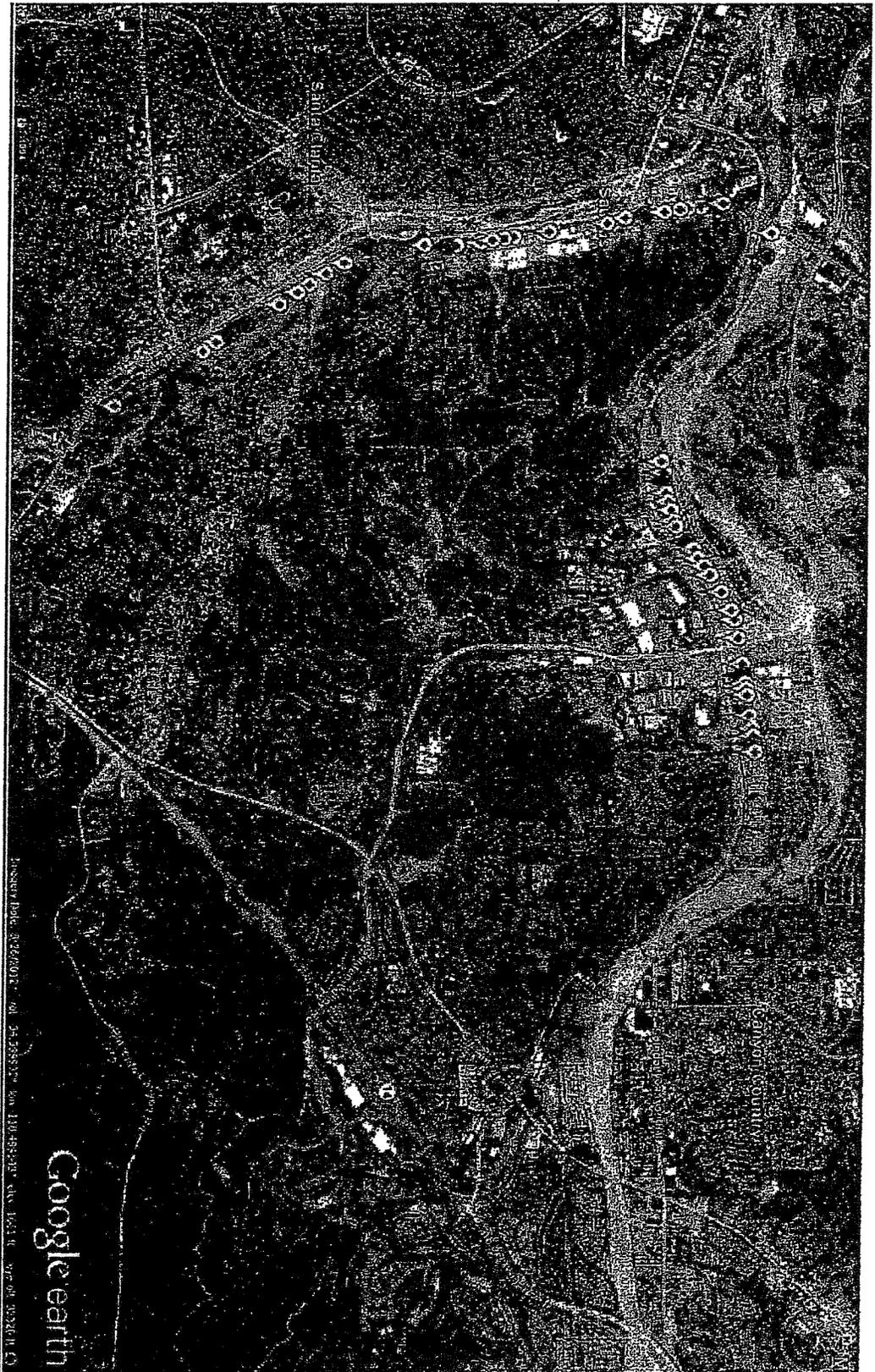


Exhibit B

Legal Description of the Digital Sign Sites

EXHIBIT B

EXHIBIT B

LEGAL DESCRIPTION

PROPOSED LEASE AREA

That portion of land in the Southwest Quarter of Section 13, Township 4 North, Range 15 West, San Bernardino Meridian, in the Unincorporated Territory of the County of Los Angeles, State of California, and a portion of Parcel 1, Parcel Map No. 18161, as per map recorded in Book 215, pages 6 through 9, inclusive of Parcel Maps, both in the Office of the County Recorder of said County, described as follows:

Commencing at the centerline intersection of Oak Spring Canyon Road, 60.00 foot wide and Norland Drive, a private and future street, 60.00 foot wide, both as shown on said Parcel Map No. 18161, thence, leaving said centerline intersection, along the centerline of said Norland Drive, North $89^{\circ} 30' 34''$ East 907.21 feet, to the **TRUE POINT OF BEGINNING**;

thence, leaving said centerline, North $0^{\circ} 29' 26''$ West 27.85 feet;
thence, North $89^{\circ} 30' 34''$ East 45.75 feet;
thence, South $0^{\circ} 29' 26''$ East, 33.83 feet;
thence, North $56^{\circ} 08' 58''$ East 80.86 feet;
thence, South $33^{\circ} 51' 02''$ East 10.00 feet;
thence, South $56^{\circ} 08' 58''$ West 87.44 feet;
thence, South $0^{\circ} 29' 26''$ East, 12.05 feet, to a point along the southerly right of way of said Norland Drive;
thence, along said southerly right of way, South $89^{\circ} 30' 34''$ West 45.75 feet;

thence, leaving said southerly right of way, North $0^{\circ} 29' 26''$ West 30.00 feet, to the **TRUE POINT OF BEGINNING**.

The lease area or Premises described above also includes the right of reasonable access to the Premises over the adjacent Landlord Property described in Section 1.1 of the Lease necessary for the construction, operation, and maintenance of the Digital Sign and Premises, as well as for such other uses permitted on the Premises or obligations imposed on Tenant under the Lease.

Lease Area Description
Area is 3,488.1 Sq. Ft., (0.080 Acres)
CRC 2746
March 5, 2014

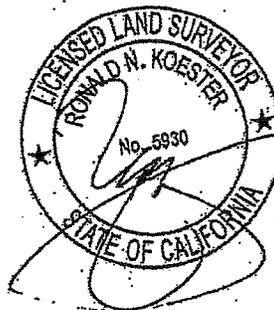


EXHIBIT B

LEGAL DESCRIPTION

PROPOSED LEASE AREA

That portion of Remsen Street (formerly San Fernando Road) 60.00 feet wide, as shown on Tract No. 2703, in the City of Santa Clarita, County of Los Angeles, State of California, as per map recorded in Book 28, pages 20 through 26, inclusive of Maps, in the Office of the County Recorder of said County, described as follows:

Commencing at the centerline intersection of said Remsen Street (shown as Remsen Road) and Sierra Highway, 100.00 foot wide, both as shown on map recorded in Book 116, pages 86 through 88, inclusive of Records of Survey, in the Office of the County Recorder of said County, thence, along the centerline of said Remsen Street, South 35° 42' 56" East 866.64 feet, to the **TRUE POINT OF BEGINNING**;

thence, leaving said centerline, North 54° 17' 04" East 27.39 feet;

thence, South 35° 42' 56" East, 55.46 feet;

thence, South 54° 17' 04" West, 57.39 feet, to a point along the southwesterly right of way of said Remsen Street;

thence, along said southwesterly right of way, North 35° 42' 56" West 55.46 feet;

thence, leaving said southwesterly right of way, North 54° 17' 04" East 30.00 feet, to the **TRUE POINT OF BEGINNING**.

The lease area or Premises described above also includes the right of reasonable access to the Premises over the adjacent Landlord Property described in Section 1.1 of the Lease necessary for the construction, operation, and maintenance of the Digital Sign and Premises, as well as for such other uses permitted on the Premises or obligations imposed on Tenant under the Lease.

Lease Area Description
Area is 3,182.8 Sq. Ft., (0.073 Acres)
CRC 2747
March 5, 2014

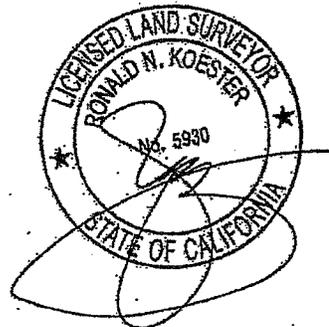


EXHIBIT B

LEGAL DESCRIPTION

PROPOSED LEASE AREA

That portion of the Rancho San Francisco, in the City of Santa Clarita, County of Los Angeles, State of California, as shown on the map filed in Book 1, pages 521 and 522, of Patents, and a portion of Parcel 20, in the Saugus School District, as shown on the map filed in Book 27, pages 32 through 39, inclusive of Records of Survey, both in the Office of the County Recorder of said County, described as follows:

Commencing at the centerline intersection of Tourney Road, 112.00 foot wide and Magic Mountain Parkway, 140.00 foot wide, both as shown on Parcel Map No. 23349, as per map recorded in Book 264, pages 1 through 12, inclusive of Parcel Maps, in the Office of the County Recorder of said County, thence, leaving said centerline intersection North $0^{\circ} 13' 46''$ East 70.00 feet, to a point along the northerly right of way line of said Magic Mountain Parkway;

thence, westerly along said right of way line, North $89^{\circ} 46' 14''$ West 861.62 feet, to the **TRUE POINT OF BEGINNING**;

thence, continuing westerly along said right of way, North $86^{\circ} 46' 14''$ West 55.62 feet;

thence, leaving said right of way, North $38^{\circ} 12' 33''$ West, 18.24 feet;

thence, North $0^{\circ} 13' 46''$ East 35.55 feet;

thence, South $89^{\circ} 46' 14''$ East 66.96 feet;

thence, South $0^{\circ} 13' 46''$ West 49.83 feet, to the **TRUE POINT OF BEGINNING**.

The lease area or Premises described above also includes the right of reasonable access to the Premises over the adjacent Landlord Property described in Section 1.1 of the Lease necessary for the construction, operation, and maintenance of the Digital Sign and Premises, as well as for such other uses permitted on the Premises or obligations imposed on Tenant under the Lease.

Lease Area Description
Area is 3,255.6 Sq. Ft., (0.075 Acres)
CRC 2745
March 5, 2014

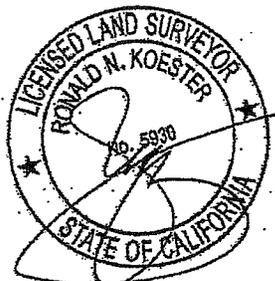
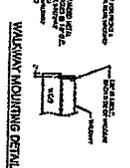
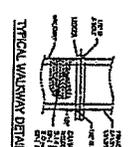
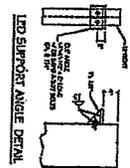
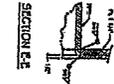
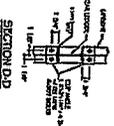
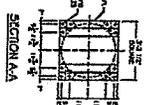
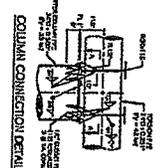
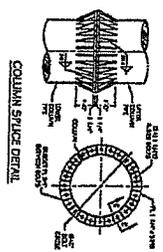
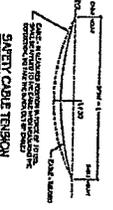
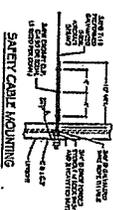
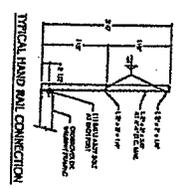
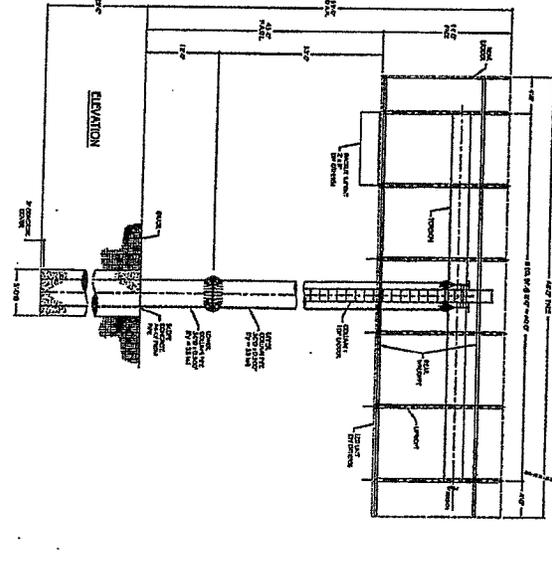
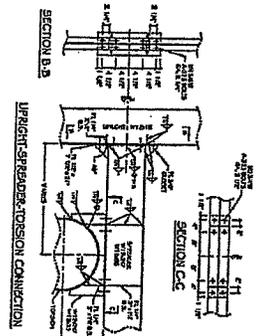
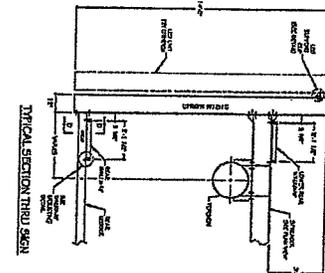
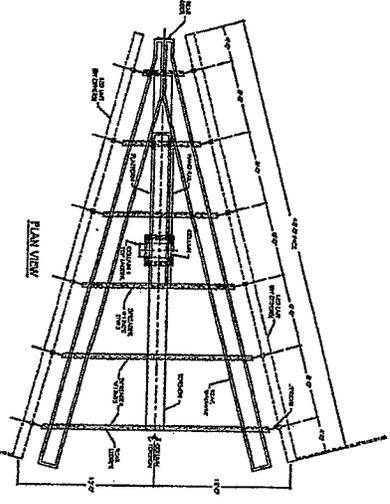


Exhibit C

Depiction of the Digital Sign Sites



NOTES AND SPECIFICATIONS

1. ALL DIMENSIONS UNLESS OTHERWISE SPECIFIED ARE IN INCHES AND DECIMALS THEREOF.

2. ALL DIMENSIONS SHALL BE TO FACE UNLESS OTHERWISE SPECIFIED.

3. ALL DIMENSIONS SHALL BE TO CENTER UNLESS OTHERWISE SPECIFIED.

4. ALL DIMENSIONS SHALL BE TO CENTER UNLESS OTHERWISE SPECIFIED.

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10. ALL DIMENSIONS SHALL BE TO CENTER UNLESS OTHERWISE SPECIFIED.

PRELIMINARY DRAWING NOT FOR CONSTRUCTION

THIS DRAWING IS THE PROPERTY OF ALL VISION, LLC. IT IS TO BE USED ONLY FOR THE PROJECT AND SITE SPECIFICALLY IDENTIFIED HEREON. IT IS NOT TO BE REPRODUCED, COPIED, OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF ALL VISION, LLC.

ALL DIMENSIONS SHALL BE TO FACE UNLESS OTHERWISE SPECIFIED.

ALL DIMENSIONS SHALL BE TO CENTER UNLESS OTHERWISE SPECIFIED.

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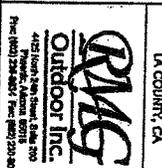
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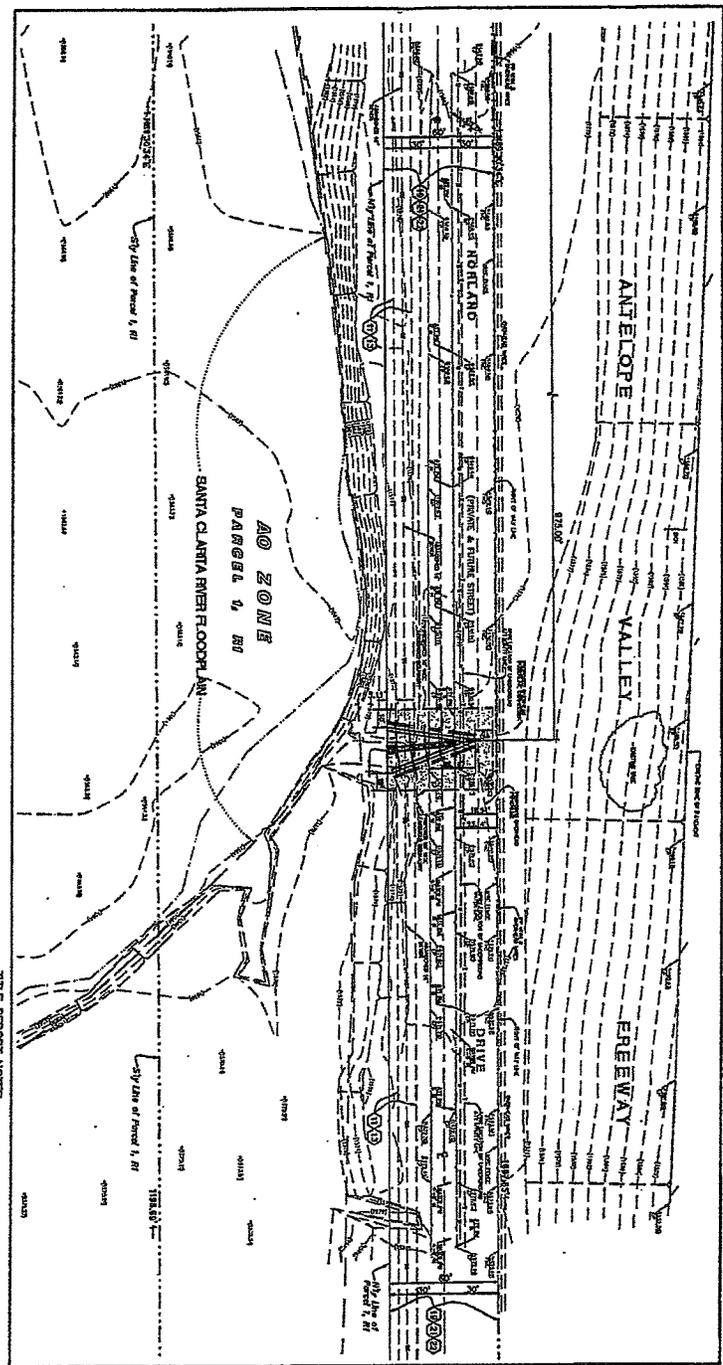
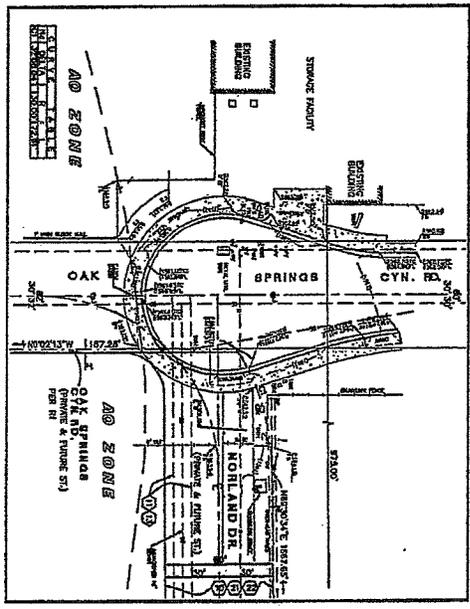
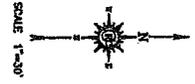
ALL DIMENSIONS SHALL BE TO CENTER UNLESS OTHERWISE SPECIFIED.

ALL DIMENSIONS SHALL BE TO CENTER UNLESS OTHERWISE SPECIFIED.

<p>THE DESIGN OF THE TOWER AND WALKWAY SHALL BE THE RESPONSIBILITY OF THE DESIGNER OF RECORD. SPECIAL CONSTRUCTION SHALL BE NECESSARY FOR ALL DIMENSIONS AND CONNECTIONS IN THE FIELD AS SHOWN ON THIS DRAWING.</p>	
<p>ALL VISION, LLC.</p> <p>MAGIC MOUNTAIN PARK, LA COUNTY, CA</p>	<p>14' x 14' SINGLE POST CENTER MOUNT DOUBLE TOWER (BOTH SIDES)</p>
<p>DATE: 03/04/13</p> <p>BY: RNV</p> <p>CHECKED: JMW</p>	<p>PROJECT NO: 03/04/13</p> <p>SCALE: E1 of 1</p>



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THE REPORT NOTES

THE OFFICE OF PLANNING SHOWS IN PLANS THE CORRECT RIGHT OF WAY... (text continues)

1. AT EXISTING THE EXISTING DRIVE AND DRIVEWAY TO EXISTING DRIVEWAY... (text continues)
2. AT EXISTING THE EXISTING DRIVE AND DRIVEWAY TO EXISTING DRIVEWAY... (text continues)
3. AT EXISTING THE EXISTING DRIVE AND DRIVEWAY TO EXISTING DRIVEWAY... (text continues)
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NOTES

1. WIDTH OF SIDE FROM NORLAND STREET - 40'
2. SIDE BOUNDARY - 12' HIGH x 48" WIDE
3. FRONT BOUNDARY - 12'
4. FRONT BOUNDARY - 12'
5. SIDE BOUNDARY TO REMAINING SIDE OF SIDE - 24.12'
6. UTILITY LOCATIONS SUBJECT TO FIELD RECORD BY SOUTHERN CALIFORNIA DESIGN...

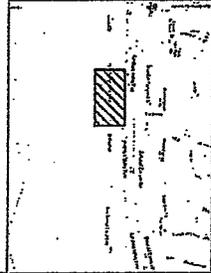
UTILITY NOTES

THE DATA FOR THIS SURVEY WAS OBTAINED BY INTERVIEWING THE ENGINEERING... (text continues)



LEGEND
 AREA OF PROPOSED EXISTING BOUNDARY
 DATE OF SURVEY: DEC. 21, 2011
 SURVEYOR: [Name]
 [Address]
 [City, State, Zip]

LEGEND
 AREA OF PROPOSED EXISTING BOUNDARY
 DATE OF SURVEY: DEC. 21, 2011
 SURVEYOR: [Name]
 [Address]
 [City, State, Zip]

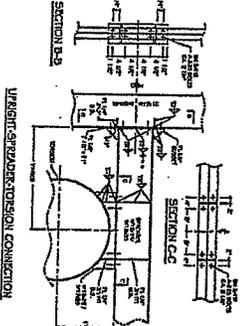
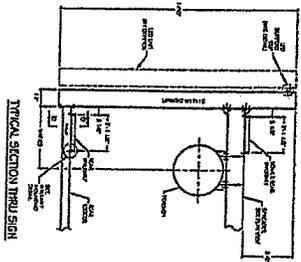
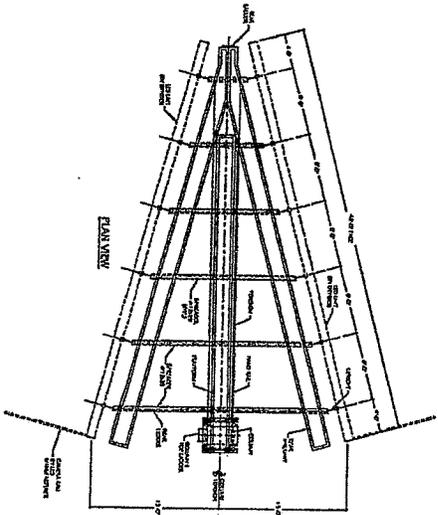
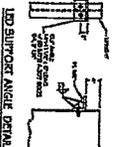
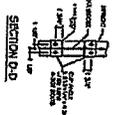
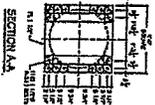
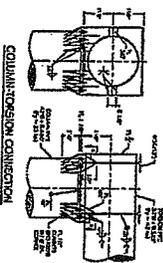
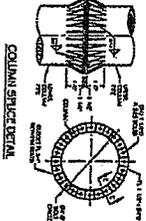
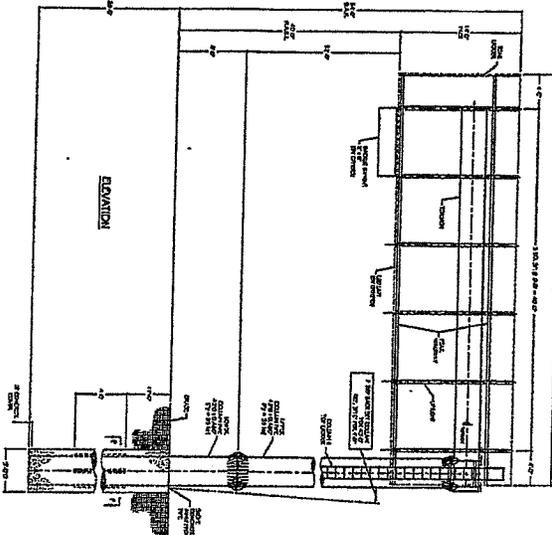
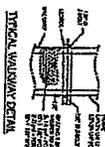
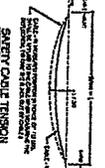
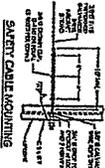
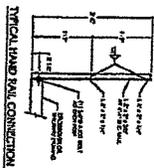


CRC Enterprises
 27600 Bouquet Canyon Road Suite 200 Santa Clarita Ca. 91350
 Telephone (661) 297-2336 FAX (661) 297-2331

PREPARED FOR:
ALLVISION LLC
 6200 S. SYRACUSE WAY, SUITE 125
 GREENWOOD VILLAGE, CO.
 Attn: Mr. Alex Belenson

TOPOGRAPHIC SURVEY
 SHEET 1 OF 1 SHEET
 CRC 2746

FIGURE 1: TYPICAL RAIL CONNECTION



<p>THIS PROJECT IS THE PROPERTY OF ALL VISION, LLC. ANY OTHER USE OR REPRODUCTION WITHOUT THE WRITTEN PERMISSION OF ALL VISION, LLC IS PROHIBITED.</p>		<p>PRELIMINARY DRAWING NOT FOR CONSTRUCTION</p>	
<p>NO FIELD REVISIONS WILL BE ALLOWED WITHOUT THE APPROVAL OF THE ENGINEER OF RECORD. SPECIAL INSPECTIONS SHALL BE REQUIRED FOR ALL DIMENSIONS AND CONDITIONS IN THE FIELD BEFORE REVISIONS ARE MADE. THE ENGINEER SHALL VERIFY ALL DIMENSIONS AND CONDITIONS IN THE FIELD BEFORE REVISIONS ARE MADE. THE ENGINEER SHALL VERIFY ALL DIMENSIONS AND CONDITIONS IN THE FIELD BEFORE REVISIONS ARE MADE.</p>		<p>DATE: 03/27/12 DRAWN BY: JMW CHECKED BY: JMW SCALE: E1 of 1</p>	
<p>PROJECT LOCATION: NOBILAND DRIVE LA COUNTY, CA</p>		<p>PROJECT NAME: SINGLE FOOT DOUBLE FACE 30' WALKWAY DIGITAL READY (BOTH SIDES)</p>	
<p>OWNER: OUTDOOR INC. 425 North 2nd Street, Suite 200 San Jose, CA 95131</p>		<p>DATE: 03/27/12 DRAWN BY: JMW CHECKED BY: JMW SCALE: E1 of 1</p>	

NOTES:

1. ALL DIMENSIONS SHALL BE IN UNITS OF INCHES UNLESS OTHERWISE SPECIFIED.
2. ALL DIMENSIONS SHALL BE TO FACE UNLESS OTHERWISE SPECIFIED.
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20. ALL DIMENSIONS SHALL BE TO THE CENTERLINE OF THE MEMBER UNLESS OTHERWISE SPECIFIED.

Exhibit D

Project Approvals including the Leases

EXHIBIT D

EXHIBIT D

CONDITIONS OF APPROVAL

- GC1. The property shall be developed and maintained in substantial conformance with the approvals granted by the City. Any modifications shall be subject to further review by the City.
- GC2. The applicant shall comply with all inspection requirements as deemed necessary by the City of Santa Clarita.
- GC3. The applicant, at the time of issuance of permits or other grants of approval, agrees to develop the property in accordance with City codes and other appropriate ordinances such as the Building Code, Grading Code, Highway Permit Ordinance, Unified Development Code, Electrical Ordinance and Fire Code.
- GC4. The applicant must sign and notarize the attached affidavit to confirm acceptance of the conditions of this grant. The notarized affidavit must then be returned to the Planning Division before building final.
- GC5. Prior to issuance of building permits, the applicant shall comply with all applicable regulations and fees of affected agencies.

Environmental Services

- ES1. All demolition projects regardless of valuation and all new construction projects valued greater than \$500,000 must comply with the City's Construction and Demolition Materials (C&D) Recycling Ordinance.
- ES2. C&D Materials Recycling Ordinance:
- A Construction and Demolition Materials Management Plan (C&DMMP) must be prepared and approved by the Environmental Services Division prior to obtaining any grading or building permits.
 - A minimum of 50% of the entire project's inert (dirt, rock, bricks, etc.) waste and 50% of the remaining C&D waste must be recycled or reused rather than disposing in a landfill.
 - A deposit of 3% of the estimated total project cost or \$25,000, whichever is less, is required. The full deposit will be returned to the applicant upon proving that 50% of the inert and remaining C&D waste was recycled or reused.
- ES3. Per the California Green Building Standards Code, 100 percent of trees, stumps, rocks and associated vegetation and soils resulting primarily from land clearing shall be reused or recycled.
- ES4. All projects within the City not self-hauling their waste materials must use one of the City's franchised haulers for temporary and roll-off bin collection services. Please visit GreenSantaClarita.com for a list of approved haulers.

Building and Safety

- BS1. Detailed construction plans for the billboards shall be submitted to the Building and Safety Division for plan review and building permit issuance. Supporting documentation, such as structural calculations shall be included in the plan submittal package.
- BS2. Plans submitted for plan review shall show full compliance with the California Building Codes in effect at the time the plans and building permit application are submitted. The current California codes are the 2010 California Building Codes. If the application date for the building permit is after January 1, 2014, the submitted plans shall comply with the new 2013 California Codes.
- BS3. Plans submitted to Building and Safety for plan review shall be 100% complete. Plans shall be prepared by a licensed Design Professional (architect or engineer).
- BS4. Submitted plans shall be stamped and signed by a California Licensed Architect or Engineer qualified to design the type of work proposed.
- BS5. The site plan submitted to building and safety shall show all lot lines, easements, restricted use areas, flood hazard areas, etc. Any structures proposed in an easement shall obtain written permission from the easement holder(s).

Development Services

- EN1. Prior to any construction (including, but not limited to, drive approaches, sidewalks, curb and gutter, etc.), trenching or grading within public or private street right-of-way, the applicant shall obtain encroachment permits from the Development Services Division.
- EN2. Prior to building permit, the applicant shall obtain a notarized Letter of Permission for grading over all easements.
- EN3. For SR-14 @ Norland Rd. location: Prior to issuance of building permit, the applicant shall verify with and acquire any required permits from the Army Corps of Engineers, California Department of Fish and Wildlife, and the Regional Water Control Board for any work within each respective agency's jurisdiction. A copy of the permits, or a response letter from each agency indicating a permit is not required, shall be submitted to the City prior to issuance of building permits.
- EN4. Prior to building final, all new power lines and overhead cables less than 34 KV for the project shall be installed underground.
- EN5. This project will disturb less than one acre of land. Therefore, the project is subject to the following minimum construction requirements:

- A. Sediments from areas disturbed by construction shall be retained on site, using structural drainage controls to the maximum extent practicable, and stockpiles of soil shall be properly contained to minimize sediment transport from the site to streets, drainage facilities, or adjacent properties via runoff, vehicle tracking, or wind.
- B. Construction-related materials, wastes, spills or residues shall be retained on site to minimize transport from the site to streets, drainage facilities, or adjoining properties by wind or runoff.
- C. Runoff from equipment and vehicle washing shall be contained at construction sites unless treated to remove sediments and pollutants.

Parks, Recreation and Community Services

- PR1. The pole position shall be at least 10 feet clear of all trails and roads.
- PR2. The area around the poles shall be kept clear of debris, the area shall be safe for trail users with anti-climbing measures.
- PR3. The applicant shall run an extra conduit at the Norland site for future Parks uses.
- PR4. The final construction drawings shall depict the future ultimate alignment of Magic Mountain Boulevard.

Planning

- PL1. All digital billboards shall be equipped with an automatic dimming device preset to limit brightness to no more than 0.3 foot candles above ambient light levels.
- PL2. All digital billboards shall be equipped with mechanical louvers which restrict vertical light transmission to no more than 45 degrees upward and 60 degrees downward.
- PL3. Prior to issuance of building permits, the applicant shall submit colored elevations for the digital billboards which incorporate the color, texture and cladding design as directed by the City Council.

File:

LEASE AGREEMENT

BETWEEN

THE CITY OF SANTA CLARITA

AND

**LOS ANGELES COUNTY
METROPOLITAN TRANSPORTATION AUTHORITY**

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease"), is made and entered into as of _____, _____, ("Effective Date") by and between the CITY OF SANTA CLARITA, a California municipal corporation and general-law city ("Landlord" or "City") and the LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY, a public agency existing under the authority of the laws of the State of California ("Tenant" or "LACMTA"), and is entered into concurrently with that certain "Development Agreement for the Reduction and Relocation of Billboards" between the parties effective as of _____, 2014 ("Development Agreement").

PART I**BASIC LEASE PROVISIONS**

1. Description of Premises:
(DIMENSIONS AND LOCATION)
Approximate area:
(SQUARE FOOTAGE AND ACRES) (\$1.1)
2. Premises Address:
(ADDRESS AND/OR CROSS STREETS) (\$1.1)
3. Commencement Date:
(EFFECTIVE DATE OF AGREEMENT) ((\$1.2)
4. Term:
50 years (\$1.2)
5. Rent: (\$2.1)
6. Use of Premises: (\$3.0)
The installation, repair, maintenance, operation, and, if necessary, replacement, reconstruction, or upgrade of an outdoor advertising structure that has a double-sided digital display face, with each face having a display area of approximately 672 square feet as further described and depicted on Exhibit "B" ("Digital Sign").
7. Insurance (See Exhibit "C") (\$11.2)
8. Landlord's Address: (\$19.16)

City of Santa Clarita
Santa Clarita City Hall
23920 Valencia Boulevard, Suite 300
Santa Clarita, CA 91355
Attn: Community Development Director

9. Tenant's Address:

(§19.16)

Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza - 13th Floor
Los Angeles, CA 90012-2952
Attn: Deputy Executive Officer, Real Estate

With a copy to:

Greg Smith, CEO
All Vision LLC
420 Lexington Ave., Suite 1601
New York, NY 10170

Robert W. Micsak
Managing Director and President
All Vision LLC
6200 S. Syracuse Way, Suite 125
Greenwood Village, CO 80111

The foregoing Basic Lease Provisions and the General Lease Provisions set forth in attached Part II are incorporated into and made part of this Lease.

IN WITNESS WHEREOF, this Lease Agreement has been duly executed, in duplicate, by the parties hereto as of the date first above written.

LANDLORD:

CITY OF SANTA CLARITA

By: _____
Name:
Title:

TENANT:

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

By: _____
Name: Velma C. Marshall
Title: Deputy Executive Officer, Real Estate

INDEX TO LEASE AGREEMENT - PART II

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2. RENT	1
3. USE OF PREMISES AND OPERATION OF THE DIGITAL SIGN	2
4. HAZARDOUS MATERIALS	4
5. ASSUMPTION OF RISK AND WAIVER	6
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Exhibits:

- "A" Description and Site Plan of the Premises
- "B" Digital Sign Plan
- "C" Insurance Requirements for Leases, Licenses and Permits
- "D" Permitted Hazardous Materials
- "E" Advertising Restrictions

"F" Rent Schedule

PART II - GENERAL LEASE PROVISIONS

1. PREMISES AND TERM

1.1 Lease of Premises. Landlord hereby leases to Tenant, and Tenant hereby hires from Landlord certain premises ("Premises") described and depicted on the attached Exhibit "A". The Premises refer to the land shown on the site plan plus all improvements including the Digital Sign now or hereafter located thereon, if any (collectively, the "Improvements"). The Premises, adjoining real property of Landlord and personal property of Landlord located thereon, is collectively referred to as the "Landlord Property".

1.2 Term. The term of this Lease commences on the "Commencement Date" specified in Item 3 of the Basic Lease Provisions, and will continue, unless sooner terminated in accordance with the provisions of this Lease, for the period specified in Item 4 of the Basic Lease Provisions. The term of this Lease as provided above is referred to as the "Term". Beginning at least two years prior to the expiration of the initial Term (i.e., year 48), Landlord and Tenant will review the status of the Lease and will meet and confer in good faith regarding a potential extension of the Lease and the applicable terms and conditions of such an extension; provided, however, that neither party is obligated to agree to any such extension. Tenant hereby expressly recognizes and agrees that the Premises is located on Landlord Property that may be developed for public projects and programs, which may be implemented by Landlord or other public or private entities (collectively, "Projects"), and that Tenant's use of the Premises under this Lease is subject to such Projects so long as such Projects do not unreasonably interfere with Tenant's use of the Premises. Notwithstanding the foregoing, if Tenant has failed to either (a) cause the commencement of construction of the Digital Sign under a City-issued building permit by the fifth anniversary of the Commencement Date, or (b) obtain the final approval from City's building department for the construction of the Digital Sign within 66 months of the Commencement Date, then this Lease will automatically terminate unless amended, in Landlord's sole discretion, to allow Tenant additional time to construct and initiate the operation of the Digital Sign.

1.3 Future Need of Leased Property. In the event Landlord in its reasonable discretion, determines that it, at any time, or from time to time, requires possession of a portion of the Premises for a Project, after Landlord reviews and exhausts all other reasonable options, Tenant must, upon at least 180 days' prior written notice from Landlord, relocate any Improvements made by Tenant to another portion of the Premises or the Landlord Property in accordance with Landlord's notice; provided, however, that no such required relocation will materially diminish the advertising value of the Digital Sign. The cost of such relocation will be borne by the proponent of the Project.

1.4 Condition of Premises. The Premises are leased in "AS IS" condition and any grading, paving or fencing that may be necessary to meet Tenant's needs will be the sole responsibility of Tenant. Tenant acknowledges that it has inspected and accepts the Premises in their present condition as suitable for the purpose for which the Premises are leased. Taking of possession by Tenant will be conclusive to establish that the Premises are in good and satisfactory condition when possession is taken. Other than

Landlord's representation that it owns the Premises, Landlord makes no warranties or representation as to the suitability of the Premises for Tenant's intended use, including, without limitation, as to visibility, traffic count or any other factors.

[For Remsen Site Only:]

Notwithstanding any other provision of this Lease, the parties acknowledge based on that certain "Phase 1 Environmental Site Assessment, Remsen Street and Sierra Highway, Newhall, California" prepared by Geosyntec consultants dated May 31, 2013 (attached as Exhibit "___") (the "Phase 1 Report"), that the Premises may contain contamination or Hazardous Materials, as defined in Section 4.1 below, even though no government regulatory agency has ever confirmed the presence of any such contamination or Hazardous Materials or required the clean up or remediation of the Premises. Nevertheless, Landlord agrees to be solely responsible for: (i) any existing contamination or Hazardous Materials on or about the Premises, and (ii) the existing condition of the Premises as of the Effective Date, which includes, but is not limited to, the potential conditions documented in the Phase 1 Report.

2. RENT

2.1 Rent. Tenant agrees to pay as "Rent" to Landlord sixty-five percent (65%) of the Net Revenue derived from the Digital Sign. The Rent will be payable in quarterly installments covering the period of the prior three months (i.e., end of March, June, September, and December). Each quarterly installment for the period will be due on or before 30 days following the end of such quarter. See Exhibit "F" (Rent Schedule) for further details regarding the calculation and payment of the Rent.

2.2 Revenue Report. Tenant will cause to be prepared and submitted to Landlord with its Rent payment a detailed report of all Gross Revenue collected during the applicable period from the Digital Sign as well as applicable deductions resulting in the calculation of the Net Revenue for such period ("Revenue Report"). Tenant or its licensee must maintain all records related to the calculation of Gross Revenue and Net Revenue in accordance with generally accepted accounting principles for a minimum period of three years.

2.3 Audit. Landlord is entitled at any time after its receipt of any Revenue Report, to examine and audit all the books and records of Tenant or its licensee relating in any way to the ownership, maintenance and operation of the Digital Sign and any media displayed on the Digital Sign, including without limitation (i) all payments received or made with respect to the Premises, (ii) all agreements relating to the Premises, and (iii) any other records relevant to the determination of Gross Revenue and Net Revenue under this Lease. Landlord may conduct such audits using its own employees, a management agent or consultant or an independent accountant. Tenant will provide Landlord with access to such books and records upon not less than 15 days' prior written notice, and will make such books and records available at Tenant's offices in the Los Angeles, California metropolitan area.

If such audit reveals a shortfall in the Landlord's share of the Net Revenue of 10% or more, then Tenant must immediately pay to Landlord upon the submission of an invoice

from the auditor the cost of such audit; otherwise, the cost of the audit will be paid by the Landlord.

2.4 Additional Consideration. As additional consideration for this Lease, and excluding the Existing Metro Billboards identified in the Development Agreement, LACMTA covenants that it will not permit at any time during the term of this Lease, the erection or operation of any new "off-site sign" as defined in Chapter 17.11 of the Santa Clarita Municipal Code on any property owned or controlled by LACMTA within the boundaries of the City of Santa Clarita.

3. USE OF PREMISES AND OPERATION OF THE DIGITAL SIGN

3.1 Outdoor Advertising Use. The Premises may be used only for the purposes specified in Item 6 of the Basic Lease Provisions and in this section, and for such other lawful purposes as may be directly incidental thereto. Tenant is responsible for and must obtain any and all licenses and permits necessary for any such use. Tenant must comply with all governmental laws, ordinances and regulations applicable to the use of the Premises and operation of the Digital Sign including, without limitation, the Outdoor Advertising Act (California Business & Professions Code §5400 and following) and regulations promulgated in connection therewith (collectively, the "Act"). Without limiting the generality of the foregoing, and subject to Section 8 below, Tenant must install and construct all physical improvements needed to serve the Premises and the Digital Sign, which are required by any federal, state or local building code or other law or regulation applicable to the Premises or the Digital Sign (including, without limitation, the Act), or are made necessary by the nature of Tenant's use of the Premises. Tenant must promptly comply with all governmental orders and directives in connection with its use of the Premises. Tenant must protect from damage all underground and aboveground installations and improvements, such as pipes, fiber optic lines, and wires, on Landlord Property that may be impacted by any work or any use of the Premises by Tenant.

3.2 Fees and Charges. Tenant must cause to be paid all costs for any permits fees, or other charges associated with the use or maintenance of the Premises by any governmental agency, department, or organization, and all other labor expenses for the installation or maintenance of any permitted Improvements. All such expenses will be subject to the applicable cost sharing formula set forth in Exhibit "F" ("Rent Schedule"). Copies of permits are to be readily available for inspection by Landlord personnel.

3.3 Advertising. Tenant agrees that it will not display or allow to be displayed on the Digital Sign any advertising, content or message that is not consistent with the advertising criteria set forth in Exhibit "E" ("Advertising Restrictions"). Subject to the provisions of this Section 3 and Exhibit "E", Tenant will otherwise have sole control over the advertising to be displayed on the Digital Sign and will be solely liable for the content of such messages.

3.4 Removal of Prohibited Advertising. Tenant must, within 48 hours after written demand from Landlord, at Tenant's risk and expense, remove any advertising material or message that is Prohibited Advertising under this Lease. If Tenant fails to promptly cause the removal of such advertising, Landlord may (but is not be required to),

without further process of law, remove the advertising or shut down electric power and/or telecommunications lines to the Digital Sign or other Improvements. Tenant must reimburse Landlord's costs of such actions upon demand and will bear the risk of any damage to the Digital Sign or other Improvements resulting from such actions. Landlord may exercise such remedies without prejudice to any other remedies it may be entitled to exercise under this Lease, at law or in equity.

3.5 Local Advertisers. Tenant agrees to ensure that businesses or organizations located within the City or residents of the City will be able to purchase advertising on the Digital Sign in such manner and at such rates as offered to businesses, organizations or persons located or residing outside of the City and that it will not permit any exclusivity contracts or arrangements with advertisers that would violate this covenant. In addition, such local businesses, organizations, and residents will receive a 15% rate discount off of the published annual rate card for the Digital Sign. For the first two years of operation of the Digital Sign, local businesses, organizations, and residents will also be able to purchase a basic local advertising package on the Sign at a cost of \$300 for a four-week period, which will provide at least 2052 displays of the purchased ad during this four-week period. Tenant will use commercially reasonable efforts to contact each business, organization, and resident that has advertised on an Existing Metro Billboard (as defined in the Development Agreement) within one year of the Effective Date regarding this local advertising program prior to the elimination of any Existing Metro Billboards. Tenant further agrees to work with the Santa Clarita Chamber of Commerce and the Valley Industrial Association and to make reasonable efforts to reach out to all local businesses regarding the various local benefits provided under this Section 3.5, which efforts may include placing notices in Chamber and Association publications, sending direct mailers to local businesses to make them aware of the advertising opportunities on the Digital Sign, and holding informational meetings for local businesses.

3.6 City Promotional Messages. The parties agree that City may, at no cost to City, utilize up to 6.25% of the advertising time of the Digital Sign each month to promote the City of Santa Clarita, any municipal service provided by City to its residents, or public events sponsored by the City ("City Promotional Messages"). To the extent that commercial advertising time is unsold and available, the parties further agree to allocate, at no cost to City, up to 6.25% of additional advertising time on the Digital Sign each month for City Promotional Messages. As set forth above, the parties intend that the City will have at least 6.25% of the total advertising time on the Digital Sign per month available for City Promotional Messages and may have up to 12.5% of the total advertising time each month if space is available. A pro-rata share of the time allotted for City promotional messages shall be distributed throughout the day, including prime time. All City Promotional Message content will be provided by City at its sole cost and expense. In order to ensure the timely display of each City Promotional Message, City will endeavor to provide its message content at least three months in advance of the requested date for display of the content, but Tenant will use reasonable commercial efforts to accommodate City Promotional Message requests whenever the content is provided. All City Promotional Messages must be in a format and consistent with such specifications and protocols as may be provided by Tenant from time to time. Tenant will have no liability whatsoever for the content, art or copy of any City Promotional Message provided by or on behalf of

City and such content, art and copy will, at all times, be subject to reasonable approval by Tenant.

3.7 Emergency Messages. Landlord also has the right to display emergency messages on the Digital Sign during emergencies that involve the need to reach the traveling public at-large. For purposes of this Lease, an "emergency" means a bona-fide emergency involving the public health, safety and welfare as reasonably determined by the City Manager of City, the Captain or Commander of the Santa Clarita Valley Police Station or the Fire Chief of the Los Angeles County Fire Department, or their designees, acting in their official capacities. An "emergency" does not include traffic updates, routine traffic advisories or road advisories for previously scheduled maintenance, repair or improvement work. Landlord may display any emergency messages without interruption for up to one (1) hour and intermittently thereafter for a particular emergency.

3.8 LACMTA Transit Messages. The parties agree that LACMTA may provide transit informational messages and promote the use of LACMTA services and other regional public transit services ("Transit Messages") on the Digital Sign for up to 6.25% of the advertising time of the Digital Sign each month. To the extent that advertising time is unsold and available, including any City Promotional Messages (as set forth in Section 3.6), which will have priority over additional Transit Messages, LACMTA may also utilize up to an additional 6.25% of the advertising time on the Digital Sign for Transit Messages each month. As set forth above, the parties intend that the LACMTA will have at least 6.25% of the total advertising time on the Digital Sign per month available for Transit Messages and may have up to 12.5% of the total advertising time each month if space is available. The time allotted for Transit Messages must include reasonable exposure during peak travel times between the hours of 7 AM to 10 AM and 4 PM to 7 PM on weekdays. All Transit Message content will be provided by LACMTA at its sole cost and expense.

3.9 Collocation of Wireless Facilities. SCMC section 17.38.005.D.6 permits the collocation of wireless telecommunications facilities on the Digital Sign. If mutually desired, the parties agree to permit and cause any subtenants or licensees to permit the collocation of wireless telecommunications facilities on the Digital Sign. City may approve such facilities in accordance with the applicable provisions of the SCMC; provided that any such collocated wireless telecommunications facility is erected and maintained in a manner that does not interfere with the operation of the Digital Sign or the ability of the Digital Sign to generate revenue from outdoor advertising. All revenues generated by such collocated wireless telecommunications facilities will not be considered part of the Gross Revenue generated by the Digital Sign and will be divided between Landlord and Tenant in the same proportion as Net Revenues, or in such other manner as the parties may agree. The parties further agree that prior to permitting the collocation of any wireless telecommunications facilities on the Digital Sign, the parties will agree upon the allocation of responsibility for the installation and maintenance of the wireless telecommunications facilities.

[Norland Site Only]

3.10 Residential View Preservation. Prior to issuance of the building permit for the Digital Sign, Tenant must demonstrate to the satisfaction of the City

Council or its designee that the Digital Sign will not be visible from existing homes in the residential neighborhood immediately to the north or south of the Antelope Valley Freeway (SR-14) by utilizing one or more of the following measures: (1) reduction in height of the Digital Sign; (2) planting of Ficus Nitida or similar trees to be maintained by Tenant for the duration of the Lease; or (3) such other reasonable and effective measures as City may require. In the event that the Digital Sign becomes visible to the existing homes immediately north or south of the Digital Sign after the building permit is issued, the City may impose additional measures to ensure that the Digital Sign is not visible from these existing homes, up to and including, the removal and relocation of the Digital Sign.

4. HAZARDOUS MATERIALS

4.1 Tenant Hazardous/Toxic Materials Use and Indemnity. Tenant must operate and maintain the Premises in compliance with all, and may not cause or permit the Premises to be in violation of any federal, state or local environmental, health and/or safety related laws, regulations, standards, decisions of the courts, permits or permit conditions, currently existing or as amended or adopted in the future which are or become applicable to Tenant or the Premises ("Environmental Laws"). Except for Hazardous Materials expressly approved by Landlord in writing as shown on Exhibit "D", Tenant may not cause, or allow any of Tenant's employees, agents, customers, visitors, invitees, licensees, contractors, assignees, or subtenants (collectively, "Tenant's Parties") to cause or permit any Hazardous Materials to be brought upon, stored, used, generated, treated or disposed of on or about the Premises. Any Hazardous Materials on the site must be stored, used, generated and disposed of in accordance with all applicable Environmental Laws. As used herein, "Hazardous Materials" means any chemical, substance or material which is now or becomes in the future listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, its properties or effects.

Tenant must indemnify, defend (by counsel acceptable to Landlord) and hold harmless Landlord and its officials, officers, employees, agents, contractors, successors and assigns (individually and collectively, "Landlord Indemnitees"), from and against all loss, liability, claim, damage, costs and expenses (including without limitation, any fines, penalties, judgments, litigation expenses, attorneys' fees, and consulting, engineering, and construction fees and expenses) incurred by Landlord Indemnitees as a result of (a) Tenant's breach of any prohibition or provision of this section or (b) any release of Hazardous Materials upon or from the Premises or contamination of the Premises or adjacent property (i) which occurs due to the use and occupancy of the Premises by Tenant or Tenant's Parties, or (ii) which is made worse due to the act or failure to act of Tenant or Tenant's Parties.

The foregoing indemnity will be effective regardless of any negligence (whether active, passive, derivative, joint, concurring or comparative) on the part of Landlord Indemnitees, unless caused solely by the gross negligence or willful misconduct of Landlord Indemnitees; will survive termination of this Lease; and is in addition to any other rights or remedies which Landlord Indemnitees may have under the law or under this Lease.

In addition, in the event of any release or contamination of the Premises caused by the negligence of Tenant or any of Tenant's Parties, Tenant, at its sole expense, must promptly take all actions necessary to clean up the affected property (including the Premises and all affected adjacent property) and to return the affected property to the condition existing prior to such release or contamination, to the satisfaction of Landlord and any governmental authorities having jurisdiction over the Premises.

4.2 Landlord Hazardous/Toxic Materials Use and Indemnity. Except for Hazardous Materials expressly approved by Landlord as shown on Exhibit "D", Landlord may not cause, or allow any of Landlord's employees, agents, or contractors, (collectively, "Landlord's Parties") to cause or permit any Hazardous Materials to be brought upon, stored, used, generated, treated or disposed of on or about the Premises. Landlord further agrees to comply with all Environmental Laws with respect to its operations and use of the Landlord Property.

Landlord agrees to indemnify, defend (by counsel acceptable to Tenant) and hold harmless Tenant and its subsidiaries, and their respective directors, officials, officers, employees, agents, contractors, successors and assigns (individually and collectively, "Tenant Indemnitees"), from and against all loss, liability, claim, damage, costs and expenses (including without limitation, any fines, penalties, judgments, litigation expenses, attorneys' fees, and consulting, engineering, and construction fees and expenses) incurred by Tenant Indemnitees as a result of any breach of this section or any existing condition, contamination or Hazardous Materials, which may be present on or about the Premises or Landlord Property [including without limitation as disclosed in the Phase 1 Report – Remsen only], or release of Hazardous Materials upon or from the Premises or contamination of the Premises or adjacent property (i) which occurs due to the use and occupancy of the Premises or Landlord Property by Landlord, or (ii) which is made worse due to the act or failure to act of Landlord or Landlord's Parties.

The foregoing indemnity will be effective regardless of any negligence (whether active, passive, derivative, joint, concurring or comparative) on the part of Tenant Indemnitees, unless caused solely by the gross negligence or willful misconduct of any Tenant Indemnitees; will survive termination of this Lease; and is in addition to any other rights or remedies which Tenant Indemnitees may have under the law or under this Lease.

In addition, in the event of any release or contamination of the Premises caused by the negligence of Landlord or any of Landlord's Parties, Landlord, at its sole expense, must promptly take all actions necessary to clean up the Premises and to return the Premises to the condition existing prior to such release or contamination, to the satisfaction of any governmental authorities having jurisdiction over the Premises.

4.3 Importation of Soil/Fill Dirt. Tenant may not bring upon or use any imported soil or fill dirt on the Premises in conjunction with any purposes allowed under this Lease, until it has been laboratory tested by a certified hazardous waste testing laboratory and the test results have been approved by Landlord.

4.4 Tests and Inspections. Upon reasonable prior notice to Tenant, Landlord will have the right at any time to inspect the Premises so as to monitor compliance with this Lease. If, in Landlord's reasonable judgment, any installation on, or use or condition of the Premises directly caused by Tenant may have an adverse effect on the Premises,

adjacent property or Landlord's operations, Landlord will be permitted to conduct any tests or assessments, including but not limited to environmental assessments, of, on or about the Premises, as it determines to be necessary or useful to evaluate the condition of the Premises. Tenant must cooperate with Landlord in any tests or inspections deemed necessary by Landlord.

5. [INTENTIONALLY OMITTED]

6. TAXES

If applicable, Tenant will be liable for all taxes levied or assessed against Tenant's possessory interest in and to real property, personal property, furniture, fixtures, and equipment located or placed on the Premises under this Lease, whether owned by the Tenant, or otherwise. The possessory interest created by the Lease may be subject to property taxation so that Tenant may be subject to the payment of property taxes levied on the interest and Tenant also agrees to pay before delinquency any and all possessory interest taxes due and arising from this Lease. The foregoing statement is included to comply with California Revenue and Taxation Code Section 107.6.

7. MAINTENANCE AND REPAIR

Tenant will be responsible for maintaining the Premises and Improvements subject to Section 10 below. Tenant must keep the Premises and Improvements clean, safe, sanitary and free and clear of debris, weeds, trash, vegetation, unauthorized vehicle parking, graffiti and occupancy by transients/homeless persons or individuals. Tenant further agrees to ensure that the Improvements will not unreasonably impede or interfere with the use or operation of the Landlord Property. As used herein, "maintain" means, as applicable, construct, install, paint, service, repair, alter, maintain, reconstruct, reinstall, replace, upgrade or remove. Subject to Landlord's reasonable consent, Tenant will be entitled to trim or remove vegetation on the Premises and any adjacent property owned or controlled by Landlord that obstructs the view of the Digital Sign from adjacent thoroughfares subject to compliance with City's applicable laws, including its Oak Tree Ordinance.

At Tenant's option, Tenant must construct a wrought-iron fence or barricade, of a type approved in writing by Landlord, either (a) around the base of the Digital Sign structure, or (b) along the boundary lines of the Premises adjoining other property owned by Landlord.

8. ALTERATIONS, LIENS AND SIGNS

8.1 Alterations. Except for the Improvements including the Digital Sign and the use of the Premises as described in Section 3, Tenant may make no additional alterations, additions or improvements to the Premises without obtaining the prior written consent of Landlord in each instance. Tenant must notify Landlord in writing at least 30 days prior to the commencement of any such work in or about the Premises. If Landlord consents to the construction of any additional improvements by Tenant, all such construction work must be carried out in compliance with any and all state and City rules, regulations and requirements.

8.2 Liens. Tenant has no authority to create or place any lien or encumbrance of any kind or nature whatsoever upon the interest of Landlord or Tenant in the Premises for any claim in favor of any person dealing with Tenant, including those who may furnish materials or perform labor for any construction or repairs. Tenant covenants and agrees that it will pay or cause to be paid all sums legally due and payable by it on account of any labor performed or materials furnished in connection with any work performed by Tenant on the Premises. Tenant must discharge of record by payment, bonding or otherwise any claim of lien or stop notice filed against the Premises on account of any labor performed or materials furnished in connection with any work performed by Tenant on the Premises immediately upon the filing of any claim of lien or stop notice. Tenant must indemnify and hold Landlord harmless from any and all loss, cost or expense based on or arising out of asserted claims, liens or stop notice against the leasehold estate or against the right, title and interest of Landlord in the Premises or this Lease arising from the act or agreement of Tenant. If Tenant becomes aware of the placing of a lien, stop notice, or encumbrance against the Premises, Tenant agrees to give Landlord immediate written notice of the placing of any lien or stop notice or encumbrance against the Premises. Notwithstanding the above, Tenant may, with Landlord's reasonable written consent, encumber the Digital Sign and its other permitted improvements.

8.3 Signs. Except for the Digital Sign, Tenant may not, erect or install any other signs, decorations or advertising media of any type which can be viewed from outside the Premises.

9. UTILITIES

Tenant must cause to be paid for all water, gas, electrical, heat, light, telephone, sewer and other utilities and services used on or from the Premises directly to the utility providing the same. If any utility company requires a license or permit from Landlord to cross property of Landlord other than the Premises before services will be provided Landlord may charge Tenant a fee to cover the expense of preparing and processing each such license or permit. Notwithstanding the above, these expenses will be shared among Landlord and Tenant as provided in Exhibit "F" ("Rent Schedule").

10. DAMAGE OR DESTRUCTION

10.1 Duty to Repair or Replace Digital Sign. Landlord acknowledges and agrees that regardless of any changes in the Applicable Rules (as defined in the Development Agreement), that this Lease will continue in full effect if: (a) the Digital Sign is damaged or destroyed in whole or part by any cause covered by the All Risk insurance Tenant is required to maintain under Exhibit "C", or (b) if not covered by such All Risk insurance, then if the cost to repair the damage is less than or equal to two times the Gross Revenue for the Digital Sign for the preceding two years. Tenant must repair or replace the Digital Sign at no cost to Landlord using the insurance proceeds Tenant receives or is entitled to receive under the required All Risk policy. All costs that exceed the insurance proceeds, or if not covered by insurance, will be allocated as a Capital Expense between the parties in accordance with Exhibit "F". Tenant must promptly apply for, and diligently pursue the issuance of, any permits or approvals it needs to repair or replace the Digital Sign, and Landlord agrees to promptly process any required application. Within 30 days after obtaining the necessary permits and

approvals, Tenant must cause to begin the work to repair or replace the Digital Sign. Tenant must cause the work to be completed within 180 days after the work begins. If the cost to repair any uninsured damage is greater than two times the Gross Revenue for the Digital Sign for the preceding two years, then Tenant may terminate this Lease and surrender the Premises in accordance with Section 15.

10.2 Election Not to Repair or Replace Digital Sign. Tenant may also elect not to repair or replace the Digital Sign if (a) the cost to repair or replace it exceeds 50% of its fair-market value immediately before it is damaged or destroyed; and (b) the damage or destruction occurs during the last five (5) years of the Term. If Tenant elects not to repair or replace the Digital Sign, then Tenant must (a) notify the Landlord in writing of its election; and (b) use the insurance proceeds Tenant receives for the damage or destruction to remove the Digital Sign and restore the Premises in accordance with Section 15. Upon removal of the Digital Sign and the restoration of the Premises, this Lease will terminate.

11. INSURANCE AND INDEMNIFICATION

11.1 Landlord's Insurance. Landlord may maintain insurance covering the Premises and Landlord's ownership and operation thereof in such types and amounts as it deems necessary in its sole discretion. Such insurance must be for the sole benefit of Landlord and under its sole control. Tenant's insurance policies must provide primary coverage to Landlord; when any such policy issued to Landlord provides duplicate coverage or is similar in coverage, Landlord's policy will be excess over Tenant's policies.

11.2 Tenant's Insurance Obligations. For claims or liabilities for personal injury or death, or property damage arising under this Lease, including Tenant's use of the Premises and the Digital Sign, Tenant represents that it is self-insured and relies on excess insurance layers to cover liabilities in excess of its self-insured retention. Tenant will provide Landlord with reasonable evidence of such coverages upon request and will promptly notify Landlord in writing of any changes in the amount of its self-insurance or the availability of sufficient reserves in order to pay any claims or liabilities up to the stated amount of self-insurance. Tenant must require any licensees to maintain in full force and effect during the Term of this Lease insurance in the amounts and coverages and issued by an insurer in accordance with the requirements of Exhibit "C". Landlord will share in the cost of any premiums or assessments for insurance required to be maintained by Tenant under this Lease as an Operational Expense in the manner provided in Exhibit "F" of this Lease.

11.3 Tenant Indemnification. Tenant, on behalf of itself and its successors and assigns, agrees to indemnify, defend (by counsel satisfactory to Landlord), and hold harmless Landlord, its officials, officers, commissioners, employees, agents, successors and assigns (individually and collectively, "Landlord Indemnitees") to the maximum extent allowed by law, from and against all loss, liability, claims, demands, suits, liens, claims of lien, damages (including consequential damages), costs and expenses (including, without limitation, any fines, penalties, judgments, litigation expenses, and experts' and attorneys' fees), that are incurred by or asserted against Landlord Indemnitees arising out of or connected in any manner with (i) the acts or omissions to act of the Tenant in connection with the Premises or arising from the presence upon or

performance of activities by Tenant with respect to the use of the Premises; (ii) bodily injury to or death of any person (including employees of Landlord Indemnitees) or damage to or loss of use of property resulting from such acts or omissions of Tenant, including arising from traffic accidents related to the operation of the Digital Sign; (iii) non-performance or breach by Tenant of any term or condition of this Lease; (iv) the character or contents of subject matter displayed from the Digital Sign (except pertaining to any City Promotional Messages); (v) any actual or alleged infringement of any intellectual property right relating to the Digital Sign or any subject matter displayed on the Digital Sign (except pertaining to any City Promotional Messages); (vi) any violation of applicable law by Tenant; and (vii) any legal action or proceeding brought to challenge the validity of this Lease or any other permit or approval that authorizes the installation and use of the Digital Sign on the Premises, in each case whether occurring during the Term of this Lease or thereafter.

As used in this section, "Tenant" includes Tenant and its subsidiaries, and their respective officials, officers, directors, employees, agents, subtenants, licensees, or contractors.

The foregoing indemnity will be effective regardless of any negligence (whether active, passive, derivative, joint, concurring or comparative) on the part of Landlord Indemnitees, unless caused solely by the gross negligence or willful misconduct of Landlord Indemnitees; will survive termination of this Lease; and is in addition to any other rights or remedies which Landlord Indemnitees may have under the law or under this Lease.

Claims against the Landlord Indemnitees by Tenant may not limit the Tenant's indemnification obligations hereunder in any way, whether or not such claims against Landlord Indemnitees may result in any limitation on the amount or type of damages, compensation, or benefits payable by or for Tenant under workers' compensation acts, disability benefit acts or other employee benefit acts or insurance.

11.4 Landlord Indemnification. Landlord, on behalf of itself and its successors and assigns, agrees to indemnify, defend (by counsel satisfactory to Tenant), and hold harmless Tenant, its subsidiaries, and their respective directors, officials, officers, commissioners, employees, agents, successors and assigns (individually and collectively, "Tenant Indemnitees") to the maximum extent allowed by law, from and against all loss, liability, claims, demands, suits, liens, claims of lien, damages (including consequential damages), costs and expenses (including, without limitation, any fines, penalties, judgments, litigation expenses, and experts' and attorneys' fees), that are incurred by or asserted against Tenant Indemnitees arising out of or connected in any manner with (i) the acts or omissions to act of Landlord in connection with the Premises or arising from the presence upon or performance of activities by Landlord with respect to the use of the Premises; (ii) bodily injury to or death of any person (including employees of Tenant Indemnitees) or damage to or loss of use of property resulting from such acts or omissions of Landlord; (iii) non performance or breach by Landlord of any term or condition of this Lease; (iv) any violation of applicable law by Landlord; and (v) any actual or alleged infringement of any First Amendment right relating to Tenant's compliance with or implementation of Landlord's advertising criteria set forth in Exhibit "E".

As used in this section, "Landlord" includes Landlord and its officials, officers, directors, employees, agents, licensees, contractors, or subcontractors.

The foregoing indemnity will be effective regardless of any negligence (whether active, passive, derivative, joint, concurring or comparative) on the part of Tenant Indemnitees, unless caused solely by the gross negligence or willful misconduct of Tenant Indemnitees; will survive termination of this Lease; and is in addition to any other rights or remedies which Tenant Indemnitees may have under the law or under this Lease.

Claims against the Tenant Indemnitees by Landlord may not limit the Landlord's indemnification obligations hereunder in any way, whether or not such claims against Tenant Indemnitees may result in any limitation on the amount or type of damages, compensation, or benefits payable by or for Landlord under workers' compensation acts, disability benefit acts or other employee benefit acts or insurance.

12. LANDLORD'S RIGHT OF ACCESS

Tenant will permit Landlord and its agents, at all reasonable times and at any time in case of emergency, in such manner as to cause as little disturbance to Tenant as reasonably practicable (a) to enter into and upon the Premises to inspect them or to protect Landlord's interest therein, (b) to take all necessary materials and equipment onto the Premises, and perform necessary work thereon, and (c) to perform environmental testing, monitoring, sampling, digging, drilling and analysis for Hazardous Materials on, under or about the Premises.

13. ASSIGNMENT AND SUBLETTING

13.1 Landlord's Consent. Tenant may not assign all or any portion of its interest in this Lease, whether voluntarily, by operation of law or otherwise, and may not sublet all or any portion of the Premises, including, but not limited to, sharing them, permitting another party to occupy them or granting concessions or licenses to another party, except with the prior written consent of Landlord, which Landlord may withhold in its reasonable discretion. Subject to Landlord's reasonable discretion, Tenant is also permitted to assign a portion of its interest in this Lease to Tenant's "Sign Manager" to construct, develop, implement and operate the Digital Sign. Landlord hereby approves All Vision, LLC, a Delaware limited liability company, as Tenant's initial Sign Manager.

13.2 Fees. Tenant must pay Landlord's attorneys' fees incurred in evaluating any proposed assignment or sublease and in documenting Landlord's consent.

13.3 Procedure. Whenever Tenant has obtained an offer to assign any interest in this Lease or to sublease all or any portion of the Premises, Tenant must provide to Landlord the name and address of said proposed assignee or sublessee, all compensation, the proposed use by the proposed assignee or sublessee, the proposed effective date of the assignment or subletting, and any other business terms which are material to the offer and which differ from the provisions of this Lease ("Notice of Offer"). Tenant must also provide to Landlord the nature of business, financial statement and business experience resume for the immediately preceding five years of the proposed assignee or sublessee and such other information concerning such proposed assignee or sublessee as Landlord may require. The foregoing information must be in writing and

must be received by Landlord no less than 30 days prior to the effective date of the proposed assignment or sublease.

Within 30 days of receiving a complete Notice of Offer for the proposed assignment or subletting, Landlord must either notify Tenant that Landlord consents to the proposed assignment or subletting or withholds its consent for reasons to be specified in the notice. If Landlord does not provide a notice granting its consent to Tenant within 30 days of receiving a Notice of Offer, Landlord will be deemed to have withheld its consent to the proposed assignment or subletting, and Landlord's reasons for such action will be furnished to Tenant upon request.

13.4 Continuing Tenant Obligations. Any subleasing or assignment, even with the approval of Landlord, will not relieve Tenant from liability for payment of all forms of Rent and other charges herein provided or from the obligations to keep and be bound by the terms, conditions and covenants of this Lease.

13.5 Waiver, Default and Consent. The acceptance of Rent from any other person will not be deemed to be a waiver of any of the provisions of this Lease or a consent to the assignment or subletting of the Premises. Any assignment or sublease without Landlord's prior written consent will be voidable, at Landlord's election, and will constitute a default hereunder. Consent to any assignment or subletting will not be deemed a consent to any future assignment or subletting.

14. CONDEMNATION

14.1 Total Taking. If the whole or any substantial part of the Premises, as determined by Landlord, should be taken or damaged because of the exercise of the power of eminent domain, whether by condemnation proceedings or otherwise, including acts or omissions constituting inverse condemnation, or any transfer of the Premises or portion thereof in avoidance of the exercise of the power of eminent domain (collectively, a "Taking"), and the Taking would prevent or materially interfere with the use of the Premises for the purpose for which they are being used, as determined by Landlord, this Lease will terminate effective when the physical Taking of the Premises occurs. Notwithstanding the foregoing, any cancellation of this Lease by Landlord as provided in Section 17.2.1, for any reason, including but not limited to a decision by Landlord to use the Premises itself or for any public purpose, will not be a "Taking", and no rights will accrue to Tenant under this Section 14 or otherwise.

14.2 Partial Taking. If part of the Premises is subject to a Taking and this Lease is not terminated as provided in Section 14.1 above, this Lease will not terminate.

14.3 Condemnation Award. The entire award or compensation for any Taking of the Premises, or any part thereof, or for diminution in value, will be the property of Landlord and Tenant hereby assigns its interest in any such award to Landlord. The parties' interests in any award for the taking of any interest in this Lease or the Digital Sign, including loss of business and goodwill, will be allocated in proportion to the parties' respective percentage payments for the Capital Expenses, Entitlement Expenses and Upgrade Expenses, as applicable, under Exhibit "F" (Rent Schedule) of this Lease.

14.4 Exclusive Remedy. This Section 14 will be Tenant's sole and exclusive remedy in the event of any Taking. Tenant hereby waives the benefits of California Code of Civil Procedure Section 1265.130.

15. SURRENDER

15.1 Upon termination or expiration of this Lease, and unless otherwise agreed by Landlord and Tenant, Tenant must, at its sole cost and expense, completely remove the Digital Sign, including, but not limited to, any structure or facility erected or maintained as part of or in relation to the Digital Sign, from the premises within 90 days from receipt of demolition permits from the City for such removal. Removal of the Digital Sign will be in accordance with any applicable federal, state, or local regulations, including regulations of the City. Tenant will, at its sole cost and expense, secure any required permit to remove and properly transport the Digital Sign from the Premises.

15.2 In the event that Tenant fails to timely remove the Digital Sign as provided in Section 15.1, Landlord may remove the Digital Sign and dispose of same and exercise its rights below to pay for such removal. Any such removal of the Digital Sign by Landlord after the termination or expiration of this Agreement will not entitle Tenant to any damages of any kind whatsoever against Landlord, and Tenant hereby releases the Landlord, its officers, employees, agents or contractors from any claims or liabilities, for any action by the Landlord, its officers, employees, agents or contractors in removing the Digital Sign. Should Landlord be required to exercise its rights under this Section 15.2 due to Tenant's failure to comply with this Section, or should Tenant fail to pay all costs and expenses of removal of the Digital Sign, Tenant will be liable to Landlord to pay any reasonable expenses incurred by Landlord in exercising its rights under this Section 15.2 and will pay Landlord such costs within no more than 10 days following Landlord's delivery of an invoice itemizing such expenses and demanding payment for the same.

16. QUIET ENJOYMENT

Landlord represents and warrants that it has full rights and authority to enter into this Lease and that Tenant, upon paying the Rent herein set forth and performing its other covenants and agreements herein set forth, will peaceably and quietly have, hold and enjoy the Premises for the Term without hindrance or molestation from Landlord, subject to the terms and provisions of this Lease and all matters of record.

17. EVENTS OF DEFAULT; LANDLORD'S REMEDIES

17.1 Events of Default. Tenant will be deemed to be in default under this Lease when any of the following occurs:

17.1.1 Tenant fails to pay any installment of the Rent when due, or any other payment or reimbursement to Landlord required herein when due and such failure to pay continues for 15 days after written notice to Tenant. This default does not include the failure to pay any Rent to the extent that funds have not been timely transferred by the Bank as further described in Exhibit "F".

17.1.2 Tenant does not pay any financial obligations under this Lease as they become due and such failure to pay continues for 15 days after written notice to Tenant.

17.1.3 Tenant admits in writing the inability to pay its obligations or makes a general assignment for the benefit of creditors; a receiver or trustee (or similar official) is appointed for all or substantially all of the assets of Tenant; or the filing of any voluntary petition by Tenant under the Bankruptcy Code, or the filing of an involuntary petition by Tenant's creditors, which involuntary petition remains undischarged for a period of 45 days; or the attachment, execution or other judicial seizure or non judicial seizure of all or substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease or the Premises, if such attachment or other seizure remains undismissed or undischarged for a period of 10 business days after the levy thereof.

17.1.4 Tenant vacates all or a substantial portion of the Premises, whether or not Tenant is in default of the Rent or other charges due under this Lease.

17.1.5 Tenant fails to comply with any other term, provision or covenant of this Lease, and does not cure such failure within 30 days after written notice thereof to Tenant, or if any such failure would reasonably require more than 30 days to cure, Tenant fails to commence curing within the 30 day notice period or fails thereafter to promptly, effectively, and continuously proceed with the cure of such failure. Such notice will be in lieu of and not in addition to any notice required under Section 1161 of the California Code of Civil Procedure.

17.2 Landlord's Remedies. Upon the occurrence of any of the events of default described in Section 17.1, Landlord will have the option to pursue any one or more of the following remedies as allowed by law:

17.2.1 Termination. Landlord will have the right, at any time, with or without notice or demand, to terminate this Lease, and at any time thereafter to recover possession of the Premises or any part thereof and expel and remove therefrom Tenant and any other person occupying the same, by any lawful means, and again repossess and enjoy the Premises without prejudice to any of the remedies that Landlord may have under this Lease, at law or equity by reason of Tenant's default or of such termination.

17.2.2 Damages upon Termination. Should Landlord terminate this Lease pursuant to the provisions of Section 17.2.1, Landlord, without limiting any other remedy, will have all the rights and remedies of a landlord provided by Section 1951.2 of the California Civil Code, or any successor code section.

17.2.3 Costs. If Landlord incurs any cost or expense occasioned by the default of Tenant (including but not limited to attorneys' fees and costs), then Landlord will be entitled to receive such costs together with interest on all funds Landlord expends at the lesser of ten percent (10%) per annum or the maximum rate allowed by law, the costs of removing and storing Tenant's or other occupant's property; the costs of repairing, altering, remodeling or otherwise

putting the Premises into condition acceptable to a new tenant or tenants; and all reasonable expenses incurred by Landlord in enforcing or defending Landlord's right and/or remedies, including attorneys' fees whether or not suit is actually filed.

17.2.4 Remedies Cumulative. All rights, privileges and remedies of the parties are cumulative and not alternative or exclusive to the extent permitted by law except as otherwise provided herein.

17.2.5 Landlord's Cure; Reimbursement by Tenant. If Tenant should fail to make any payment, take any required action or cure any default hereunder within the time herein permitted, Landlord, without being under any obligation to do so and without thereby waiving such default, may make such payment, take such action and/or remedy such other default for the account of Tenant (and enter the Premises for such purpose), and thereupon Tenant will be obligated to, and hereby agrees, to pay Landlord, upon demand, all costs, expenses and disbursements (including attorneys' fees) incurred by Landlord in making such payment or taking such remedial action.

18. TENANT'S REMEDIES

18.1 Landlord's Default. Landlord will not be in default under this Lease unless Landlord fails to perform obligations required of Landlord within 30 days after written notice is delivered by Tenant to Landlord specifying the obligation which Landlord has failed to perform; provided, however, that if the nature of Landlord's obligation is such that more than 30 days are required for performance, then Landlord will not be in default if Landlord commences performance within such 30-day period and thereafter diligently prosecutes the same to completion. All obligations of Landlord hereunder will be construed as covenants, not conditions.

18.2 Tenant's Remedies. Except as provided below, in the event of any default by Landlord, Tenant's exclusive remedies will be: (1) an action for specific performance; (2) or if such remedy cannot make Tenant whole, then an action for actual damages may be brought; provided, however, that Tenant expressly waives the right to any cause of action or claim for consequential, economic, or incidental damages, including lost profits, as well as any cause of action or claim for exemplary or punitive damages; or (3) to terminate this Lease. Tenant hereby waives the benefit of any laws granting it the right to perform Landlord's obligation, the right to place a lien upon the property of Landlord and/or upon Rent due Landlord on account of any Landlord default.

19. GENERAL PROVISIONS

19.1 Time of Essence. Time is of the essence.

19.2 Binding Effect. The terms, provisions and covenants and conditions contained in this Lease will apply to, inure to the benefit of, and be binding upon, the parties hereto and upon their respective heirs, legal representatives, successors and permitted assigns, except as otherwise herein expressly provided. If more than one person executes this Lease as Tenant, then each will be jointly and severally liable for all obligations of Tenant hereunder.

19.3 Governing Law and Venue. This Lease has been negotiated and executed in the State of California and will be governed by and construed under the laws of the State of California. In the event of any legal action to enforce or interpret this Lease, the sole and exclusive venue will be a court of competent jurisdiction located in Los Angeles County, California, and the parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding the provisions of California Code of Civil Procedure section 394.

19.4 Captions. The captions inserted in this Lease are for convenience only and in no way define, limit or otherwise describe the scope or intent of this Lease, or any provision hereof, or in any way affect the interpretation of this Lease.

19.5 Certificates. Tenant agrees from time to time within ten (10) days after request of Landlord, to deliver to Landlord, or Landlord's designee, an estoppel certificate stating that this Lease is in full force and effect, the date to which Rent has been paid, the unexpired Term of this Lease and such other matters pertaining to this Lease as may be requested by Landlord.

19.6 Entire Agreement; Amendments. This Lease constitutes the entire understanding and agreement of Landlord and Tenant with respect to the subject matter of this Lease, and contains all of the covenants and agreements of Landlord and Tenant with respect thereto. Landlord and Tenant each acknowledge that no representations, inducements, promises or agreements, oral or written, have been made by Landlord or Tenant, or anyone acting on behalf of Landlord or Tenant, which are not contained herein, and any prior agreements, promises, negotiations, or representations not expressly set forth in this Lease are of no force or effect. This Lease may not be altered, changed or amended except by an instrument in writing signed and dated by both parties.

19.7 Waivers. The waiver by either party of any term, covenant, agreement or condition herein contained will not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, agreement or condition herein contained, nor will any custom or practice which may grow up between the parties in the administration of this Lease be construed to waive or lessen the right of the party to insist upon performance in strict accordance with all of the provisions of this Lease. The failure of a party to insist upon strict performance of any of the terms, conditions, and covenants of this Lease will not be deemed a waiver of any right or remedy that party may have, and will not be deemed a waiver of any right or remedy for a subsequent breach or default of the terms, conditions and covenants herein contained. The subsequent acceptance of Rent hereunder by Landlord will not be deemed to be a waiver of any preceding breach by Tenant of any provisions, covenant, agreement or condition of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent.

19.8 Dispute Resolution. If a dispute arises out of or relates to any aspect of this Lease and if the dispute cannot be settled through negotiation, Landlord and Tenant agree to discuss in good faith the use of mediation or other voluntary dispute resolution process before resorting to litigation. Such dispute resolution process may include any manner of dispute resolution that is mutually agreed upon by the parties. The results of

any dispute resolution proceeding will not be binding upon the parties except by separate agreement approved in writing by both parties.

19.9 Survival of Obligations. All obligations of Tenant hereunder not fully performed as of the expiration or earlier termination of the Term of this Lease will survive the expiration or earlier termination of the Term, including without limitation, all payment obligations with respect to Rent and all obligations concerning the condition of the Premises.

19.10 Severability. If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws effective during the Term of this Lease, then and in that event, it is the intention of the parties hereto that the remainder of this Lease will not be affected thereby, and it is also the intention of the parties to this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable, there be added as a part of this Lease a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

19.11 Easements. Landlord reserves to itself the right, from time to time, to grant such easements, rights and dedications that Landlord deems necessary or desirable, and to cause the recordation of parcel maps, easement agreements and covenants, conditions and restrictions, so long as such easements, rights, dedications, maps and covenants, conditions and restrictions do not unreasonably interfere with the permitted use of the Premises by Tenant. Tenant must sign any of the aforementioned documents upon request of Landlord and failure to do so will constitute a material breach of this Lease.

19.12 Performance Under Protest. If at any time a dispute arises as to any amount or sum of money to be paid by one party to the other under the provisions hereof, the party against whom the obligation to pay the money is asserted will have the right to make payment "under protest" and such payment will not be regarded as a voluntary payment, and there will survive the right on the part of said party to institute suit for recovery of such sum. If it is adjudged that there was no legal obligation on the part of said party to pay such sum or any part thereof, said party will be entitled to recover such sum or so much thereof as it was not legally required to pay under the provisions of this Lease.

19.13 No Third Party Beneficiaries. This Lease is not intended by either party to confer any benefit on any third party, including without limitations any broker, finder, or brokerage firm.

19.14 Effective Date/Nonbinding Offer. Submission of this Lease for examination or signature by Tenant does not constitute an offer or option for lease, and it is not effective as a lease or otherwise until executed and delivered by both Landlord and Tenant. Each individual executing this Lease on behalf of Landlord or Tenant represents and warrants to the other party that he or she is authorized to do so.

19.15 Recording. The parties agree that a memorandum of this Lease will be recorded in the office of the Los Angeles County Recorder.

19.16 Notices. Each provision of this Lease or of any applicable governmental laws, ordinances, regulations and other requirements with reference to the sending, mailing or delivery of any notice or the making of any payment by one party to the other will be deemed to be complied with when and if the following steps are taken:

(a) All Rent and other payments required to be made hereunder will be payable to the applicable party hereto as follows: to Landlord at the address set forth in Item 8 of the Basic Lease Provisions, and to Tenant at the address set forth in Item 9 of the Basic Lease Provisions, or at such other addresses as the parties may have hereafter specified by written notice. All obligations to pay Rent and/or any other amounts under the terms of this Lease will not be deemed satisfied until such Rent and other amounts have been actually received by the respective party.

(b) Wherever any notice is required or permitted hereunder, such notice must be in writing. Any notice or document required or permitted to be delivered hereunder will be deemed to be delivered upon receipt or first attempted delivery to the correct address by United States mail, postage prepaid, certified or registered mail, return receipt requested, or by Federal Express or other reputable overnight delivery service addressed to the parties hereto as follows: if to Landlord, then at the address specified in Item 8 of the Basic Lease Provisions; if to Tenant, then at the address specified in Item 9 of the Basic Lease Provisions; or at such other address (but no more than one (1) address at a time) as the recipient may theretofore have specified by written notice.

19.17 Water, Oil and Mineral Rights. Landlord reserves all right, title or interest in water, oil, gas or other hydrocarbons, other mineral rights and air and development rights, together with the sole and exclusive right of Landlord to sell, lease, assign or otherwise transfer the same, but without any right of Landlord or any such transferee to enter upon the Premises during the Term except as otherwise provided herein.

19.18 Broker's Fees. The parties acknowledge and agree that Landlord is not liable for any fee or compensation with respect to any broker, agent or other person in connection with this transaction, and Tenant agrees to indemnify and hold Landlord harmless from and against any claims by any other broker, agent or other person claiming a commission or other form of compensation by virtue of having dealt with Tenant with regard to this leasing transaction.

19.19 Nondiscrimination. Tenant certifies and agrees that all persons employed by Tenant and its affiliates, subsidiaries, and holding companies are and must be treated equally without regard to or because of race, religion, ancestry, national origin, or sex, and in compliance with all federal and state laws prohibiting discrimination in employment, including but not limited to the Civil Rights Act of 1964; the Unruh Civil Rights Act; the Cartwright Act; and the California Fair Employment Practices Act.

19.20 Holding Over. In the event that Tenant does not immediately surrender the Premises to Landlord on the expiration date of the Term or earlier termination of this Lease, Tenant will be deemed to be a month to month tenant upon all of the terms and provisions of this Lease, except that in the event that Tenant continues in possession of the Premises without the expressed written consent of Landlord, Tenant must pay 100%

of the Gross Revenue generated by the Digital Sign that is received during such hold over period. If Tenant holds over after the expiration date of the Term or earlier termination of this Lease, and Landlord desires to regain possession of the Premises, then Landlord may forthwith re-enter and take possession of the Premises by any legal process in force in the State of California.

19.21 Subordinate Rights. This Agreement is subject and subordinate to the prior and continuing right and obligation of Landlord, its successors and assigns, to use Landlord Property or any portion thereof in the exercise of its powers and in the performance of its duties, including those as a public entity. Accordingly, there is reserved and retained unto Landlord, its successors, assigns and permittees, the right to construct, reconstruct, operate, maintain, use and/or relocate existing facilities and appurtenances in, upon, over, under, across and along Landlord Property or any portion thereof, and in connection therewith the right to grant and convey to others, rights and interests to Landlord Property or any portion thereof. This Lease is subject to all licenses, leases, easements, reservations, restrictions, conditions, covenants, encumbrances, liens, claims and other matters of title ("title exceptions") which may affect the Premises or Landlord Property now or hereafter, and this Agreement is executed and delivered by Landlord without any warranty of title, express or implied, and the words "grant" or "convey" as used herein will not be construed as a warranty of title or as a covenant against the existence of any such title exceptions.

Exhibit "A"

Description and Site Plan of the Premises

Exhibit "B"
Digital Sign Plan

Exhibit "C"

INSURANCE REQUIREMENTS FOR LEASES, LICENSES, AND PERMITS

Tenant must procure and maintain, for the duration of the contract, insurance against claims for injuries to persons or damages to property which may arise from, or in connection with, the use of Landlord property hereunder by the Tenant, its licensee, agents, representatives, employees, contractors, or subcontractors.

Minimum Scope of Insurance

Coverage must be at least as broad as:

Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).

Insurance Services Office Form No.CA 0001 covering Automobile Liability, code 1 (any auto).

Worker's Compensation insurance as required by the State of California and Employer's Liability Insurance.

Course of Construction insurance form providing coverage for "all risks" of loss.

Property insurance against all risks of loss to any Tenant improvements or betterments.

Minimum Limits of Insurance (Check all applicable boxes)

Tenant must maintain limits no less than:

General Liability: \$2,000,000 per occurrence 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 will apply separately to this project/location or the general aggregate limit must be twice the required occurrence limit.

Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.

Course of Construction (Builder's Risk): Completed value of the project.

Property Insurance: Full replacement cost with no coinsurance penalty provision.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by Landlord. At the option of Landlord, either: the insurer must reduce or eliminate such deductibles or self-insured retentions as respects Landlord, its officials and employees; or the Tenant must procure a bond guaranteeing payment of losses, and related investigations, claim administration and defense expenses.

Other Insurance Provisions

The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. Landlord, its officials, employees, agents and contractors are to be covered as insureds as respects: liability arising out of activities performed by or on behalf of the Tenant; products and completed operations of the Tenant; premises owned, occupied or used by the Tenant; and automobiles owned, leased, hired or borrowed by the Tenant. The coverage must contain no special limitations on the scope of protection afforded to Landlord, its subsidiaries, officials and employees.
2. For any claims related to this project, the Tenant's insurance coverage must be primary insurance as respects Landlord, its subsidiaries, officials and employees. Any insurance or self-insurance maintained by Landlord, its subsidiaries, officials and employees will be excess of the Tenant's insurance and will not contribute with it.
3. Any failure to comply with reporting or other provisions of the policies including breaches of warranties will not affect coverage provided to Landlord, its subsidiaries, officials and employees.
4. The Tenant's insurance will 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.
5. Each insurance policy required by this clause must be endorsed to state that coverage will not be suspended, voided, canceled by either a party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to Landlord.
6. Workers' Compensation policy must contain the inclusion of the Landlord, its officials, employees, agents and contractors as additional insured or provide a waiver of subrogation.
7. Landlord lease number, if any, must be included with description of leased premises.

Course of construction policies must contain the following provisions:

1. Landlord must be named as loss payee.
2. The insurer must waive all rights subrogation against Landlord.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A- VII, unless otherwise approved by Landlord.

Verification of Coverage

Tenant must furnish Landlord with original endorsements and certificates of insurance evidencing coverage required by this Lease. All documents are to be signed by a person authorized by that insurer to bind coverage on its behalf. All documents are to be received and approved by Landlord before work commences. As an alternative, the Tenant may provide complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications.

Contractors and Subcontractors

Tenant must include all contractors and subcontractors as insureds under its policies or require certificates and endorsements for each contractor and subcontractor. All coverages for contractors and subcontractors will be subject to all of the requirements stated herein. The administration of insurance compliance of contractors and subcontractors will be subject to audit review by Landlord.

Exhibit "D"

Permitted Hazardous Materials

No Hazardous Materials are permitted to be used or stored on Premises, except for those materials and vehicles associated with the routine operation, maintenance and access to and from the Premises for the use described in Item 6 of the Basic Lease Provisions and Section 3 of the General Lease Provisions.

Exhibit "E"

Advertising Restrictions

The primary purpose of the Digital Sign is to generate revenue for the parties, and the display of advertising is solely for this purpose. The Digital Sign is not intended to provide a general public forum for purposes of communication, but rather to make use of property held by the City in a proprietary capacity in order to generate revenue.

Except for any advertising or messages displayed on the Digital Sign at the request of the City (City Promotional Messages) or LACMTA, all advertising to be displayed on the Digital Sign must be strictly "commercial advertising." As used in this Lease, "commercial advertising" means advertising for a commercial or industrial business, product, good, service, or other commercial or industrial activity for a commercial or industrial purpose.

In addition to the general limitation on advertising to strictly commercial advertising, Tenant may not display any message that in the judgment of the City Manager of City or his or her designee:

1. is false, misleading, or deceptive;
2. promotes the sale or use of tobacco products, or medical marijuana, whether directly or indirectly;
3. depicts violence or anti-social behavior or relates to illegal activity;
4. contains "obscene matter," as that term is defined in California or federal law, or promotes any "adult entertainment business" or "specified sexual activities", or "sex-oriented material or merchandise" as such terms are defined in the Santa Clarita Municipal Code;
5. contains any "political advertising," which means advertising that promotes or opposes any candidate for public office or promotes or opposes a ballot measure, referendum, bond issue, or any federal, state or local legislation, regulation, or other discretionary action;
6. holds a person or group of persons up to public ridicule, derision, or embarrassment, or defames a person or group of persons;
7. contains language that is obscene, vulgar, profane, or scatological, or that presents a clear-and-present danger of causing riot, disorder, or other imminent threat to public safety, peace, or order;
8. that promotes any product, service or activity that is illegal under federal, state, or local law.

Exhibit "F"

Rent Schedule

Section 1. Definitions. As used in this Lease, the following terms have the meaning set forth below:

"Capital Expenses" means all hard and soft costs for the physical construction of the Digital Sign, which amount for the initial construction of the Digital Sign is estimated to be approximately \$800,000. In the event that Tenant and the Sign Manager believe that the initial Capital Expenses will exceed this estimate by more than 10%, Landlord must be notified in advance of the occurrence of such additional costs, and Landlord's reasonable consent must be obtained.

"Entitlement Expenses" means the costs of obtaining all City and other local and state permits and approvals, including the Caltrans permit, necessary for the construction and operation of the Digital Sign, which amount may not exceed \$350,000 for the initial construction and permitting of the Digital Sign.

"Gross Revenue" means any and all revenue actually received from the placement or sale of advertising media on the Digital Sign less advertising sales company commissions. Gross Revenue does not include any revenue received from the collocation of any telecommunications facilities on the Digital Sign in accordance with Section 3.9 of the Lease.

"Net Revenue" means any and all Gross Revenue less the following approved deductions:

- (a) Sign Manager Fees;
- (b) Entitlement Expenses;
- (c) Removal Costs;
- (d) Operational Expenses;
- (e) Capital Expenses (amortized over five years and when paid); and
- (f) Upgrade Expenses (amortized over five years and when paid)).

"Operational Expenses" means the costs of operating and maintaining the Digital Sign including all required insurance under this Lease; electricity, maintenance costs, repair costs, and replacement parts.

"Removal Costs" means the compensation costs paid directly to the owner or operator of an Existing Metro Billboard (as defined in the Development Agreement) and incurred by Tenant with respect to the removal of any such Existing Metro Billboard that Tenant is required to remove under the Development Agreement in order to construct and operate the Digital Sign. Compensation, if any, for an Existing Metro Billboard, may not exceed the then current and applicable Caltrans payment schedule amount for such Existing

Metro Billboard removal without prior written approval from Landlord, which approval may be withheld in Landlord's sole discretion. Removal Costs may be amortized over such reasonable period as agreed between Landlord and Tenant, which period may not exceed five years. In addition, the amortized portion of the Removal Costs will be paid from Gross Revenues after Operational, Capital, and Entitlement Expenses.

"Sign Manager Fees" means the fee paid to the Sign Manager as established in Section 2 below.

"Upgrade Expenses" means the costs and expense related to the upgrade of the Digital Sign, including the potential replacement of the Digital Sign display face.

Section 2. Operational Options and Related Revenue Sharing and Sign Manager Fees.

2.1 Under the first operational option ("Option 1"), Tenant's Sign Manager may advise and assist in the negotiation of site licenses, agreements or other understandings with outdoor advertising sales companies prior to development of the Digital Sign, and a third party, not the Tenant or Sign Manager, thereafter will build the Digital Sign. If Option 1 is utilized, the Sign Manager Fees will be fixed at 30 percent of Gross Revenue for a period of 30 years and the deductions listed in Section 1 above for Operational Expenses, Capital Expenses, and Upgrade Expenses will not apply. Further, under Option 1, with respect to Entitlement Expenses, the expenses will be shared between Tenant, Tenant's Sign Manager and Landlord in the following percentages: 24.5%, 30.0% and 45.5%, respectively, for the first 30 years; thereafter, for the remaining 20-year period, any applicable Entitlement Expenses will be shared between Tenant and Landlord in the following percentages: 35.0% and 65.0%, respectively.

2.2 Under the second operational option ("Option 2"), Tenant's Sign Manager may develop the Digital Sign on Tenant's behalf and subsequently advise and assist in sign/sales licenses, agreements or other understandings with outdoor advertising sales companies, which will sell and place advertising on the Digital Sign that will be owned and controlled by Tenant or Tenant's Sign Manager. Under Option 2, the Sign Manager Fees will be fixed at 40 percent of the total of Gross Revenue less the Operational Expenses for a period of 30 years. The Entitlement, Operational, Capital and Upgrade Expenses will be shared between Tenant, Tenant's Sign Manager and Landlord in the following percentages: 21.0%, 40.0% and 39.0%, respectively, for the first 30 years; thereafter, for the remaining 20-year period, any applicable expenses will be shared between Tenant and Landlord in the following percentages: 35.0% and 65.0%, respectively.

2.3 The parties intend for the Tenant's Sign Manager Fees to apply only for the first 30 years of the Term, unless otherwise deemed necessary for a longer period and agreed to by Landlord, Tenant and Tenant's Sign Manager.

2.4 Notwithstanding the above, the parties agree that the expense sharing provisions described in Sections 2.1 and 2.2 above are not intended to cover Tenant's or Landlord's indemnification obligations in this Lease.

2.5 Tenant will select the applicable operational option set forth in Sections 2.1 and 2.2 above to optimize long-term revenue under this Lease. Tenant will consult with Landlord prior to selection of the initial operational option and will advise Landlord of such selection at

least 30 days prior to entering into any underlying agreements in furtherance of such operational option. Tenant's selection of the initial operational option and notification to Landlord must be completed prior to the final approval from City's building department for the Digital Sign. The selection of the operational option will be governed solely by this Section 2.5.

Section 3. Lockbox System and Distribution of Funds and Revenues.

Tenant will cause to be established with a commercial bank ("Bank") approved by Landlord a service relationship and such accounts as may be needed to provide for the efficient collection of funds, reporting of transactions and distribution of the Gross Revenues and Net Revenues in accordance with this Lease. The parties agree that the most appropriate mechanism for handling the distribution of these funds and revenues is through a lockbox system. The general parameters of how such lockbox system will operate are described below.

Digital Sign customers and sales companies will mail or wire their payments directly to the Bank and all funds related to the Lease or Digital Sign will be collected in the lockbox account. Bank staff will prepare items for deposit. This includes scanning checks, wiring information, paper materials, documents, correspondence and envelopes and storing the captured images in the Bank's Internet-based archive, along with lockbox transaction reports. There may be one or multiple lockboxes set up if necessary to segregate the individual assets. Each lockbox account address will have a separate bank account. Funds that are collected in the lockbox will be deposited into the applicable Bank account the same day as received. Electronic copies of the deposit slips, checks, documents, etc. will be loaded to the lockbox archive each day. This archive will be accessible for at least 10 years and will have secured backup archiving locations for disaster recovery and data security.

All account users (Landlord, Tenant, and Sign Manager) will have online access to view the deposit activity, document archive copies, transaction reporting and other Bank records for the lockbox and Bank accounts. The Sign Manager will keep records and will issue transaction reports and reconciliations to Landlord and Tenant for the lockbox and Bank activity in accordance with Section 2.2 of the Lease.

Landlord, Tenant and Sign Manager will each provide the Bank with instructions (based upon the Lease) that the Bank will use to automatically wire the funds due to each entity under this Lease.

Digital Billboard Design (cladding) Options

Option 1

Metro



Option 2

STAY & CLIMB
COMFORT FESTIVAL

Option 3



SCANNED

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