

# **ZONING ADDENDUM**



## **LEGAL DESCRIPTION ADDENDUM**

33

05 0189689

**EXHIBIT A  
PROJECT SITE  
LEGAL DESCRIPTION**

The land referred to herein is situated in the State of California, County of Los Angeles and is described as follows:

**Parcel 1:**

That portion of Block 62 of Town of Burbank in the City of Burbank, County of Los Angeles, State of California, as per Map recorded in Book 17, Pages 19 to 22, inclusive of miscellaneous records in the Office of the County Recorder of said county, described as follows:

Beginning at a point in the northwesterly line of said Block 62 that is 13.01 feet southwesterly of the northerly corner of Lot 16 of said block; thence south 41 degrees 17 minutes 45 seconds west along said northwesterly line, 116.00 feet to the beginning of a tangent curve, concave easterly and having a radius of 15.00 feet; thence southwesterly, southerly and southeasterly along said curve 23.55 feet to a point of tangency in a line that is 46.00 feet northeasterly of the center line of First Street as shown on said Map; thence south 48 degrees 40 minutes 38 seconds east along said line 163.51 feet to a line that is parallel with and 178.50 feet southeasterly of the northwesterly line of said block; thence north 41 degrees 17 minutes 45 seconds east along said parallel line 130.99 feet; thence north 48 degrees 40 minutes 38 seconds west 178.50 feet to the point of beginning.

Except therefrom of Lot 16 all oil, gas, hydrocarbon substances in and under all of the above described real property, but without any right to penetrate, use or disturb the surface of said property or any portion of said property within five hundred (500) feet of the surface thereof, as provided in Deed recorded September 17, 1985 as Instrument No. 85-1074435, Official Records.

Said land is shown as Parcel 1 on Certificate of Compliance recorded June 3, 1991 as Instrument No. 91-817191, Official Records.

**Parcel 2:**

That portion of Block 62 of Town of Burbank in the City of Burbank, County of Los Angeles, State of California, as per Map recorded in Book 17, Pages 19 to 22, inclusive of miscellaneous records in the Office of the County Recorder of said County, described as follows:

Beginning at the most southerly corner of Lot 4 of said Block 62; thence north 48 degrees 41 minutes 07 seconds west 72.20 feet along the southwesterly line of Lot 4 of said block; thence north 41 degrees 17 minutes 45 seconds east 2.79 feet; thence north 48 degrees 41 minutes 07 seconds west 83.00 feet to the northwesterly line of said block; thence

south 41 degrees 17 minutes 45 seconds west along said northwesterly line 41.40 feet; thence south 48 degrees 40 minutes 38 seconds east 164.33 feet; thence north 41 degrees 17 minutes 45 seconds east 38.63 feet; thence north 48 degrees 41 minutes 07 seconds west 9.13 feet to the point of beginning.

Except therefrom, from the westerly 50 feet of the easterly 100 feet of Lot 2 in said Block 62, all oil, gas and other hydrocarbon substances in and under said land without any right to penetrate, use or disturb the surface of said land, or any portion of said land within 500 feet of the surface thereof, as reserved in Deed recorded December 27, 1989 as Instrument No. 89-2073881.

Said land is shown as Parcel 5 on Certificate of Compliance recorded June 3, 1991 as Instrument No. 91-817191, Official Records.

Parcel 3:

That portion of Block 62 of Town of Burbank in the City of Burbank, County of Los Angeles, State of California, as per Map recorded in Book 17, Pages 19 to 22, inclusive of miscellaneous records in the Office of the County Recorder of said County, described as follows:

Beginning at a point in the northwesterly line of said Block 62 which is 13.01 feet southwesterly of the most northerly corner of Lot 16 of said block; thence parallel with the center line of First Street as shown on said map south 48 degrees 40 minutes 38 seconds east 178.50 feet to a line that is parallel with the northwesterly line of said block; thence north 41 degrees 17 minutes 45 seconds east along said parallel line 36.89 feet; thence south 48 degrees 40 minutes 38 seconds east 20.91 feet; thence north 41 degrees 17 minutes 45 seconds east 139.00 feet; thence north 48 degrees 40 minutes 38 seconds west 20.91 feet; thence north 41 degrees 17 minutes 45 seconds east 48.23 feet; thence north 48 degrees 40 minutes 38 seconds west 178.50 feet to the northwesterly line of said block; thence southwesterly along said northwesterly line 224.12 feet to the point of beginning.

Except therefrom of Lot 16 all oil, gas, hydrocarbon substances in and under all of the above described real property, but without any right to penetrate, use or disturb the surface of said property or any portion of said property within five hundred (500) feet of the surface thereof, as provided in Deed recorded September 17, 1985 as Instrument No. 85-1074435, Official Records.

Said land is shown as Parcel 6 on Certificate of Compliance recorded June 3, 1991 as Instrument No. 91-817191, Official Records.

05 0189689 35

**EXHIBIT B**  
**CONDITIONS OF APPROVAL**

# **TENTATIVE TRACT MAP ADDENDUM**

# TRACT NO. 062742

IN THE CITY OF BURBANK COUNTY OF LOS ANGELES  
STATE OF CALIFORNIA  
FOR CONDOMINIUM PURPOSES

BEING A SUBDIVISION OF PARCELS 1, 5, AND 6 OF PARCEL MAP NO. 20671, AS PER MAP FILED IN BOOK 248, PAGES 2 THROUGH 4 INCLUSIVE, OF PARCEL MAPS; ALSO THAT PORTION OF PALM AVENUE AS SHOWN ON THE MAP OF THE TOWN OF BURBANK, RECORDED IN BOOK 17, PAGES 19 THROUGH 22, INCLUSIVE OF MISCELLANEOUS RECORDS, VACATED BY RESOLUTION NO. 25,595 OF THE COUNCIL OF THE CITY OF BURBANK, AS SHOWN IN THE INSTRUMENT RECORDED JUNE 17, 2003 AS INSTRUMENT NO. 03-1723889, OF OFFICIAL RECORDS, ALL RECORDS OF LOS ANGELES COUNTY

### OWNER'S STATEMENT

WE HEREBY STATE THAT WE ARE THE OWNERS OF, OR ARE INTERESTED IN THE LANDS INCLUDED WITHIN THE SUBDIVISION SHOWN ON THIS MAP WITHIN THE DISTINCTIVE BORDER LINES, AND WE CONSENT TO THE PREPARATION AND FILING OF SAID MAP AND SUBDIVISION.

BURBANK ENTERTAINMENT VILLAGE, L.L.C.,  
A DELAWARE LIMITED LIABILITY COMPANY, (OWNER)

By: *Craig R. Ramsey*  
CRAG R. RAMSEY  
EXECUTIVE VICE PRESIDENT

### ENGINEER'S STATEMENT

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE AT THE REQUEST OF CHAMPION DEVELOPMENT GROUP ON MARCH 2005. I HEREBY STATE THAT THIS FINAL MAP SUBSTANTIALLY CONFORMS TO THE CONDITIONALLY APPROVED TENTATIVE MAP; THAT THE MONUMENTS OF THE CHARACTER AND LOCATIONS SHOWN HEREON ARE IN PLACE, OR WILL BE IN PLACE WITHIN TWENTY-FOUR MONTHS FROM THE FILING DATE OF THIS MAP; THAT SAID MONUMENTS ARE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED, AND THAT THE NOTES TO ALL CENTERLINE MONUMENTS SHOWN AS "TO BE SET" WILL BE ON FILE IN THE OFFICE OF THE DIRECTOR OF PUBLIC WORKS WITHIN TWENTY-FOUR MONTHS FROM THE FILING DATE SHOWN HEREON.



*Robert R. Sims*  
ROBERT R. SIMS  
R.C.E. 21649, EXPIRES 9/30/2005

7/5/05  
DATE

### BASIS OF BEARINGS

THE BEARINGS SHOWN HEREON ARE BASED ON THE BEARING N 48°40'38" W OF THE CENTERLINE OF FIRST STREET AS SHOWN ON PARCEL MAP NO. 20671, AS FILED IN BOOK 248, PAGES 2, 3, AND 4 OF PARCEL MAPS, RECORDS OF LOS ANGELES COUNTY.

### CITY TREASURER'S CERTIFICATE

I HEREBY CERTIFY THAT ALL SPECIAL ASSESSMENTS LEVIED UNDER THE JURISDICTION OF THE CITY OF BURBANK TO WHICH THE LAND INCLUDED IN THE WITHIN SUBDIVISION OR ANY PART THEREOF IS SUBJECT, AND WHICH MAY BE PAID IN FULL, HAVE BEEN PAID IN FULL.

CITY TREASURER, CITY OF BURBANK \_\_\_\_\_ DATE \_\_\_\_\_

### CITY CLERK'S CERTIFICATE

I HEREBY CERTIFY THAT THE CITY COUNCIL OF THE CITY OF BURBANK BY RESOLUTION ADOPTED \_\_\_\_\_ APPROVED THE ATTACHED SUBDIVISION MAP.

CITY CLERK, CITY OF BURBANK \_\_\_\_\_ DATE \_\_\_\_\_

### CITY ENGINEER'S STATEMENT

I HEREBY STATE THAT I HAVE EXAMINED THIS MAP, THAT IT CONFORMS SUBSTANTIALLY TO THE TENTATIVE MAP AND ALL APPROVED ALTERATIONS THEREOF; THAT ALL PROVISIONS OF APPLICABLE SUBDIVISION ORDINANCES OF THE CITY OF BURBANK HAVE BEEN COMPLIED WITH; AND THAT I AM SATISFIED THAT ALL PROVISIONS OF THE SUBDIVISION MAP ACT SECTION 66442 (a) (1) (2) AND (3) HAVE BEEN COMPLIED WITH.

CITY ENGINEER, CITY OF BURBANK \_\_\_\_\_  
R.C.E. 43057  
LICENSE EXPIRES: 03/31/2009

DATE \_\_\_\_\_

### NOTARY (MISSOURI) ACKNOWLEDGMENT

STATE OF CALIFORNIA }  
COUNTY OF SAKSON } SS

ON June 30, 2005 BEFORE ME, THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR SAID STATE, PERSONALLY APPEARED CRAG R. RAMSEY, EXECUTIVE VICE PRESIDENT OF BURBANK ENTERTAINMENT VILLAGE, LLC PERSONALLY KNOWN TO ME (OR PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE) TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE EXECUTED THE SAME IN HIS AUTHORIZED CAPACITY, AND THAT BY HIS SIGNATURE ON THE INSTRUMENT, THE PERSON, OR THE ENTITY UPON BEHALF OF WHICH THE PERSON ACTED, EXECUTED THE INSTRUMENT.

WITNESS MY HAND AND OFFICIAL SEAL

*Sharon Diane Achlin*  
NOTARY: Sharon Diane Achlin  
COUNTY OF SAKSON  
LICENSE EXPIRES July 10, 2008

SHARON DIANE ACHLIN  
Notary Public - Notary State  
STATE OF MISSOURI  
Public Officer  
My Commission Expires May 10, 2008

### NOTARY ACKNOWLEDGMENT

STATE OF CALIFORNIA }  
COUNTY OF \_\_\_\_\_ } SS

ON \_\_\_\_\_ BEFORE ME, THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR SAID STATE, PERSONALLY APPEARED \_\_\_\_\_

PERSONALLY KNOWN TO ME (OR PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE) TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE EXECUTED THE SAME IN HIS AUTHORIZED CAPACITY, AND THAT BY HIS SIGNATURE ON THE INSTRUMENT, THE PERSON, OR THE ENTITY UPON BEHALF OF WHICH THE PERSON ACTED, EXECUTED THE INSTRUMENT.

WITNESS MY HAND AND OFFICIAL SEAL

NOTARY:  
COUNTY OF \_\_\_\_\_  
LICENSE EXPIRES \_\_\_\_\_

### CONDOMINIUM NOTE

THIS TRACT IS APPROVED AS A CONDOMINIUM PROJECT FOR 118 RESIDENTIAL, 3 RETAIL, AND 2 PARKING UNITS, WHEREBY THE OWNERS OF THE UNITS OF AIR SPACE WILL HOLD AN UNDIVIDED INTEREST IN ALL THE COMMON AREAS WHICH WILL, IN TURN, PROVIDE THE NECESSARY ACCESS AND UTILITY EASEMENTS FOR THE UNITS.

**TRACT NO. 062742**  
**IN THE CITY OF BURBANK COUNTY OF LOS ANGELES**  
**STATE OF CALIFORNIA**  
**FOR CONDOMINIUM PURPOSES**

**SIGNATURE OMISSIONS**

THE SIGNATURES OF HAROLD W. COOKSON, JR., KATHERNE K. COOKSON, ROBERT A. COOKSON, ELIZABETH M. COOKSON, DAVID E. COOKSON AND MARGOT K. COOKSON, HOLDERS OF OIL, GAS OR MINERAL RIGHTS BY DEED RECORDED SEPTEMBER 17, 1985 AS INSTRUMENT NO. 85-1074435, OF OFFICIAL RECORDS, RECORDS OF LOS ANGELES COUNTY, HAVE BEEN OMITTED UNDER THE PROVISIONS OF SECTION 66436 (a) (3) (C) OF THE SUBDIVISION MAP ACT.

THE SIGNATURE OF RICHARD L. HENSON, HOLDER OF OIL, GAS OR MINERAL RIGHTS BY DEED RECORDED APRIL 1, 1985 AS INSTRUMENT NO. 85-354474, OF OFFICIAL RECORDS, RECORDS OF LOS ANGELES COUNTY, HAS BEEN OMITTED UNDER THE PROVISIONS OF SECTION 66436 (a) (3) (C) OF THE SUBDIVISION MAP ACT.

THE SIGNATURE OF CHARLOTTE FARNHAM BURG, AS SOLE TRUSTEE FOR THE PHILIP A. BURG AND CHARLOTTE FARNHAM BURG TRUSTS, U/D/T/ DATED JUNE 10, 1987, HOLDER OF OIL, GAS OR MINERAL RIGHTS BY DEED RECORDED DECEMBER 27, 1989 AS INSTRUMENT NO. 89-2073881, OF OFFICIAL RECORDS, RECORDS OF LOS ANGELES COUNTY, HAS BEEN OMITTED UNDER THE PROVISIONS OF SECTION 66436 (a) (3) (C) OF THE SUBDIVISION MAP ACT.

THE SIGNATURE OF THE SOUTHERN CALIFORNIA GAS COMPANY, A CORPORATION, HOLDER OF AN EASEMENT FOR PUBLIC UTILITY PURPOSES, BY DEED RECORDED SEPTEMBER 15, 1950 AS INSTRUMENT NO. 2350, IN BOOK 34308, PAGE 345, OF OFFICIAL RECORDS, RECORDS OF LOS ANGELES COUNTY, HAS BEEN OMITTED UNDER THE PROVISIONS OF SECTION 66436 (a) (3) (A) (i-vii) OF THE SUBDIVISION MAP ACT, THEIR INTEREST IS SUCH THAT IT CANNOT RIPEN INTO A FEE TITLE AND SAID SIGNATURE IS NOT REQUIRED BY THE LOCAL AGENCY.

THE SIGNATURES OF MARY LOUISE ELLERMAN AND JAMES M. JACKSON, HOLDERS OF AN EASEMENT FOR INGRESS AND EGRESS PURPOSES, BY AGREEMENT RECORDED MARCH 24, 1987 AS INSTRUMENT NO. 87-436653, OF OFFICIAL RECORDS, RECORDS OF LOS ANGELES COUNTY, HAVE BEEN OMITTED UNDER THE PROVISIONS OF SECTION 66436 (a) (3) (A) (i-viii) OF THE SUBDIVISION MAP ACT, THEIR INTEREST IS SUCH THAT IT CANNOT RIPEN INTO A FEE TITLE AND SAID SIGNATURES ARE NOT REQUIRED BY THE LOCAL AGENCY.

THE SIGNATURE OF SAMUEL LEIFER, HOLDER OF AN EASEMENT FOR INGRESS AND EGRESS PURPOSES, BY AGREEMENT RECORDED JANUARY 11, 1988 AS INSTRUMENT NO. 88-33605, OF OFFICIAL RECORDS, RECORDS OF LOS ANGELES COUNTY, HAS BEEN OMITTED UNDER THE PROVISIONS OF SECTION 66436 (a) (3) (A) (i-viii) OF THE SUBDIVISION MAP ACT, THEIR INTEREST IS SUCH THAT IT CANNOT RIPEN INTO A FEE TITLE AND SAID SIGNATURE IS NOT REQUIRED BY THE LOCAL AGENCY.

THE SIGNATURE OF THE CITY OF BURBANK, A MUNICIPAL CORPORATION, HOLDER OF AN EASEMENT FOR PUBLIC UTILITY PURPOSES, BY DEDICATION AS SHOWN UPON PARCEL MAP NO. 20871, AS PER MAP FILED IN BOOK 248, PAGES 2 THROUGH 4, INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY, HAS BEEN OMITTED UNDER THE PROVISIONS OF SECTION 66436 (a) (3) (A) (i-viii) OF THE SUBDIVISION MAP ACT, THEIR INTEREST IS SUCH THAT IT CANNOT RIPEN INTO A FEE TITLE AND SAID SIGNATURE IS NOT REQUIRED BY THE LOCAL AGENCY.

THE SIGNATURE OF THE CITY OF BURBANK, A MUNICIPAL CORPORATION, HOLDER OF AN EASEMENT FOR PUBLIC UTILITY PURPOSES, BY RESOLUTION NO. 25,595, OF THE COUNCIL OF THE CITY OF BURBANK, DECLARING ITS INTENTION TO ORDER THE CONDITIONAL VACATION OF A PORTION OF PALM AVENUE BETWEEN FIRST STREET AND NORTH SAN FERNANDO BOULEVARD (V-326-BURBANK REDEVELOPMENT AGENCY-APPLICANT), RECORDED JUNE 17, 2003 AS INSTRUMENT NO. 03-1723889, OF OFFICIAL RECORDS, RECORDS OF LOS ANGELES COUNTY, HAS BEEN OMITTED UNDER THE PROVISIONS OF SECTION 66436 (a) (3) (A) (i-viii) OF THE SUBDIVISION MAP ACT, THEIR INTEREST IS SUCH THAT IT CANNOT RIPEN INTO A FEE TITLE AND SAID SIGNATURE IS NOT REQUIRED BY THE LOCAL AGENCY.

THE SIGNATURE OF 24 HOUR FITNESS USA, INC., A CALIFORNIA CORPORATION, HOLDER OF A LEASEHOLD INTEREST DISCLOSED BY MEMORANDUM OF RIGHT OF FIRST REFUSAL TO LEASE PREMISES, RECORDED MAY 10, 2002 AS INSTRUMENT NO. 02-1089739, OF OFFICIAL RECORDS, RECORDS OF LOS ANGELES COUNTY, HAS BEEN OMITTED UNDER THE PROVISIONS OF SECTION 66436 (a) (3) (A) (i-viii) OF THE SUBDIVISION MAP ACT, THEIR INTEREST IS SUCH THAT IT CANNOT RIPEN INTO A FEE TITLE AND SAID SIGNATURE IS NOT REQUIRED BY THE LOCAL AGENCY.

**SIGNATURE OMISSIONS**

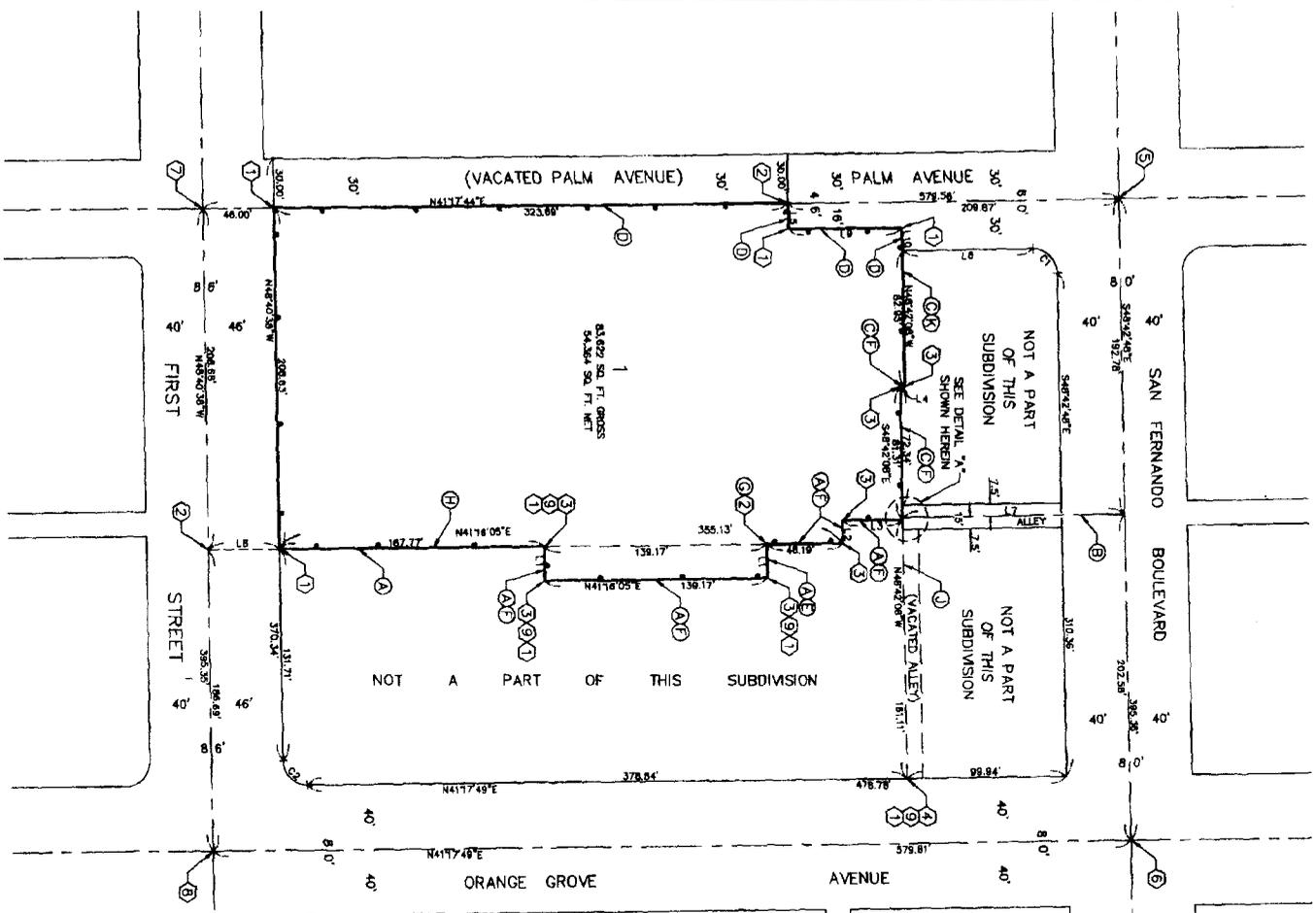
THE SIGNATURE OF THE CITY OF BURBANK, A MUNICIPAL CORPORATION, HOLDER OF AN EASEMENT FOR PUBLIC UTILITY PURPOSES, BY AGREEMENT RECORDED NOVEMBER 30, 2001 AS INSTRUMENT NO. 01-2278761, OF OFFICIAL RECORDS, RECORDS OF LOS ANGELES COUNTY, HAS BEEN OMITTED UNDER THE PROVISIONS OF SECTION 66436 (a) (3) (A) (i-viii) OF THE SUBDIVISION MAP ACT, THEIR INTEREST IS SUCH THAT IT CANNOT RIPEN INTO A FEE TITLE AND SAID SIGNATURE IS NOT REQUIRED BY THE LOCAL AGENCY.

THE SIGNATURE OF THE CITY OF BURBANK, A MUNICIPAL CORPORATION, HOLDER OF AN EASEMENT FOR MAINTENANCE AND ACCESS FOR THE EQUIPMENT, BY AGREEMENT RECORDED NOVEMBER 10, 2003 AS INSTRUMENT NO. 03-3389097, OF OFFICIAL RECORDS, RECORDS OF LOS ANGELES COUNTY, HAS BEEN OMITTED UNDER THE PROVISIONS OF SECTION 66436 (a) (3) (A) (i-viii) OF THE SUBDIVISION MAP ACT, THEIR INTEREST IS SUCH THAT IT CANNOT RIPEN INTO A FEE TITLE AND SAID SIGNATURE IS NOT REQUIRED BY THE LOCAL AGENCY.

THE SIGNATURES OF AMERICAN MULTI-MEDIA, INC., A MISSOURI CORPORATION, AND THE CITY OF BURBANK, A MUNICIPAL CORPORATION, HOLDERS OF AN EASEMENT FOR STORM WATER RUNOFF, BY AGREEMENT RECORDED MARCH 30, 2004 AS INSTRUMENT NO. 04-747430, OF OFFICIAL RECORDS, RECORDS OF LOS ANGELES COUNTY, HAVE BEEN OMITTED UNDER THE PROVISIONS OF SECTION 66436 (a) (3) (A) (i-viii) OF THE SUBDIVISION MAP ACT, THEIR INTEREST IS SUCH THAT IT CANNOT RIPEN INTO A FEE TITLE AND SAID SIGNATURE IS NOT REQUIRED BY THE LOCAL AGENCY. SAID EASEMENT IS INDETERMINATE IN NATURE.

# TRACT NO. 062742

IN THE CITY OF BURBANK COUNTY OF LOS ANGELES  
STATE OF CALIFORNIA  
FOR CONDOMINIUM PURPOSES



**REFERENCE**  
 R1 = PARCEL MAP NO. 20871, PAGE 246-2/4  
 R2 = TRACT NO. 2221, MAP 24-67.

- MONUMENTATION NOTES**
- ① L & TAC TRIC 2164' TO BE SET.
  - ② S & W TRIC 2164' TO BE SET.
  - ③ R1 & ACCEPT L, T & TAC TRIC 8840', NO REF., BUT THIS IS ERROR WHO SIGNED AND FILED PARCEL MAP NO. 20871, P.L.B. 248-2-4.
  - ④ R1 & ACCEPT L, T & TAC 'S 0189', NO REF.
  - ⑤ R1, L, T & TAC 'S 0189' IN L&J OF S & W '15 TON' PER COMMON RECORD PAPER 1712-048-004 AND CITY F.B. 336 P. 123.
  - ⑥ R1, L, T & TAC 'CITY ENGINEER' PER CITY F.B. 322 P. 407.
  - ⑦ R1, S & W '15 TON' PER COMMON RECORD PAPER 1712-048-005 AND CITY F.B. 336 P. 127.
  - ⑧ R1, S & W 'CITY ENGINEER' PER CITY F.B. 322 P. 362.
  - ⑨ R1, MON. L&J TO BE CONSTRUCTION FIELD SUBMITTAL POSITION.

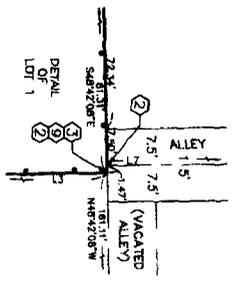
- ESTABLISHMENT NOTES**
- ① BOUNDARY OF PARCELS 2 AND 3 OF R1.
  - ② C/A OF ALLEY ESTAB. AT RECORD DISTANCE (202.82) FROM ORANGE GROVE AVENUE PER R1 AND R2.
  - ③ BOUNDARY OF PARCEL 4 OF R1.
  - ④ BOUNDARY OF VACATED PALM AVENUE THAT BECAUSE THE TITLE WITH PARCELS 3 AND 4 OF R1 ESTAB. FROM MONUMENT NO. 17, 2003 AS INSTRUMENT NO. 05-1722889 OR 17, 2003 AS INSTRUMENT E.7234, PER R1.
  - ⑤ ESTAB. PARALLEL WITH FIRST STREET PER R1.
  - ⑥ ESTAB. BETWEEN FD MONUMENTS.
  - ⑦ ESTAB. BY INTERSECTION.
  - ⑧ ESTAB. BY PROPOSED LINE SWFTY FROM FD MONUMENTS TO N.E.
  - ⑨ SWFTY LINE OF R2 ESTAB. BY FD MONUMENTS.
  - ⑩ ESTAB. FROM FD MONUMENT, PARALLEL WITH THAT PORTION OF THE BOUNDARY OF PARCEL 4 OF R1 SHOWN AS S 89°20'0" E 72.34', PER R1.

**CURVE TABLE**

CURVE	DETAILED RADIUS	LENGTH
C1	5000.53	15.00'
C2	5000.53	23.57'

**LINE TABLE**

LINE	BEARING	LENGTH
1	N44°42'58"W	60.00'
2	N44°42'58"W	14.00'
3	N44°42'58"W	15.00'
4	N44°42'58"W	38.00'
5	N44°42'58"W	18.79'
6	N44°42'58"W	62.00'
7	N44°42'58"W	62.00'
8	N44°42'58"W	158.00'
9	N44°42'58"W	48.00'
10	N44°42'58"W	72.00'
11	N44°42'58"W	14.00'



INDICATES THE BOUNDARY OF THE LAND BEING SUBDIVIDED BY THIS MAP

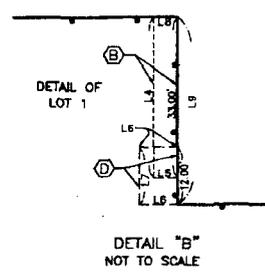
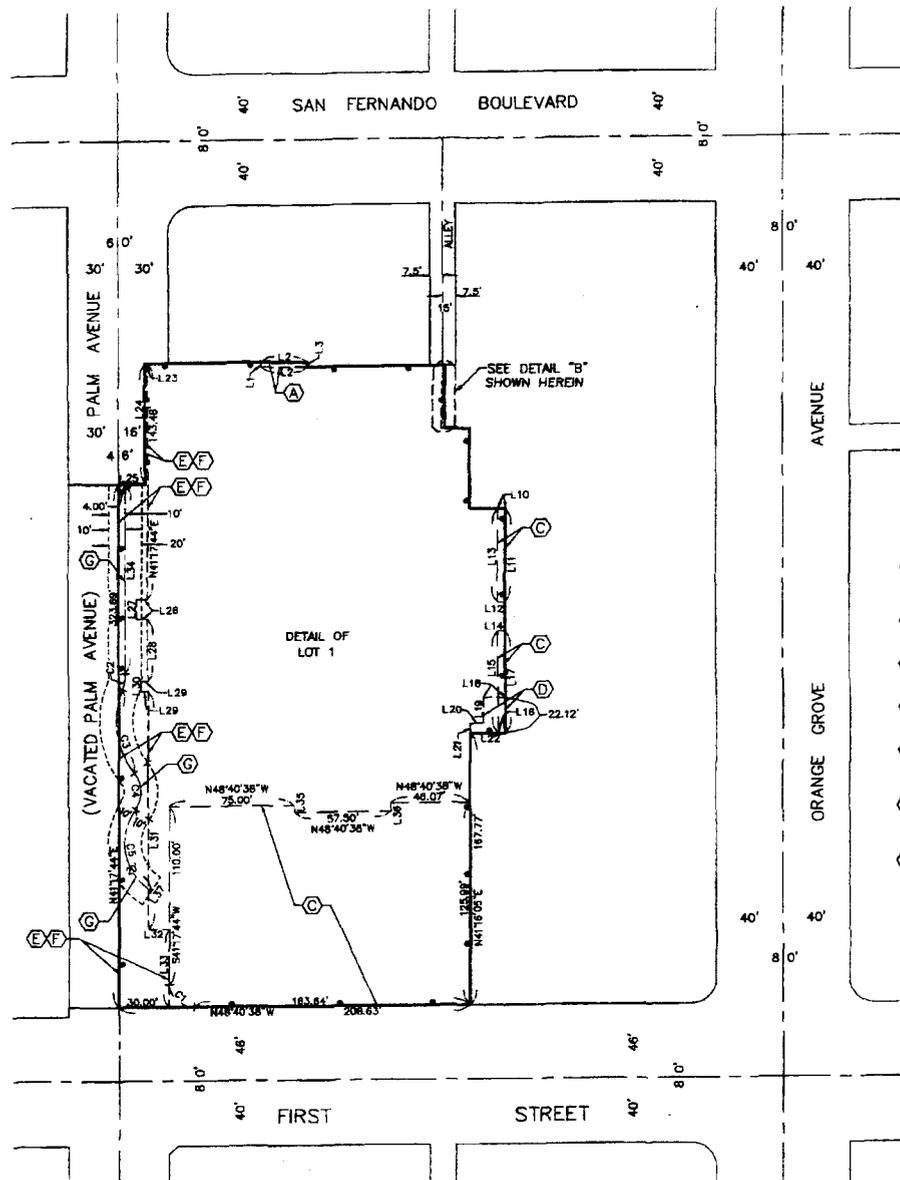
# TRACT NO. 062742

IN THE CITY OF BURBANK COUNTY OF LOS ANGELES

STATE OF CALIFORNIA

FOR CONDOMINIUM PURPOSES

## EASEMENTS DETAIL SHEET



### EASEMENT LEGEND

- (A) EASEMENT OF SOUTHERN CALIFORNIA GAS COMPANY FOR PUBLIC UTILITIES PURPOSES PER DOCUMENT RECORDED SEPTEMBER 15, 1950 IN BOOK 34308, PAGE 345, O.R.
- (B) EASEMENT FOR INGRESS AND EGRESS PURPOSES PER DOCUMENT RECORDED MARCH 24, 1987 AS INSTRUMENT NO. 87-436853, O.R.
- (C) EASEMENT FOR INGRESS AND EGRESS PURPOSES PER DOCUMENT RECORDED JANUARY 11, 1988 AS INSTRUMENT NO. 88-33605, O.R.
- (D) EASEMENT OF THE CITY OF BURBANK FOR PUBLIC UTILITIES PURPOSES PER PARCEL MAP NO. 20671, P.M.S. 248-2-4.
- (E) EASEMENT OF THE CITY OF BURBANK FOR PUBLIC UTILITIES AND EMERGENCY VEHICLE ACCESS PURPOSES PER DOCUMENT RECORDED JUNE 17, 2003 AS INSTRUMENT NO. 03-1723889, O.R.
- (F) EASEMENT OF THE CITY OF BURBANK FOR PUBLIC UTILITIES PURPOSES PER DOCUMENT RECORDED NOVEMBER 30, 2001 AS INSTRUMENT NO. 01-2278761, O.R.
- (G) CENTERLINE OF A 20' WIDE EASEMENT OF THE CITY OF BURBANK FOR MAINTENANCE AND ACCESS PURPOSES PER DOCUMENT RECORDED NOVEMBER 10, 2003 AS INSTRUMENT NO. 03-3388067, O.R.

CURVE TABLE			
CURVE	DELTA	RADIUS	LENGTH
C1	89°58'22"	15.00'	23.55'
C2	22°41'47"	25.00'	9.90'
C3	61°41'42"	80.50'	54.38'
C4	78°18'58"	18.00'	23.88'
C5	84°12'58"	34.50'	56.78'

LINE TABLE		
LINE	BEARING	LENGTH
L1	N 41°17'49" E	2.78'
L2	N 48°42'08" W	27.67'
L3	N 41°17'44" E	2.78'
L4	N 41°17'49" E	33.00'
L5	S 48°42'08" E	1.49'
L6	N 48°40'38" W	2.00'
L7	N 41°18'05" E	12.00'
L8	S 48°42'08" E	1.47'
L9	N 41°18'05" E	38.64'
L10	N48°40'38" W	4.41'
L11	N41°18'05" E	57.58'
L12	N48°40'38" W	4.43'
L13	S41°17'44" W	57.58'
L14	N48°40'38" W	4.44'
L15	S41°17'44" W	83.59'
L16	N48°40'38" W	4.47'
L17	N41°18'05" E	63.59'
L18	N48°40'38" W	13.22'
L19	N41°18'05" E	15.90'
L20	N48°40'38" W	7.70'
L21	N41°18'05" E	6.22'

LINE TABLE		
LINE	BEARING	LENGTH
L22	N48°40'38" W	20.92'
L23	S48°42'16" E	1.50'
L24	N41°17'44" E	72.78'
L25	S48°42'18" E	15.00'
L26	S48°42'18" E	6.60'
L27	N41°17'44" E	12.40'
L28	N41°17'44" E	38.90'
L29	S48°42'16" E	4.30'
L30	N41°17'44" E	6.30'
L31	N41°17'44" E	145.40'
L32	S48°42'16" E	12.50'
L33	S41°17'44" W	60.01'
L34	N41°17'44" E	117.27'
L35	S41°17'44" W	4.00'
L36	S41°17'44" W	5.00'
L37	S73°21'50" W	20.00'

INDICATES THE BOUNDARY OF THE LAND BEING SUBDIVIDED BY THIS MAP

# **DEVELOPMENT AGREEMENT ADDENDUM**

This page is part of your document - DO NOT DISCARD

05 0189689

RECORDED/FILED IN OFFICIAL RECORDS  
RECORDER'S OFFICE  
LOS ANGELES COUNTY  
CALIFORNIA  
1:01 PM JAN 26 2005

TITLE(S) :

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FEE

D.T.T

FREE V 49

CODE  
20

CODE  
19

CODE  
9

Assessor's Identification Number (AIN)

To be completed by Examiner OR Title Company in black ink.

Number of AIN's Shown

THIS FORM NOT TO BE DUPLICATED

: J. Ochsenbein-Planning, M. Garcia-CA

2

RECORDING REQUESTED BY  
AND  
WHEN RECORDED MAIL TO:

**05 0189689**

NAME  
MAILING  
ADDRESS  
CITY, STATE  
ZIP CODE

CITY CLERK  
CITY OF BURBANK  
P O BOX 6459  
BURBANK CA 91510

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

**EXEMPT FROM FEES PURSUANT TO GOVERNMENT CODE SECTION 6103**

**TITLES(S)**

Development Agreement between the City of Burbank and Champion Realty, LTD  
Planned Development No. 2003-2

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**DEVELOPMENT AGREEMENT  
BETWEEN THE CITY OF BURBANK  
AND CHAMPION REALTY, LTD.**

**PLANNED DEVELOPMENT NO. 2003-2**

**DEVELOPMENT AGREEMENT  
BETWEEN THE CITY OF BURBANK  
AND CHAMPION REALTY, LTD.  
(PLANNED DEVELOPMENT NO. 2003-2)**

THIS DEVELOPMENT AGREEMENT (the "Agreement") is entered into this 19<sup>th</sup> day of January, 2005, by and between the CITY OF BURBANK, a charter city and municipal corporation (the "City") and CHAMPION REALTY, LTD., a California limited partnership (the "Developer"). The City and Developer are from time to time hereinafter referred to individually as a "party" and collectively as the "parties."

RECITALS

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 adopted Government Code Section 65864 et seq. (the "Development Agreement Statute"), which authorizes the City to enter into an agreement with any person or business entity having a legal or equitable interest in real property to establish certain development rights regarding the development of such property.

B. Pursuant to Government Code Section 65865, the City has adopted rules and regulations establishing procedures and requirements for consideration of development agreements. Such rules and regulations are codified at Section 31-1997 et seq. of the Burbank Municipal Code (the "Development Agreement Ordinance"). This Development Agreement has been processed, considered and executed in accordance with the Development Agreement Ordinance.

C. The City has also adopted Sections 31-19118 et seq. of the Burbank Municipal Code (the "Planned Development Ordinance"), establishing the procedures and requirements for the consideration of and establishment of a planned development. The Planned Development Ordinance requires that the approval of a planned development be subject to a developer's entering into a development agreement under the Development Agreement Ordinance. The Planned Development Ordinance sets forth the intent of the City Council in enacting the ordinance as an alternative process to accommodate major and unique developments, including those developments with combinations of uses and modified development standards, which would create a desirable, functional and community environment under the controlled conditions of a development plan.

D. The Developer has an equitable interest in that certain real property comprised of approximately 2.04 acres, bounded generally by First Street, the former Palm Avenue, Orange Grove Avenue, and San Fernando Boulevard (but excluding the properties fronting San Fernando Boulevard), and located at 140 E. Palm Avenue in the City of Burbank, as more particularly described in Exhibit A attached hereto (the "Project Site").

E. It is the intent of the Developer to develop the Project Site as a planned development under the Planned Development Ordinance, which development may consist of those uses set forth

in the "Conditions of Approval," which are defined below, and which are attached hereto as Exhibit B. As required by the Planned Development Ordinance the development plan for the entire Project Site is set forth fully in the project report ("Project Report") and site plan ("Site Plan"), which are on file at the office of the City Planner. The Project Report, the Site Plan and the Conditions of Approval collectively describe and govern the project to be developed.

F. At the time this Agreement is approved and executed by the City, the Developer will have secured various land use approvals, permits and other entitlements relating to the development of the Project and the Project Site. These approvals are collectively referred to in this Agreement as the "Project Approvals" and include without limitation the following:

(1) **Planned Development Zoning.** On December 7, 2004, following duly noticed public hearings and Planning Board review and recommendation, the City Council approved the Planned Development zone change for the Project Site, Planned Development No. 2003-2 ("PD Zoning"). The PD Zoning is consistent with the General Plan. The PD Zoning and this Agreement allow the development of a maximum of 172,233 adjusted gross square feet of residential condominium area in a maximum of 118 condominium units ("Housing Component"), 50,000 adjusted gross square feet of restaurant and retail, of which at least 60% must be retail ("Commercial Component"), and a parking structure to be constructed on a portion of the Project Site consisting of 734 parking spaces (236 for the Housing Component, 222 for the Commercial Component but open to the public, and 276 additional public parking spaces) (the "Project"). As used herein and as used in the Conditions of Approval, "adjusted gross square feet" shall have the meaning ascribed to "adjusted gross floor area" in Section 31-203 of the Burbank Municipal Code. In addition, as used herein and as used in the Conditions of Approval, "adjusted gross square feet" shall not include storage areas for the residential condominium units, located in both the garage and the non-unit areas of the residential building, nor shall it include space used for mechanical rooms.

(2) **Conditions of Approval.** Certain Project Approvals were approved subject to "Conditions of Approval," which, for the purposes of this Agreement, shall also be considered included in any reference to the Project Approvals. The Conditions of Approval are attached hereto as Exhibit B, and incorporated herein by this reference.

G. Development of the Project and the Project Site in accordance with this Agreement shall provide for orderly growth consistent with the goals, policies, and other provisions of the General Plan. Developer desires to obtain the binding agreement of the City that the City, notwithstanding changes in City policy, ordinances, approval processes or the makeup of the City's governing body, will permit Developer to construct, develop, use and operate the Project as a Planned Development in accordance with the City's ordinances, rules, regulations and official policies governing permitted land uses, governing density and intensity of uses, dedications, and other exactions, and governing the design, improvement and construction standards and specifications, applicable to development of the Project, the Planned Development and the Project Site (the "Existing Development Regulations"), in force at the time of execution of this Agreement, and without requiring Developer to dedicate property, or construct public improvements or make financial contributions to the City in lieu of public improvements, except as expressly set forth in this Agreement.

H. On October 11, 2004, following a duly noticed public hearing, the Planning Board adopted Resolution No. 2957, recommending that the City Council approve this Agreement.

I. On November 23, 2004, after a duly noticed public hearing, the City Council took the following actions: (1) determined that the Mitigated Negative Declaration ("MND") adequately addressed the environmental impacts under the California Environmental Quality Act, Public Resources Code Sections 22000 et seq., ("CEQA") of the Project and approved the MND; (2) made appropriate findings that the provisions of this Agreement are consistent with the General Plan; and (3) introduced Ordinance No. \_\_\_\_\_ approving and authorizing the execution of this Agreement. On December 7, the City Council adopted Ordinance No. \_\_\_\_\_.

J. For the reasons recited herein, the Developer and the City have determined that the Project as a planned development is the type of development for which this Agreement is appropriate. This Agreement will eliminate uncertainty in planning and provide for the orderly development of the Project Site; ensure a desirable and functional community environment; provide for employment generating uses; and provide other public benefits to the City and its residents by otherwise achieving the goals and purposes of the Development Agreement Statute, the Planned Development Ordinance, and the Development Agreement Ordinance.

K. In exchange for these benefits, together with the public benefits that will result from the development of the Project and the Project Site pursuant to this Agreement, the Developer desires to receive the assurance that it may proceed with the Project in accordance with the Existing Development Regulations (as defined below) of the City as they exist on the Effective Date, subject to the terms, conditions, and exceptions contained herein.

L. The parties agree that this Agreement will promote and encourage the development of the Project by providing the Developer and its lenders with a greater degree of certainty of the Developer's ability to expeditiously and economically complete the development effort, and that the consideration to be received by the City pursuant to this Agreement and the rights granted to Developer hereunder constitute sufficient consideration to support the covenants and agreements of the City and Developer. By entering into this Agreement, the City desires to vest in the Developer, to the fullest extent possible under the law, all possible development entitlements necessary for the completion of the Project.

M. The City Council has determined that the Planned Development is consistent with and satisfies the relevant provisions of the Code, including the goals and objectives of the City's General Plan. The City Council has found that the provisions of the Development Agreement are consistent with the relevant provisions of the Code and the City's General Plan.

N. All actions taken by the City with respect to the Project have been duly taken in accordance with all applicable legal requirements, including the California Environmental Quality Act, Public Resources Code Section 21000, et seq. ("CEQA"), and all other requirements for notice, public hearings, findings, votes and other procedural matters.

NOW, THEREFORE, in consideration of the promises, covenants, and provisions set forth herein, the parties agree as follows:

## AGREEMENT

### ARTICLE 1.

#### GENERAL PROVISIONS

Section 1.01. Incorporation. The preamble, the Recitals, and all defined terms set forth therein, are hereby incorporated into this Agreement as if set forth herein in full.

Section 1.02. Covenants. The provisions of this Agreement shall constitute covenants or servitudes which shall run with the land comprising the Project Site and the burdens and benefits thereof shall bind and inure to the benefit of each of the parties hereto and any successors or assigns of City, and to any "Successor Interests," as that term is defined in Article 2 of this Agreement, of Developer.

Section 1.03. Effective Date. This Agreement shall become effective upon the thirty first (31st) day following the publication of the City Attorney Synopsis of the Ordinance that approves this Agreement (the "Effective Date"). Developer agrees that the rezoning of the Project Site from Planned Development No. 98-2 to Planned Development No. 2003-2 is hereby expressly conditioned upon Developer's acquisition of fee title in the Project Site pursuant to Section 1.05 below.

Section 1.04. Term. The term of this Agreement shall commence upon the Effective Date and shall extend for seven (7) years from the Effective Date.

Section 1.05. Ownership of Project Site. Developer shall provide adequate evidence within twelve (12) months of the Effective Date that Developer has fee simple title in the entire Project Site subject to any extensions approved by the City Manager, or his or her designee. Developer's failure to acquire legal title to the Project Site as set forth herein where such failure is not caused by the City, shall constitute a material default which shall make this Agreement subject to termination pursuant to Section 7.01(c) hereof. In the event the Purchase Contract by and among Burbank Entertainment Village, LLC ("BEV"), Champion Realty, Ltd., and American Multi-Cinema, Inc. ("AMC"), dated June 18, 2003, expires on its own terms or is terminated by any party thereto prior to the date that is twelve (12) months after the Effective Date, the City may terminate this Agreement in accordance with the procedure set forth in Section 7.01(c) hereof. Notwithstanding the foregoing, however, a breach by BEV or AMC of their obligations under the Purchase Contract to convey the Project Site to Developer, where Developer has performed (or is ready, willing and able to perform) Developer's obligations to purchase Project Site, or in the event of a termination by BEV or AMC of the Purchase Contract that has been challenged in court by Developer as being invalid within forty-five (45) days of the termination, shall not constitute a

default hereunder or a grounds for termination, until the dispute has been resolved either by the mutual agreement of the parties or by a final judgment of a court having jurisdiction.

Upon the recordation of the grant deed evidencing Developer's acquisition of fee title to the Project Site, that certain Development Agreement and Covenants, Conditions and Restrictions by and between the City of Burbank and Burbank Entertainment Village, L.L.C., dated October 24, 2001 and recorded as Instrument No. 01-2278756 on November 30, 2001 in the official records of the County Recorder for Los Angeles County, shall be of no further force and effect with respect to the Project Site and shall be deemed terminated with respect thereto.

## ARTICLE 2.

### DEFINITIONS

"**Affiliate**" shall mean any partnership, corporation, limited liability company, trust or other entity in which either Champion Realty, Ltd. or Champion Development Group, Inc. retains a minimum of twenty-five percent (25%) of the ownership or beneficial interest and retains management and control of the transfer entity or entities.

"**Agreement**" shall mean this Development Agreement.

"**CEQA**" shall have that meaning set forth in Recital I of this Agreement.

"**City**" shall mean the City of Burbank, a charter city and municipal corporation.

"**City Council**" shall mean the City Council of the City of Burbank, or its designee.

"**City General Plan**" or "**General Plan**" shall mean the applicable General Plan of the City of Burbank.

"**Developer**" shall mean Champion Realty, Ltd., a California limited partnership, and shall further include Successor-in-Interests to the Developer or an Affiliate.

"**Development Agreement Statue**" shall mean Government Code Sections 65864 through 65869.5.

"**Director**" shall mean the Community Development Director of the City of Burbank, or his or her designee.

"**Effective Date**" shall have that meaning set forth in Section 1.03 of this Agreement.

"**Existing Development Regulations**" shall mean the 1) City laws, ordinances, rules, regulations, policies, motions, directives, the mitigation measures set forth as the Developer's responsibility in the MND, conditions, standards, specifications, dedications, other exactions and impositions of the City, whether enacted or adopted by the City or its electorate through the initiative or referendum process, in effect as of the Effective Date, establishing or regulating the

design, density, permitted land uses, occupancy, improvement, construction standards, impact fees, dedications and exactions applicable to the Project Approvals, except as otherwise expressly set forth in this Agreement; and 2) the Project Approvals, this Agreement and the Conditions of Approval.

"**New Law**" shall mean any law which becomes operative or effective subsequent to the Effective Date and shall include any City laws, ordinances, resolutions, rules or regulations

"**Project Approvals**" shall mean 1) Ordinance No. \_\_\_\_\_ approving the Planned Development Zone and this Agreement; 2) Resolution No. \_\_\_\_\_, approving the MND; 3) Development Review No. 2003-50; and 4) all other approvals and entitlements required for the development of the planned development project, including but not limited to, zone variances, conditional use permits, sign permits, grading permits, building permits, lot line adjustments, parcel maps, subdivision improvement agreements, and vacations that will accomplish the goals, objectives, policies and plans referenced, described, implied and shown on the Project Report and Site Plan and this Agreement.

"**Subsequent Applications**" shall mean applications for other land use approvals, entitlements and permits not necessary to the development of the Project and the Project Site, but desired by Developer subsequent to the Effective Date. The Subsequent Applications may include without limitation amendment of any of the Project Approvals.

"**Successor Interests**" shall mean all successor estates and interests in the Project and the Project Site, as well as all successors in interest, heirs, assignees, and transferees of the parties.

### ARTICLE 3.

#### OBLIGATIONS OF DEVELOPER AND CITY

Section 3.01. Obligations of Developer. In consideration of the City's entering into this Agreement, Developer agrees that it will comply with this Agreement and the Project Approvals whether granted in conjunction with this Agreement or at a later date. The parties acknowledge that the execution of this Agreement by City is a material consideration for both Developer's acceptance of, and agreement to comply with, the terms and conditions of this Agreement and the Project Approvals.

Section 3.02. Obligations of City. In consideration of the Developer's entering into this Agreement, City agrees that it shall comply with the Project Approvals, and that it shall act on all Project Approvals requested after the approval of this Agreement as provided in this Agreement, and pursuant to Existing Development Regulations, subject to the terms, conditions and exceptions contained herein.

## ARTICLE 4.

DEVELOPMENT OF PROJECT AND PROJECT SITE

Section 4.01. Vested Right to Develop. Subject to the terms and conditions stated herein, Developer shall have the vested right to develop the Project and the Project Site as a planned development in accordance with the Existing Development Regulations as of the Effective Date. The City shall use good faith and reasonable efforts to cause all development permits and other approvals which may be required to develop the Project, to the greatest extent permitted by law, and except as herein provided, to be free of: (a) all discretionary acts or review of the City or any body or agency thereof, it being understood that any subsequent review shall be ministerial, as further provided herein; and (b) the application of any subsequent building moratoria or restrictions on development which are inconsistent with this Agreement, including, but not limited to, those related to or affecting the rate, timing, phasing or sequencing of the construction of the Project

Section 4.02. Existing Development Regulations.(a) General Rule and Exception.

(1) In accordance with the provisions of Government Code Section 65866, the City and the Developer, each to the extent legally permissible, agree that during the term of the Agreement, the Existing Development Regulations shall govern the Project with respect to, by way of example, but not limitation, design, density, grading, construction, remodeling, and reconstruction. Except as otherwise provided for herein, no amendment to, revision of, or addition to any Existing Development Regulation, without the Developer's written approval, whether adopted or approved by the City Council or any office, board, or other agency of the City, or by the people of the City through referendum or initiative measure, shall be effective or enforceable by the City with respect to the Project, except as expressly provided below. Developer shall submit an application to the City for approval of a Tentative Map and Final Map (when referred to collectively, the "Map") in accordance with the Subdivision Map Act and Chapter 27 of the Burbank Municipal Code for the purpose of subdividing the Project into various parcels, including the subdivision of the residential component of the Project into condominium units. The City shall process, review, and consider the Map application in accordance with the Existing Development Regulations.

(2) Notwithstanding the foregoing, the City has the absolute right to apply the following new rules, regulations, ordinances, and official policies which may conflict with the Existing Development Regulations to the Project and the Project Site:

a) Current Uniform Building Code and other uniform construction codes to the Project and Project Site throughout the term of this Agreement, provided that:

(i) Such uniform codes shall apply to the Project and Project Site only to the extent that the applicable code (and the applicable version or revision of the code) has been adopted by City and is in effect on a Citywide basis;

(ii) Such uniform codes shall be interpreted and applied to the Project and Project Site in a manner consistent with the express provisions and limits in the particular uniform code provision(s) adopted by City;

(iii) Provision(s) of such uniform codes shall be interpreted and applied to the Project and Project Site in a manner consistent with the generally prevailing interpretation of such provision(s) under the State Building Standards Code; and

(iv) Such uniform codes shall apply only at the time of construction of the particular improvements constituting the Project, and the Developer shall not be obligated retroactively during the term of this Agreement to upgrade or modify any improvements previously constructed on account of modification to uniform building codes.

b) Changes in Federal Law pursuant to Section 4.03 (d);

c) Changes under health and safety laws to the extent they are found by the City, based upon substantial evidence in the record, to be necessary to stop an imminent threat to the health and safety of the public, as it relates to the Project Site and as are generally applicable to all properties in the City.

(b) Police Power. The City, through the exercise of its police power, shall not establish, enact, increase, or impose any laws, ordinances, rules, regulations, or official policies applicable to the Project and/or Project Site which conflict with the Existing Development Regulations, except as authorized herein.

(c) Mitigation Measures Pursuant to CEQA. In connection with the City's approval of any other Project Approval which is subject to CEQA, and to the extent permitted or required by CEQA, the City shall promptly commence and diligently process any and all initial studies and assessments required by CEQA and, to the extent permitted or required by CEQA, the City shall use and adopt the MND, and other existing environmental reports and studies as adequately addressing the environmental impacts of such matter or matters without requiring new or supplemental environmental documentation including requests for amendments to the PD Zoning or this Agreement. The City agrees that no additional CEQA review is required for the PD Zoning, this Agreement and the Conditions of Approval, it being agreed and acknowledged that the MND has adequately disclosed and analyzed the environmental impacts of the Project as reflected in those Project approvals, including appropriate mitigation measures.

The City shall not impose on the Developer any mitigation measures to decrease environmental impacts of the Project other than those referenced in the Conditions of Approval and this Agreement as the Developer's responsibility.

(d) New Laws. Notwithstanding any other provision of this Agreement, this Agreement shall not preclude the City or the voters in the City, by subsequent action, from enacting

or imposing any "New Law" that does not conflict with the Existing Development Regulations (the "Non-Conflicting New Law"). Illustrative of some Non-Conflicting New Law(s) are the following: 1) imposition of new or increased taxes, or city or area-wide assessments; 2) New Laws that are found by the City, based upon substantial evidence in the record, to be necessary to the health and safety of the public, and are generally applicable to all properties in the City; and (3) zoning ordinances which regulate the manner in which business activities may be conducted or which prohibit a particular type of business activity on a city-wide basis, as long as such ordinances or regulations do not conflict with the uses of the Project on the date of such ordinances' or regulations' enactment. To the extent such conflicts do occur, the Project shall be deemed a legal nonconforming use.

All City actions in applying any New Law to the Project and Project Site must be consistent with this Agreement and the Existing Development Regulations. If the City denies any Project Approval on the basis that it does not comply with a New Law that is consistent with this Agreement, the City shall follow the procedures set forth in Section 4.03 of this Agreement.

(e) Processing Fees. Pursuant to law, including without limitation, Government Code sections 66005, 66013, 66014 and 66016 (or their successor section(s)), the City shall charge Developer only those application and processing fees which represent the reasonable costs to the City of processing any application for Project Approvals (the "Processing Fees"). The City may charge the Developer the Processing Fees that are in effect on a Citywide basis at the time an application is submitted for a Project Approval.

(f) Impact Fees. Except as otherwise set forth in this Section 4.02(f), the Developer shall pay City development impact fees that are in effect at the time of issuance of each building permit for the Project. Said fees shall be payable at the time of building permit issuance. The city shall not impose any new categories of impact fees during the term of this Agreement. In addition, the City shall not require any exactions or fees, or impose any further conditions, reservations, dedications, or public improvements other than as set forth or required herein.

(g) Utility Fees. Except as otherwise stated in this Section 4.02(f), the Developer shall pay to the City standard and non-discriminatory utility fees (the "Standard Fees") and other related utility rates including, but not limited to, hook-up charges and aid-in-construction fees, in accordance with the applicable electrical or water rates and rules in effect at the time of application for service or as otherwise set forth in a separate agreement between the Developer and the City.

(h) Dedications. The City shall not require dedication by the Developer of any real property other than the dedication set forth in the Conditions of Approval or required through the Map approval process. Prior to the recordation of the Final Map, the Developer and the City shall jointly determine and agree, and in accordance with this Agreement, on the legal description of any property to be dedicated to the City or for public use pursuant to this Agreement.

(i) Intentionally Reserved.

(j) Insurance. Before beginning construction on the Project Site, and when actual work on the Project is being performed by the Developer, its contractors, and subcontractors, the Developer shall obtain and shall keep in force the insurance described in the following sections (j)1 and (j)2 below. The City (including its respective directors, officers and employees), to the extent such parties have insurable interests, shall be included as an additional insured under all of the policies set forth below. The endorsement shall further provide that the insurer shall provide thirty (30) days written notice to the City prior to any cancellation or reduction in coverage. Said insurance shall include:

(1) Workers' Compensation and Employer's Liability Insurance for all persons employed by the Developer at the Project Site. The Developer shall require its general contractor and each subcontractor to maintain Workers' Compensation and Employer's Liability Insurance for all employees employed by the general contractor or subcontractor at the Project Site. The Developer agrees to indemnify the City and its officers, agents, employees and representatives, for any damage resulting from failure to obtain and maintain such insurance.

(2) General Commercial Liability Insurance having a combined single limit of Five Million Dollars (\$5,000,000) per occurrence, providing coverage for comprehensive general liability (bodily injury and property damage), automobile liability, including owned, hired and non-owned vehicles, blanket contractual liability, and personal injury.

Section 4.03. Cooperation/Implementation.

(a) City Efforts.

(1) To the maximum extent permitted by law, the City shall use good faith and reasonable efforts to prevent any New Law from invalidating all or any part of this Agreement. The City agrees to use good faith and reasonable efforts with the Developer to keep this Agreement in full force and effect.

(2) The Developer reserves the right to challenge any New Law should it become necessary to protect the development rights vested in the Project and Project Site pursuant to the Existing Development regulations and this Agreement.

(b) Covenant of Good Faith and Fair Dealing. The City and the Developer shall use good faith and reasonable efforts and shall take and employ all necessary actions to ensure that Developer's vested rights to develop the Project and Project Site, secured by Developer through this Agreement, can be enjoyed, and that Developer's financial and other obligations which benefit the City can occur.

(c) Life of Project Approvals. The term of the Project Approvals (including the Tentative Map (if approved), and Development Review [but not including permits issued for the construction of the Project]) shall automatically be extended for the longer of: (1) the term of this Agreement (2) the term normally given the approval under controlling law.

(d) Changes in the State and Federal Law. Pursuant to Government Code section 65869.5, and notwithstanding any other provision of this Agreement, this Agreement shall not preclude the application to the Project or Project Site of any new law that is required by changes in state or federal laws or regulations ("Changes in the Law"), the terms of which are specifically required to be applied to developments such as the Project. The City shall not apply to the Project any such law or regulation that is inconsistent with this Agreement until the Director makes a finding that such law or regulation is necessary to comply with such Changes in the Law. In the event the Changes in the Law prevent or preclude compliance with one or more provisions of this Agreement, such provisions of the Agreement shall be modified or suspended as may be necessary to comply with the Changes in the Law, and City and Developer shall take such action as may be required pursuant to this Agreement.

(e) Timing of Project Construction and Completion. The Developer generally anticipates developing the Project in accordance with the Construction Schedule attached hereto as Exhibit "C". However, nothing in this Agreement shall be construed as requiring the Developer to develop the Project or any phase thereof, and any failure to develop the Project or any phase thereof shall not be deemed a default by the Developer of the obligations set forth in this Agreement. This Section 4.02(e) shall not be construed to limit in any way Developer's obligations to the Redevelopment Agency of the City of Burbank ("Agency") pursuant to that certain Amended and Restated Owner Participation Agreement between Developer and the Agency, dated December 2, 2004.

(f) Processing.

(1) Upon submission by the Developer of all appropriate applications and processing fees for any Project Approval (such applications and processing fees are collectively referred to herein as the "Application"), the City shall promptly commence and diligently complete all steps necessary to act on the Application, including without limitation: (a) the notice and holding of all required public hearings (if such notice and hearings are required pursuant to Existing Development Regulations or this Agreement); and (b) the approval of the Application to the extent that it complies with this Agreement and the Existing Development Regulations.

(2) The City may deny an Application only if the Application does not comply with this Agreement and the Existing Development Regulations. The City, upon satisfactory completion by the Developer of all required administrative procedures, actions and payments of appropriate processing fees, if any, shall, in a timely fashion, proceed to complete all required steps necessary for the implementation of this Agreement and the development by the Developer of the Project Site. Prior to each request for a building permit, the Developer shall provide the City with a compliance certificate ("Certificate") in a form created by the Developer and approved by the City, which shall describe the Application's consistency with the Project Approvals. The Certificate shall be distributed to relevant City departments for review. The City shall use its best efforts to complete this review within thirty (30) days of a completed Certificate and completed application for building permit.

(3) If the City denies any such Application for a Project Approval on the basis that it does not comply with a New Law, such New Law must be consistent with this Agreement and the Existing Development Regulations, and the City agrees to specify in writing the basis of its decision. The City and the Developer shall, with due diligence and in good faith, cooperate to require modifications rather than denying any Applications for Project Approvals whenever reasonably possible. Article 5 of this Agreement provides further processing guidelines.

(4) The Developer shall provide the City, in a timely manner, all documents, applications, plans, payments of appropriate processing fees, if any, and other information necessary for the City to carry out its obligations hereunder and shall cause Developer's planners, engineers, and all other consultants to submit, in a timely manner, all required materials and documents therefor. It is the express intent of the Developer and the City to cooperate and diligently work to implement any Applications for Project Approvals that are necessary in connection with the development of the Project and Project Site.

(g) Other Governmental Permits. The Developer shall apply in a timely manner for such other permits, approvals, grants, agreements and other entitlements ("Other Governmental Permits") as may be required by other agencies having jurisdiction over, or in connection with the development of, or provision of services to, the Project and Project Site. The City shall cooperate with the Developer relative to such entitlements.

Section 4.04 General Permitted Uses. The permitted uses, density and intensity of use, maximum height and other development standards and provisions for reservation or dedication of land and other terms and conditions of development applicable to the Project shall be substantially as set forth in the Project Approvals, the Project Report and the Site Plan, except as otherwise provided on Exhibit B, or otherwise modified by the terms and conditions of this Agreement.

Section 4.05 Project Approvals Independent. All Project Approvals which may be granted pursuant to this Agreement, and all land use entitlements or approvals generally which have been issued or will be granted by the City with respect to the Project Site, constitute independent actions and approvals by the City. If any provision of this Agreement, or the application of any provision of this Agreement to a particular situation, is held by a court of competent jurisdiction to be invalid or unenforceable, or if this Agreement terminates for any reason, then such invalidity, unenforceability or termination of this Agreement or any part hereof shall not affect the validity or effectiveness of any such Project Approvals or other land use approvals and entitlements. In such cases, such approvals and entitlements will remain in effect pursuant to their own terms, provisions, and Conditions of Approval. The Developer shall have the right to file such new entitlement applications on portions of the Project where such previously approved approvals and entitlements have expired. Any such new applications filed for the Project shall be reviewed in accordance with the Existing Development Regulations. To the extent not expressly held invalid or unenforceable, this Section 4.05 shall survive the termination of this Agreement.

## ARTICLE 5.

### AMENDMENT

Section 5.01. Amendment of Project Approvals. The Project Approvals from time to time, may be amended or modified in the following manner:

(a) Administrative Amendments. Upon the written request of the Developer, the Community Development Director or his or her designee (the "Community Development Director") shall determine: (1) whether the requested amendment or modification (the "Project Approval Amendment") is minor, as determined by the Community Development Director in his or her sole discretion; and (2) whether the requested Project Approval Amendment is consistent with this Agreement. If the Community Development Director finds that the Project Approval Amendment is both minor and consistent with this Agreement, the Project Approval Amendment shall be determined to be an "Administrative Amendment," and the Community Development Director shall approve the Administrative Amendment without notice or public hearing, and this Agreement and its pertinent exhibits shall be automatically amended without further action by the parties.

(b) Non-Administrative Amendments. Any written request by the Developer for an amendment that is determined by the Community Development Director to be either: (1) not minor, or (2) inconsistent with this Agreement, shall be determined not to be an Administrative Amendment, shall be subject to review, consideration and action pursuant to the Existing Development Regulations and this Agreement, and shall be reflected in an amendment to this Agreement and/or its pertinent exhibits pursuant to Section 5.02 of this Agreement.

(c) Changes to Plans; Appeals. If the Community Development Director determines that a proposed revision to the approved Site Plan is minor, if such revisions do not result in any new, significant, or potentially significant environmental impacts not studied in the MND, and the Community Development Director determines that the proposed revision to the Site Plan is in substantial conformance with the provisions of the Planned Development, the general intent of the approved Site Plan and consistent with this Agreement, the revised plan shall be approved by the Community Development Director without submittal to the Planning Board for review and approval. The decision of the Community Development Director shall be final unless appealed to the Planning Board within ten (10) days from the date of such decision. If the Community Development Director determines that the proposed revision is not in substantial conformance with the approved Site Plan, then the revised plan shall be submitted to the Planning Board for review and action pursuant to this Subsection. Notwithstanding the foregoing, the Community Development Director shall have the discretion to refer consideration of the revised plan to the Planning Board as a report and recommendation item. If the Planning Board determines that the proposed revision is in substantial conformance with the provisions of the Planned Development and the general intent of the approved Site Plan, the revised plan shall be approved by the Planning Board. The decision of the Planning Board shall be final unless appealed to the City Council within ten (10) days from the date of such decision. Before any decision by the Community Development Director is final under this subsection, notice shall be provided by publication at least five days prior to the end of the appeal period.

Section 5.02. Amendment Of This Agreement.

(a) Generally. This Agreement may be amended from time to time in whole or in part by mutual consent of the original parties or their successors in interest, in accordance with this Agreement and Sections 65867, 65867.5, and 65868, of the Government Code.

(b) Administrative Amendments. Notwithstanding subdivision (a) of this Section, any amendment to this Agreement which does not relate to the term, uses other than those permitted by the Planned Development, provisions for reservation and dedication of land, or conditions, terms, restrictions, and requirements relating to subsequent discretionary actions, monetary contributions agreed to by Developer pursuant to this Agreement, or changes to any condition set forth in the Conditions of Approval may be determined by the Community Development Director to be an Administrative Amendment and if so, shall be processed pursuant to Section 5.01(a). A memorandum shall be recorded to reflect such Administrative Amendment.

**ARTICLE 6.**

**COOPERATION IN THE EVENT OF LEGAL CHALLENGE**

In the event of any administrative or legal action, or other proceeding instituted by a third party, including another governmental entity or official challenging the validity of any of the Project Approvals (a "Challenge"), the parties shall cooperate in defending the Challenge. The City shall tender the complete defense of the action to the Developer (the "Tender") and upon the Developer's acceptance of the Tender, the Developer shall indemnify and hold harmless the City from all costs and liabilities arising from such an action or proceeding and shall control the defense. The Developer shall be responsible for only the attorneys' fees owing to the legal counsel that Developer chooses. Should the Developer refuse to accept the Tender by City, the City may defend such action or proceeding, at its sole discretion, and if City so defends, the Developer shall indemnify and hold City harmless from all reasonable attorneys' fees related to such defense. In the event of a Challenge, the City may select its own legal counsel, but would do so at its sole expense.

**ARTICLE 7.**

**DEFAULT; REMEDIES; TERMINATION**

Section 7.01. General Provisions.

(a) Failure or unreasonable delay by the Developer to perform any term, provision, or condition of this Agreement for a period of sixty (60) days after written notice thereof from the City shall constitute a default under this Agreement, subject to extensions of time by mutual consent in writing. The time of notice shall be measured from the date of certified mailing. Said notice shall specify the nature of the alleged default and, where appropriate, the manner and period of time in which said default may be satisfactorily cured. If the nature of the alleged default is such that it cannot reasonably be cured within such 60-day period, the commencement of the

cure within such time period and the diligent prosecution to completion of the cure shall be deemed a cure within such period.

(b) During any period of curing, the Developer shall not be considered in default for the purposes of termination or institution of legal proceedings. If the default is cured, then no default shall exist and the noticing party shall take no further action.

(c) Subject to the foregoing, after notice and expiration of the 60-day period without cure or commencement of cure, the City, at its option, may institute legal proceedings pursuant to this Agreement and may give notice of intent to terminate this Agreement pursuant to Government Code section 65868. Following such notice of intent to terminate, the matter shall be scheduled for consideration and review by the Planning Board and City Council in the manner set forth in Government Code sections 65865, 65867, and 65868, and Burbank Municipal Code Sections 31-19115 and 31-19116.

(d) Following consideration of the evidence presented in said review before the City Council, if the City Council determines to terminate this Agreement, the City shall give written notice of termination of this Agreement to the Developer by certified mail. Written notice of termination of this Agreement shall be effective immediately upon certified mailing to the defaulting party.

(e) Evidence of the Developer's default may also arise in the course of the regularly scheduled Annual Review of this Agreement as described in Section 7.02 of this Agreement.

(f) If the City does not accept, process, or render a decision on the Project Approvals in a timely manner, in accordance with the terms of this Agreement, or the City otherwise defaults under the provisions of this Agreement, Developer, upon a reasonable determination by Developer that the City remains in default after the cure period has elapsed, shall be entitled to exercise its remedies hereunder including, without limitation, the right to terminate or modify this Agreement.

In addition to any other remedies of Developer, Developer may, at its option, terminate or modify the terms of the Agreement to remedy the effect of City's default. If Developer desires to terminate or modify the terms of this Agreement, it shall request a processing of such modification pursuant to Government Code Section 65868 and City staff shall be required to present such requested modifications thereof to the City's Planning Board and the City Council at the earliest available public meeting thereof

#### Section 7.02 Annual Review.

(a) On or before the first anniversary of the Effective Date, and on or before each anniversary date during the term of this Agreement thereafter, the City shall review the good faith compliance by the Developer with the terms of this Agreement. This review shall be conducted by the Director and shall be limited in scope to compliance with the terms of this Agreement pursuant to California Government Code (a) Section 65865.1, provided that, if the City

Council imposes a mitigation monitoring or reporting program pursuant to CEQA which is to be completed simultaneously with the annual review of this Agreement, then the scope of the annual review may include implementation of ongoing mitigation measures that are the Developer's responsibility pursuant to the MND.

(b) During this review, the Developer shall be required to demonstrate good faith compliance with the terms of this Agreement. At the conclusion of this review, the Director shall in writing make findings and determinations, on the basis of substantial evidence in the record, whether or not the Developer has complied in good faith with the terms and conditions of this Agreement. If the Director finds and determines that the Developer has not complied with such terms and conditions, then the Director shall deliver to the Developer a notice of a public hearing before the Planning Board in accordance with Burbank Municipal Code Sections 31-19114 and 31-19115, and if applicable, before the City Council in accordance with Burbank Municipal Code Sections 31-19115 and 31-19116.

(c) The City shall deliver to the Developer a copy of all staff reports and documents to be used or relied upon in conducting the review and, to the extent practical, related exhibits concerning the Developer's performance hereunder, at least ten (10) days prior to any such periodic review. The Developer shall be permitted to respond, orally at the public hearing and by a written statement, to the City's evaluation of the Developer's performance.

(d) In the event that the City fails to either (1) conduct the annual review or (2) notify the Developer in writing (following the time during which the review is to be conducted) of the City's determination as to compliance or noncompliance with the terms of this Agreement and such failure remains uncured as of sixty (60) days following the anniversary of the Effective Date in any year during the term of this Agreement, such failure shall be deemed an approval by the City of the Developer's compliance with the terms of this Agreement for that Annual Review period.

(e) With respect to any year for which an Annual Review of compliance with this Agreement is conducted and compliance is approved, or with respect to any year in which the City is deemed to approve of the Developer's compliance with this Agreement pursuant to the preceding paragraph, the City, upon request of the Developer, shall provide Developer with a written Notice of Compliance, pursuant to Article 12 of this Agreement.

Section 7.03. Enforced Delay; Extension of Time of Performance. Performance by either party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, walk-outs, inability to obtain labor and/or supplies, riots, floods, earthquakes, fires, casualties, acts of God, governmental restrictions imposed or mandated by governmental entities other than the City, enactment of conflicting state or federal laws or regulations, or similar bases for excused performance which are not within the reasonable control of the party to be excused. An administrative or legal/equitable challenge or proceeding addressing the validity of this Agreement, any other Project Approvals, or any permit, approval, agreement or other entitlement or action of a governmental agency necessary or desirable for the development of the Project Site pursuant to this Agreement shall be deemed to create an excusable delay as to the Developer. Upon the request of either party hereto, an extension of time for such cause shall be granted in writing for the period of the enforced delay, or longer as may be mutually agreed upon.

Section 7.04. Remedies. In the event that one of the parties defaults under the terms and conditions of this Agreement, the other party shall have all legal rights, including the right to institute a legal action to cure, correct, or remedy any default, to enforce any covenant or agreement herein, to enjoin any threatened or attempted violation thereof, to recover damages for any default, to enforce by specific performance the obligations and rights of the parties hereto, or to obtain any other remedies consistent with the purpose of this Agreement, subject to the dispute resolution provisions herein if a dispute as to an interpretation of this Agreement is in issue. In addition, both City and Developer shall have the right to terminate this Agreement in accordance with Section 7.01(c) and 7.01(f) respectively.

(a) Dispute Resolution: Issuance of Interpretations by the Director. Should a dispute arise between the parties concerning the proper interpretation of this Agreement, the City's Director of Community Development shall issue a written interpretation of the disputed provision of this Agreement within thirty (30) days of receipt of a written request by the Developer, but only after consultation with the City Attorney, any affected City department, the Developer and counsel for the Developer.

(b) Appeals of Interpretations. The Developer may appeal any interpretation issued by the Director of Community Development, or the failure to timely issue an interpretation, to the Planning Board, which shall act within thirty (30) days of receipt of a written appeal. The Developer may appeal any interpretation adopted by the Planning Board, or the failure of the Planning Board to timely adopt an interpretation, to the City Council, which shall act within thirty (30) days of receipt of a written appeal.

(c) Litigation. If the City Council fails to timely render an interpretation within thirty (30) days after a written appeal is filed with the City Council by the Developer, or if the Developer contests the interpretation adopted by the City Council, the Developer may institute legal action, including, but not limited to, an action for declaratory relief pursuant to Code of Civil Procedure Section 1060 et seq, to interpret this Agreement after complying with the administrative procedures of this subsection.

Section 7.04. California Law/Attorneys' Fees. This Agreement shall be construed and enforced in accordance with the laws of the State of California. If legal action by either party is brought because of breach of this Agreement or to enforce a provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and court costs. If a legal action is brought by a third party, Article 6 of this Agreement shall apply.

## ARTICLE 8.

### MORTGAGEE PROTECTIONS

#### Section 8.01. Encumbrance of Developer's Interest.

The Developer shall have the absolute right to encumber and/or collaterally assign or grant a security interest in the Developer's right, title and interest in, to and under this Agreement and the

Project Site pursuant to one or more mortgages (each a "Permitted Mortgage"), provided that each such Permitted Mortgage is given for the purpose of securing funds to be used for financing the acquisition of the Project Site or any portion thereof, the construction of the Project thereon, and any other expenditures reasonably necessary and appropriate to develop the Project in accordance with this Agreement. The City acknowledges that a mortgagee may require certain modifications to this Agreement, and the City agrees, upon request, from time to time, to meet with Developer and/or representatives of any such mortgagee to negotiate in good faith any such request for modification. The City further agrees that it will not unreasonably withhold its consent to any such requested modification to this Agreement provided such modifications are processed in accordance with Subsection 8.02 related to procedures for amendment of this Agreement. Any mortgagee and its successors and assigns shall be entitled to the rights and privileges set forth in this section.

Section 8.02. Mortgagee Protections.

Provided that any mortgagee or beneficiary under a Permitted Mortgage (each, a "Mortgagee") provides the City with a conformed copy of each Permitted Mortgage which contains the name and address of such Mortgagee, the City hereby covenants and agrees to faithfully perform and comply with the following provisions with respect to such Permitted Mortgage:

(a) No Termination. No action by the Developer, or the City to cancel, surrender, or materially modify the terms of this Agreement or the provisions of this Article 8 shall be binding upon a Mortgagee without its prior written consent.

(b) Notices. If the City shall give any Notice of Default to the Developer hereunder, the City shall simultaneously give a copy of such Notice of Default to the Mortgagee at the address theretofore designated by it. No Notice of Default given by the City to the Developer shall be binding upon or affect said Mortgagee unless a copy of said Notice shall be given to Mortgagee pursuant to this Section. In the case of an assignment of such Permitted Mortgage or change in address of such Mortgagee, said assignee or Mortgagee, by written notice to City, may change the address to which such copies of Notices are to be sent. City shall not be bound to recognize any assignment of such Permitted Mortgage unless and until the City shall be given written notice thereof, a copy of the executed assignment, and the name and address of the assignee. Thereafter, such assignee shall be deemed to be the Mortgagee hereunder with respect to the Permitted Mortgage being assigned. If such Permitted Mortgage is held by more than one person, corporation or other entity, no provision of this Agreement requiring the City to give notices or copies thereof to said Mortgagee shall be binding upon the City unless and until all of said holders shall designate in writing one of their number to receive all such notices and copies thereof and shall have given to the City an original executed counterpart of such designation.

(c) Performance of Covenants. The Mortgagee shall have the right to perform any term, covenant or condition and to remedy any default by the Developer hereunder within the time periods specified herein, and the City shall accept such performance with the same force and effect as if furnished by the Developer; provided, however, that said Mortgagee shall not thereby or hereby be subrogated to the rights of the City.

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(d) Default by the Developer. In the event of a default by the Developer which has not been cured by the Developer or as to which there is no Cure Period hereunder, the City agrees not to terminate this Agreement (1) unless and until the City provides written notice of such default to any Mortgagee and such Mortgagee shall have failed to cure such Default within ninety (90) business days after the later of delivery of such notice or expiration of any applicable Developer cure period, and (2) as long as:

(1) In the case of a default which cannot practicably be cured by the Mortgagee without taking possession of the Property (which defaults shall not include defaults "not susceptible of being cured" as defined below), (a) the Mortgagee has delivered to the City, prior to the date on which the City shall be entitled to give notice of termination, a written instrument wherein the Mortgagee unconditionally agrees that (subject to such delays as may be incident to obtaining a relief from stay in the case of a bankruptcy/dissolution event) it will commence and diligently pursue cure of such default promptly following its obtaining possession and; (b) said Mortgagee shall proceed diligently to obtain possession of the Property (including possession by receiver) (subject to such delays as may be incident to obtaining a relief from stay in the case of a bankruptcy/dissolution event) and, upon obtaining such possession, shall proceed diligently to cure such default; and

(2) In the case of a default which is not susceptible to being cured by the Mortgagee, the Mortgagee shall institute foreclosure proceedings and diligently prosecute the same to completion (subject to such delays as may be incident to obtaining a relief from stay in the case of a bankruptcy/dissolution event) (unless in the meantime it shall acquire the Developer's right, title and interest hereunder, either in its own name or through a nominee, or by assignment in lieu of foreclosure) and upon such completion of acquisition or foreclosure such default shall be deemed to have been cured.

The Mortgagee shall not be required to obtain possession or to continue in possession as Mortgagee of the Property pursuant to Subsection 8.02(d)(1) above, or to continue to prosecute foreclosure proceedings pursuant to Subsection 8.02(d)(2) above, if and when such default shall be cured. Nothing herein shall preclude the City from exercising any of its rights or remedies with respect to any other default by the Developer during any period of such forbearance, but in such event the Mortgagee shall have all of its rights provided for herein. If the Mortgagee, its nominee, or a purchaser in a foreclosure sale, shall acquire title to the Developer's right, title and interest hereunder and shall cure all defaults which are susceptible of being cured by the Mortgagee or by said purchaser, as the case may be, then prior Defaults which are not susceptible to being cured by the Mortgagee or by said purchaser shall no longer be deemed defaults hereunder.

References herein to defaults which are "not susceptible of being cured" by a Mortgagee or purchaser (or similar language) shall not, except as provided below, be deemed to refer to any default which the Mortgagee or purchaser is not able to cure because of the cost or difficulty of curing such default, but rather shall be deemed to refer only to defaults specifically relating to the identity of the Developer which by their nature can be cured only by the Developer (such as the owner's bankruptcy/dissolution event or a owner control change).

(e) Foreclosure. Foreclosure of any Permitted Mortgage, or any sale thereunder, whether by judicial proceedings or by virtue of any power contained in a Permitted Mortgage, or any conveyance of the Project from the Developer to a Mortgagee or its designee through, or in lieu of, foreclosure or other appropriate proceedings in the nature thereof, shall not require the consent of the City or constitute a breach of any provision of or a default under this Agreement, and upon such foreclosure, sale or conveyance, the City shall recognize the purchaser or other transferee in connection therewith as the Developer hereunder provided that such purchaser or transferee assumes, subject to the terms of Section 8.02(d) above, each and all of the obligations of the Developer hereunder pursuant to an assumption agreement satisfactory to the City. If any Mortgagee or its nominee or assignee shall acquire the Developer's right, title and interest hereunder as a result of a judicial or nonjudicial foreclosure under any Permitted Mortgage, or by means of a deed in lieu of foreclosure, or through settlement of or arising out of any pending or contemplated foreclosure action, such Mortgagee shall thereafter have the right to assign or transfer the Developer's right, title and interest hereunder to an assignee upon obtaining the City's consent with respect thereto, which consent shall not be unreasonably withheld or delayed. Upon such acquisition of the Developer's right, title and interest hereunder as described in the preceding sentence by either Mortgagee, or the assignee or nominee of Mortgagee, or the purchaser from Mortgagee, assignee or nominee, the City shall immediately execute and deliver a new agreement or amend this Agreement with such party. Subject to the terms of Section 8.02(d) above, such new agreement or amended Agreement shall be substantially the same in form and content to the provisions of this Agreement, except with respect to the parties thereto, and the elimination of any requirements which have been fulfilled by the Developer prior thereto, and said agreement shall have priority equal to the priority of this Agreement. Upon execution and delivery of such new agreement or amended Agreement, the City shall cooperate with the new Developer, at the sole expense of said new Developer, in taking such action as may be necessary to cancel and discharge this Agreement and to remove the Developer named herein from the Property.

(f) New Agreement. The City agrees that in the event of termination of this Agreement by reason of any default by the Developer, or by reason of the disaffirmance hereof by a receiver, liquidator or trustee for the Developer or its property, the City will enter into a new agreement with the most senior Mortgagee holding a Permitted Mortgage requesting a new agreement, effective as of the date of such termination, in substantially the same form and content as this Agreement, provided:

- (1) The senior Mortgagee shall make written request upon the City for the new agreement within sixty (60) days after the date it receives notice of such termination:
- (2) The senior Mortgagee shall pay to the City at the time of the execution and delivery of the new agreement any and all sums which would, at the time of the execution and delivery thereof, be due and unpaid pursuant to this Agreement but for its termination, and in addition thereto any expenses, including reasonable attorneys' fees, to which the City shall have been subjected by reason of the event of default;
- (3) The senior Mortgagee shall perform and observe all covenants herein contained on the Developer's part to be performed which are susceptible to being performed by the senior Mortgagee, and shall further remedy any other conditions which the Developer under the

terminated Agreement was obligated to perform under its terms, to the extent the same are curable or may be performed by the senior Mortgagee;

(4) Notwithstanding anything to the contrary expressed or implied elsewhere in this Agreement, any new agreement made pursuant to this Section 8.02(f), shall be prior to any Permitted Mortgage or other collateral assignment, pledge, lien, charge or encumbrance on the Developer's interest in this Agreement, to the same extent as the terminated Agreement. The rights granted any Mortgagee to a new agreement shall survive any termination of this Agreement; and

(5) Unless and until the City has received notice from all Mortgagees that the Mortgagees elect not to demand a new agreement as provided in Section 8.03(e) or this 8.02(f), or until the period therefor has expired, the City shall not enter into any new agreement regarding the development of the Property without the prior written consent of any Mortgagee.

(g) No Obligation to Cure. Except as set forth herein, nothing herein contained shall require any Mortgagee to cure any default of the Developer referred to above or to construct or complete the construction of the Project, or to guarantee such construction or completion.

(h) Separate Agreement. The City shall, upon request, execute, acknowledge and deliver to each Permitted Mortgagee, an agreement prepared at the sole cost and expense of the Developer, in form satisfactory to each Permitted Mortgagee, between the City, the Developer and the Permitted Mortgagees, agreeing to all of the provisions hereof.

(i) Form of Notice. Any Mortgagee under a Permitted Mortgage shall be entitled to receive the notices required to be delivered to it hereunder provided that such Mortgagee shall have delivered to each party a notice substantially in the following form:

The undersigned, whose address is \_\_\_\_\_, does hereby certify that it is the Mortgagee (as such term is defined in that certain Development Agreement dated as of \_\_\_\_\_, 2004 between the City of Burbank and Champion Realty, Ltd. [the "Development Agreement"]) of the parcel of land described on Exhibit "A" attached hereto, which parcel is owned by Champion Realty, Ltd. (or Affiliate). In the event that any notice shall be given of a default of a party to the Development Agreement (a "Party"), a copy thereof shall be delivered to the undersigned who shall have the rights of a Mortgagee to cure the same, as specified in the Development Agreement. Failure to deliver a copy of such notice shall in no way affect the validity of the notice to the Party, but no such notice shall be effective as it relates to the rights of the undersigned under the Development Agreement with respect to the Permitted Mortgage, including the commencement of any cure periods applicable to the undersigned, until actually received by the undersigned.

(j) Estoppel Certificate. The City shall execute an estoppel certificate in form and substance reasonably satisfactory to the Mortgagee at the time of the initial advances in

connection with construction, permanent and equity financing and from time to time thereafter, upon the reasonable request of the Mortgagee. This estoppel certificate can be administratively issued by the Director within the time period provided for delivery thereof set forth in Section 12.01 (a) if it is in the form required by Section 12.01 (a).

(k) Limitation of Liability. Upon acquiring title to the Property, the Mortgagee shall have no obligation or liability to the City beyond the Mortgagee's interest, if any, in the Project Site and the City shall look exclusively to such interest in the Project Site for payment and discharge of any obligations imposed upon the Mortgagee under this Agreement or any other document entered into in connection therewith. Mortgagee shall be released and relieved of any liability under the Agreement and under any other document entered into in connection therewith upon the assignment of Mortgagee's rights upon or subsequent to foreclosure of its collateral or acquisition in lieu of foreclosure.

(l) Further Assurances. The City and the Developer agree to cooperate in including in this Agreement, by suitable amendment, any provision which may be reasonably requested by the Mortgagee or any proposed Mortgagee for the purpose of (i) more fully or particularly implementing the Mortgagee protection provisions contained herein, (ii) adding mortgagee protections consistent with those contained herein and which are otherwise commercially reasonable, and (iii) allowing such Mortgagee reasonable means to protect or preserve the security interest of the Mortgagee in the collateral, including its lien on the Project Site and the collateral assignment of this Agreement; provided, however, in no event shall the City be obligated to modify any of the Developer's obligations or the City's rights under this Agreement in any manner not already contemplated in this Article 8.

## ARTICLE 9.

### MISCELLANEOUS

Section 9.01. No Agency, Joint Venture or Partnership. It is specifically understood and agreed by and between the parties hereto that the Project and Project Site development is a private development, and that the Developer shall have full power over and exclusive control of the Project and Project Site, subject only to the obligations of the Developer under this Agreement. The City and the Developer hereby renounce the existence of any form of agency relationship, joint venture or partnership between the City and the Developer and agree that nothing contained herein or in any document executed in connection herewith shall be construed as creating any such relationship between the City and the Developer.

Section 9.02. Severability. If any term, provision, covenant or condition of this Agreement or the application of any provision of this Agreement to a particular situation is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement, or the application of this Agreement to other situations, shall continue in full force and effect unless amended or modified by mutual consent of the parties.

Section 9.03. Other Necessary Acts. Each party shall execute and deliver to the other all such other further instruments and documents as may be reasonably necessary to carry out this

Agreement and other Project Approvals in order to provide and secure to the other party the full and complete enjoyment of its rights and privileges hereunder.

Section 9.04. Construction. Each reference in this Agreement and in the other Project Approvals to this Agreement shall be deemed to refer to the named document or plan as such document or plan may be amended from time to time, whether or not the particular reference refers to such possible amendment. This Agreement has been reviewed and revised by legal counsel for both the City and the Developer, and no presumption or rule that ambiguities shall be construed against the drafting party shall apply to the interpretation or enforcement of this Agreement.

Section 9.05. Other Miscellaneous Terms. The singular shall include the plural; the masculine gender shall include the feminine; "shall" is mandatory; "may" is permissive. If there is more than one signer of this Agreement, the signers' obligations are joint and several.

Section 9.06. Covenants, No Dedication or Lien. The provisions of this Agreement shall constitute covenants which shall run with the land comprising the Project Site for the benefit thereof, and the burdens and benefits hereof shall bind and inure to the benefit of each of the parties hereto and all successors in interest to the parties hereto for the term of this Agreement. Nothing herein shall be construed as a dedication or transfer of any right of interest in, or as creating a lien with respect to, the title to the Project Site, other than those dedications required herein.

Section 9.07. Cooperation in Carrying Out Agreement. Each party shall take such actions and execute and deliver to the other all such further instruments and documents as may be reasonably necessary to carry out this Agreement in order to provide and secure to the other party the full and complete enjoyment of its rights and privileges hereunder.

## ARTICLE 10.

### NOTICES

#### Section 10.01. Method of Notice.

(a) Any notice or communication (hereafter, a "Notice") required hereunder by the City or the Developer must be in writing, and may be given either personally, or by registered or certified mail (return receipt requested). If given by registered or certified mail, a Notice shall 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 a party to whom Notices are to be sent, or (ii) five (5) days after the registered or certified letter containing such Notice, properly addressed, with postage prepaid, is deposited in the United States mail. If personally delivered, a Notice shall be deemed to have been given when delivered to the party to whom it is addressed. A courtesy copy of the Notice may be sent by facsimile transmission. 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 to which such notice or communication shall be given.

(b) Such notices shall be given to the parties at their addresses set forth below:

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If to City to:

City of Burbank  
275 E. Olive Avenue  
Burbank, CA 91502  
Attention: Community Development Director

With a Copy to:

Office of City Attorney  
City of Burbank  
275 E. Olive Avenue  
Burbank, CA 91502  
Attention: City Attorney

If to Developer, to:

Champion Realty, Ltd.  
c/o Champion Development Group, Inc.  
11601 Wilshire Boulevard, Suite 1650  
Los Angeles, CA 90025  
Attention: Robert Champion

With a Copy to:

Resch Polster Alpert Berger LLP  
10390 Santa Monica Boulevard, 4<sup>th</sup> Floor  
Los Angeles, CA 90025  
Attention: Real Estate Notices (RMR and JAR)

**ARTICLE 11.**

**ASSIGNMENT**

Section 11.01. Limitation; Permitted Transfers; Transfer Approvals.

(a) The qualifications and identity of the Developer are of particular concern to the City. It is because of those qualifications and identity that the City has entered into this Agreement with the Developer. Accordingly, for the period commencing upon the Effective Date until a Certificate of Occupancy for the improvements comprising the Project has been issued, no voluntary or involuntary successor in interest of the Developer shall acquire any rights or powers under this Agreement ("Transfer") without the prior written approval of the City, except as expressly set forth herein.

(b) Notwithstanding subsection (a) above, City approval of a Transfer shall not be required in connection with any Transfer of the Developer's interests, rights and obligations under this Agreement to an Affiliate. In the event of a Transfer by Developer under this subsection (b) not requiring the City's prior approval, Developer nevertheless agrees that at least thirty (30) days prior to such Transfer it shall give written notice to City of such assignment and satisfactory evidence that the assignee has assumed in writing through an assignment and assumption agreement as required by subsection (c) below.

(c) The City agrees that it will give reasonable consideration to approving a request for approval of a Transfer in accordance for the standards of such approval set forth below, provided the Developer delivers written notice to the City requesting such approval. Such notice shall be accompanied by evidence regarding the proposed transferee's development and/or operational qualifications and experience, and its financial commitments and resources, in sufficient detail to enable the City to evaluate the proposed assignee or purchaser pursuant to the criteria set forth in this Section 11.03 and as reasonably determined by the City. The City may, in considering any such request, take into consideration such factors as (i) the quality of any new and/or replacement developer (ii) the transferee's past performance and experience as developer of high-quality mixed-use residential and retail developments (iii) the current financial condition of the transferee, and similar factors.

(d) If all or any portion of this Agreement is transferred by the Developer to any person or entity (a "Transferee"), the Transferee shall succeed to all of the Developer's Rights under this Agreement regarding the Transferred Property. A written assignment and assumption agreement (the "Assignment") in a form approved by the City Attorney, shall be executed by the Transferee, and a copy provided to the City. The Assignment may contain, if appropriate, an allocation of rights and obligations under the Agreement between the Developer and the City. Thereafter, a default under this Agreement by the Developer regarding that portion of the Project Site other than the Transferred Property (the "Remaining Property") shall not be considered or acted upon by City as a default by the Transferee regarding the Transferred Property and shall not affect the Transferee's Rights regarding the Transferred Property. Likewise, a default by a Transferee relating to the Transferred Property shall not be considered or acted upon by the City as a default by the Developer regarding the Remaining Property and shall not affect the Developer's Rights regarding the Remaining Property.

## ARTICLE 12.

### NOTICE OF COMPLIANCE

#### Section 12.01. Generally.

(a) Within thirty (30) days following any written request that the Developer may make from time to time, the City shall execute and deliver to the Developer a "Notice of Compliance," in recordable form, duly executed and acknowledged by the City, that certifies:

(1) That this Agreement is unmodified and in full force and effect, or if there have been modifications hereto, that this Agreement is in full force and effect as modified and stating the date and nature of such modification;

(2) That there are no current uncured defaults under this Agreement or specifying the dates and nature of any such default.

(b) The failure of the City to deliver such a Notice of Compliance within such time shall constitute a conclusive presumption against the City that this Agreement is in full force and effect without modification except as may be represented by the Developer and that there are no uncured defaults in the performance of the Developer, except as may be represented by the Developer. The Developer shall have the right, at Developer's sole discretion, to record the Notice of Compliance.

Section 12.02. City Request.

(a) The City may request that the Developer provide a Notice of Compliance to City pursuant to Section 12.01 of this Agreement. If so requested, the Developer shall follow the procedures prescribed for the City in Section 12.01(a) of this Agreement.

ARTICLE 13.

**ENTIRE AGREEMENT, COUNTERPARTS' EXHIBITS, RECORDING**

Section 13.01. Generally. This Agreement consists of forty-three (43) pages and two (2) exhibits, constitutes the final and exclusive understanding and agreement of the parties, and supersedes all negotiations and any previous agreements between the parties with respect to all or any part of the subject matter hereof.

Section 13.02. Waivers. All waivers of the provisions of this Agreement shall be in writing and signed by the parties.

Section 13.03. Exhibits. The following exhibits are attached to this Agreement and incorporated herein for all purposes:

- Exhibit A - Project Site Legal Description
- Exhibit B - Conditions of Approval
- Exhibit C - Construction Schedule

Section 13.04. Recordation of Agreement. No later than ten (10) days after the Effective Date, the City Clerk shall record at the Developer's expense an executed original of this Agreement in the Official Records of the County of Los Angeles.

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IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto on the day and year first above written.

"CITY"

"DEVELOPER"

CITY OF BURBANK

CHAMPION REALTY, LTD.

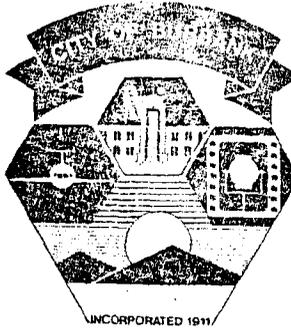
Mary J. Alvord  
Mary J. Alvord  
City Manager

By: Robert Champion  
Robert Champion  
General Partner

OFFICIAL SEAL

ATTEST:

Margarita Campos  
Margarita Campos, City Clerk



APPROVED AS TO FORM FOR CITY  
Dennis A. Barlow, City Attorney

By: Michael J. Garcia  
Michael J. Garcia  
Senior Assistant City Attorney

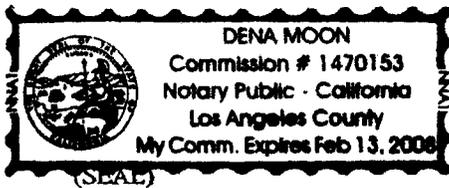
31

ACKNOWLEDGMENT FOR  
CITY OF BURBANK

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF LOS ANGELES )

On January 19, 2005, before me, Dena Moon, a Notary Public in and for said state, personally appeared Mary J. Alvord, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



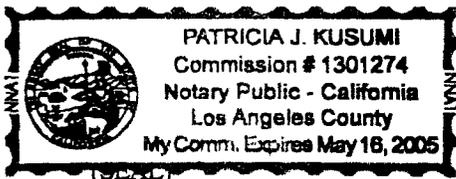
Dena Moon  
Notary Public in and for said State

ACKNOWLEDGMENT FOR DEVELOPER

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF LOS ANGELES )

On NOVEMBER 23, 2004, before me, PATRICIA J. KUSUMI, a Notary Public in and for said state, personally appeared ROBERT D. CHAMPION, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



Patricia J. Kusumi  
Notary Public in and for said State



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05 0189689

**EXHIBIT A  
PROJECT SITE  
LEGAL DESCRIPTION**

The land referred to herein is situated in the State of California, County of Los Angeles and is described as follows:

**Parcel 1:**

That portion of Block 62 of Town of Burbank in the City of Burbank, County of Los Angeles, State of California, as per Map recorded in Book 17, Pages 19 to 22, inclusive of miscellaneous records in the Office of the County Recorder of said county, described as follows:

Beginning at a point in the northwesterly line of said Block 62 that is 13.01 feet southwesterly of the northerly corner of Lot 16 of said block; thence south 41 degrees 17 minutes 45 seconds west along said northwesterly line, 116.00 feet to the beginning of a tangent curve, concave easterly and having a radius of 15.00 feet; thence southwesterly, southerly and southeasterly along said curve 23.55 feet to a point of tangency in a line that is 46.00 feet northeasterly of the center line of First Street as shown on said Map; thence south 48 degrees 40 minutes 38 seconds east along said line 163.51 feet to a line that is parallel with and 178.50 feet southeasterly of the northwesterly line of said block; thence north 41 degrees 17 minutes 45 seconds east along said parallel line 130.99 feet; thence north 48 degrees 40 minutes 38 seconds west 178.50 feet to the point of beginning.

Except therefrom of Lot 16 all oil, gas, hydrocarbon substances in and under all of the above described real property, but without any right to penetrate, use or disturb the surface of said property or any portion of said property within five hundred (500) feet of the surface thereof, as provided in Deed recorded September 17, 1985 as Instrument No. 85-1074435, Official Records.

Said land is shown as Parcel 1 on Certificate of Compliance recorded June 3, 1991 as Instrument No. 91-817191, Official Records.

**Parcel 2:**

That portion of Block 62 of Town of Burbank in the City of Burbank, County of Los Angeles, State of California, as per Map recorded in Book 17, Pages 19 to 22, inclusive of miscellaneous records in the Office of the County Recorder of said County, described as follows:

Beginning at the most southerly corner of Lot 4 of said Block 62; thence north 48 degrees 41 minutes 07 seconds west 72.20 feet along the southwesterly line of Lot 4 of said block; thence north 41 degrees 17 minutes 45 seconds east 2.79 feet; thence north 48 degrees 41 minutes 07 seconds west 83.00 feet to the northwesterly line of said block; thence

south 41 degrees 17 minutes 45 seconds west along said northwesterly line 41.40 feet; thence south 48 degrees 40 minutes 38 seconds east 164.33 feet; thence north 41 degrees 17 minutes 45 seconds east 38.63 feet; thence north 48 degrees 41 minutes 07 seconds west 9.13 feet to the point of beginning.

Except therefrom, from the westerly 50 feet of the easterly 100 feet of Lot 2 in said Block 62, all oil, gas and other hydrocarbon substances in and under said land without any right to penetrate, use or disturb the surface of said land, or any portion of said land within 500 feet of the surface thereof, as reserved in Deed recorded December 27, 1989 as Instrument No. 89-2073881.

Said land is shown as Parcel 5 on Certificate of Compliance recorded June 3, 1991 as Instrument No. 91-817191, Official Records.

Parcel 3:

That portion of Block 62 of Town of Burbank in the City of Burbank, County of Los Angeles, State of California, as per Map recorded in Book 17, Pages 19 to 22, inclusive of miscellaneous records in the Office of the County Recorder of said County, described as follows:

Beginning at a point in the northwesterly line of said Block 62 which is 13.01 feet southwesterly of the most northerly corner of Lot 16 of said block; thence parallel with the center line of First Street as shown on said map south 48 degrees 40 minutes 38 seconds east 178.50 feet to a line that is parallel with the northwesterly line of said block; thence north 41 degrees 17 minutes 45 seconds east along said parallel line 36.89 feet; thence south 48 degrees 40 minutes 38 seconds east 20.91 feet; thence north 41 degrees 17 minutes 45 seconds east 139.00 feet; thence north 48 degrees 40 minutes 38 seconds west 20.91 feet; thence north 41 degrees 17 minutes 45 seconds east 48.23 feet; thence north 48 degrees 40 minutes 38 seconds west 178.50 feet to the northwesterly line of said block; thence southwesterly along said northwesterly line 224.12 feet to the point of beginning.

Except therefrom of Lot 16 all oil, gas, hydrocarbon substances in and under all of the above described real property, but without any right to penetrate, use or disturb the surface of said property or any portion of said property within five hundred (500) feet of the surface thereof, as provided in Deed recorded September 17, 1985 as Instrument No. 85-1074435, Official Records.

Said land is shown as Parcel 6 on Certificate of Compliance recorded June 3, 1991 as Instrument No. 91-817191, Official Records.

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**EXHIBIT B  
CONDITIONS OF APPROVAL**

**CONDITIONS OF APPROVAL****Planned Development No. 2003-2 with Development Review No. 2003-50  
(The Collection at Downtown Burbank – Champion Development, Developer)**

1. Planned Development No. 2003-2 with Development Review No. 2003-50 authorizes the construction of a mixed use project on the site of the former AMC 14 Theater complex located at 140 East Palm Avenue. The project includes the following uses:
  - 118 condominium units
  - A maximum of 50,000 adjusted gross square feet of retail/restaurant space, of which at least 60% must be retail.
2. The Palm Avenue promenade shall remain open to the public at all times to provide continued pedestrian access to public parking and to Art in Public Places art pieces, should the Art in Public Places be located on the Palm Avenue promenade. Palm Avenue may be utilized an outdoor entertainment venue including kiosks, outdoor performances, and special events subject to prior approval by the City and Redevelopment Agency, which shall not be unreasonably withheld.
3. Development of the subject project shall be in substantial conformance with the applications, plans and vignettes (stamped as Exhibits B-2 through B-4) submitted by the developer, approved and/or modified by the City Council and placed on file in the office of the Planning Division, except as modified by the conditions herein, or by subsequent modifications determined by the City Planner to be in substantial compliance with these Conditions of Approval.
4. The architectural design shall be in substantial conformance with the plans and architectural renderings presented to the Planning Board at its hearing of October 11, 2004 and the City Council at its hearing of November 23, 2004. Any substantial architectural or design changes require the review and approval of the Planning Board and the City Council; minor changes may be approved by the Community Development Director.
5. The developer shall comply with all federal, state and local laws. Violations that are not cured within the applicable cure period set forth in the Development Agreement or conviction of any of those laws in connection with the use will be cause for revocation of this Planned Development.

*Planning Division*

6. The project shall be a mixed use development with retail, restaurant, and residential units being constructed on the site. With the exception of any pedestrian lobbies, entry areas, and storage areas for the residential uses, all residential components of the project shall be located on upper floors. All other at grade tenant spaces located along the Palm Avenue promenade and First Street shall be reserved for commercial use.

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7. All residential units proposed as part of this project shall be condominiums subject to approval of a Tentative and Final Map. Prior to issuance of a certificate of occupancy, the developer shall have submitted a Tentative and Final Map to the City for review and approval.
8. Permitted, Conditional, and Prohibited Uses of Planned Development No. 2003-2 are attached to this Exhibit.
9. Uses permitted may be modified subject to administrative review, based on the mixed-use nature of the project and maintenance of the percentages of provided uses and the mixed-use dynamic of the approved project. This administrative review should be in compliance with the approved "Traffic and Parking Impacts Analysis for the Collection," and with all provisions of the California Environmental Quality Act (CEQA).
10. Should the project include a Restaurant/Drinking Establishment, as defined in Burbank Municipal Code Section 31-203, an Administrative Use Permit shall be required, as shown in the List of Permitted and Conditional Uses and the establishment shall comply with all requirements of Burbank Municipal Code Section 31-1116 (12), and as may be amended from time to time.
11. In order to insure a pedestrian orientation to First Street, the proposed retail area located on the First Street level at the intersection of First Street and Palm Avenue shall be retained. The size of such space may be decreased in size in order to provide additional parking areas provided that the linear frontage of retail space remains as shown on the submitted plans.
12. The total minimum parking provided for the project is 734 spaces (236 spaces for the residential units, 222 spaces for the retail/restaurant uses, and 276 surplus parking spaces for the Downtown area). The minimum width of the residential parking spaces shall be 8'-6". All other parking spaces shall be at least nine (9) feet wide. No compact parking spaces are permitted within the project.
13. Parking designated for residential units shall be physically separated, by a gate or other structure, from commercial and public parking spaces. Any residential parking spaces that are not located within a gated area must be otherwise secured to the satisfaction of the Community Development Director. Each unit shall be provided with two (2) parking spaces.
14. The commercial and public parking spaces shall remain available for shared tenant and public use at all times within those hours designated by the Public Works Director and Community Development Director for the Downtown Area, to prevent loitering and to allow for cleaning.
15. The Developer shall be permitted to identify up to forty (40) parking spaces for the use of the anchor retail tenants. The parking spaces shall not be subject to additional enforcement provisions (e.g. separate metering) above and beyond those generally permitted within the

parking structure. The spaces shall be identified by signage only and located to the satisfaction of the Community Development Director.

16. The parking structure constructed for this project is to be integrated with the existing public parking structure along Orange Grove Avenue. The developer shall, to the satisfaction of the Community Development Director, use commercially reasonable and good faith efforts to insure that the Orange Grove parking structure remains available for use during construction with minimal impact on the parking within the structure.
17. The developer shall equip the parking structure being constructed as part of the project and the existing parking structure on Orange Grove Avenue with "smart signage", including external signing to notify patrons of a full garage and the signing shall identify alternative parking destinations. The "smart signage" system shall have the ability to be integrated with a larger system for the downtown parking structures. All signage shall be approved by the Traffic Engineer.
18. Hours of construction are limited to between 7:00 a.m. and 6:00 p.m., Monday through Friday. Interior tenant improvements and other interior construction activities may be exempted from these restrictions with the approval of the Community Development Director.
19. The developer shall obtain Community Development Department Director approval that the final design of all structures within the Collection at Downtown Burbank project satisfy the requirements Burbank Municipal Code Section 31-1113.1(d). [All building elevations fronting on public streets or residentially zoned lots shall contain elements designed for the purpose of providing visual variation including expressed floor or surface breaks, balconies, projections, recesses, awnings, and horizontal setbacks].
20. A construction truck route plan, identifying truck routes along major arterials avoiding residential streets, and the frequency and hours of operation shall be prepared prior to approval of any demolition, grading or building permits and approved by the Public Works Director. The plan shall demonstrate avoidance of congested roadways and sensitive receptors (e.g., residential areas) and minimizing trips and trip lengths to the extent feasible.
21. The developer shall provide a site plan, to the Police Department representative and the Public Works Director's satisfaction, which shows sufficient off-street parking locations for construction employees and equipment so as not to impact the local residential community or nearby businesses, and require contractors to prepare a trip reduction plan for construction crew vehicles to reduce potential vehicle trips on the road. The developer shall place such language (dealing with parking and trip reduction) in all contractor agreements.
22. The developer shall comply with all Mitigation Measures listed in the Mitigated Negative Declaration, and as listed below:

*Air Quality*

- a. Prior to issuance of a grading permit, the developer shall submit a Fugitive Dust Control Plan for approval by the Building Official. The plan shall include:
  - Designation and retention, during rough grading and excavation activities, of a full-time, on-site monitoring firm that is experienced in environmental control, applicability and compliance with AQMD Rules 402 and 403, recommended dust control including fugitive dust sources, dust control measures implementation responsibility, and monitoring responsibility;
  - A site air monitoring program including meteorological stations, personal dust monitoring, site perimeter and dust monitoring, implementation responsibility, and a response to monitoring findings;
  - A description of the best high wind control measures and track-out controls;
  - A schedule of bi-weekly reports to be submitted to the Building Official for approval including a summary of activities, a description and location of inactive areas, a record of visible dust emissions, a record of high wind conditions, and a list of mitigation measures for any unexpected problems.
- b. Prior to issuance of a grading permit, the developer shall submit a plan for approval by the Community Development Department and Public Works Department indicating:
  - The type, location and extent of all track-out control paving;
  - The locations and type of all track-out control devices and procedures;
  - The boundaries of public paved surface to be maintained by sweeping or vacuuming;
  - The number of water trucks provided;
  - The number, type, make, and model of equipment and vehicles used.
- c. Prior to issuance of grading permits, the developer shall include the following measures on the construction plan and in all construction contracts to the satisfaction of the Community Development Director:
  - The construction contractor shall select the construction equipment used on site based upon the optimum equipment necessary for the job, while selecting equipment based upon low emission factors and a high level of energy efficiency as reported by the Federal Government
  - The construction contractor shall ensure that construction grading plans include a statement that all construction equipment will be tuned and maintained in accordance with the manufacturer's specifications.
  - The construction contractor shall time the construction activities so as not to interfere with peak hour traffic and minimize obstruction of through traffic lands adjacent to the project site; if deemed necessary by the Community Development Director, a flag person shall be retained to maintain safety adjacent to adjacent existing roadways.
  - The construction contractor shall provide ridesharing incentives and transit incentives for the construction crew, such as free bus passes.
- d. Prior to issuance of building permits, the Construction Contractor shall verify, to the satisfaction of the Community Development Director, that the project will utilize, to the extent possible, pre-coated/natural colored building materials, water based or low volatile organic compound (VOC) coatings, and coating transfer or spray equipment

with high transfer efficiency, such as high volume low pressure (HVLP) method, or manual coatings application

- e. Construction related exhaust and dust emissions shall be controlled through the use of energy efficient equipment that produces low particulate and nitrogen oxides emissions.
- f. All grading, excavation, and other activities involving the use of fossil fuel powered equipment shall cease during second and third stage smog alerts as designated by the SCAQMD.
- g. Use a water truck during grading. Wetting twice a day will reduce particulate emissions (dust) by approximately 50 percent. All unpaved demolition and construction areas are to be wetted as necessary during excavation to reduce dust emissions and meet SCAQMD Rule 403.
- h. Non-toxic soil stabilizers shall be applied to inactive areas pursuant to manufacturer's specifications.
- i. Cease grading and water truck use during periods when wind speeds exceed 25 mph.
- j. The project shall be designed and operated to conserve energy in keeping with Title 24 requirements.
- k. Prior to issuance of a grading permit, the developer shall submit a truck haul route plan for approval by the Traffic Engineering Division of the Public Works Department.
- l. All trucks hauling dirt, sand, soil, or other loose material shall be covered or shall maintain at least two (2) feet of freeboard.

*Noise*

- m. Hours of construction are limited to between 7:00 a.m. and 6:00 p.m., Monday through Friday. Interior tenant improvements and other interior construction activities may be exempted from these restrictions with the approval of the Community Development Director.
  - n. To ensure that construction personnel are aware of the restricted construction times, the developer shall install professionally made sign(s) 2 ft. X 3 ft. in size in location(s) satisfactory to the City Planner that states, "NOTICE: THE CITY OF BURBANK LIMITS EXTERNAL CONSTRUCTION ACTIVITIES OF THIS PROJECT (DEMOLITION, EXCAVATION, GRADING, ACTUAL CONSTRUCTION AND LANDSCAPING) TO ONLY MONDAY THROUGH FRIDAY FROM 7:00 AM TO 6:00 PM."
23. Unless otherwise stated, the project shall comply with all applicable standards of the Burbank Municipal Code (BMC), including, but not limited to, those applicable standards of the R-4 zone (BMC Section 31-645 et. seq.) and the City's multifamily design standards (BMC Section 31-1113). The following exceptions to Municipal Code standards are authorized for this project:
- *Setbacks* (BMC Secs. 31-2531(a) and 31-705(c)(2)) - In-lieu of the required 14' setback, the project shall maintain a minimum setback of 13' from the face of curb along First Street.

- *Multifamily Design Standards* (BMC Section 31-1113) – The Community Development Director may administratively approve minor deviations from any standards of this section provided that the proposed design is consistent with the overall intent of the ordinance and approved plans based upon the project's mixed-use nature and location within the Downtown area.
- *Guest Parking* (BMC Section 31-645(g)) – In lieu of the twenty-four (24) separate guest parking spaces required for a 118 unit project, the project will incorporate guest parking into the commercial and public parking spaces as a shared use in accordance with the approved parking study.
- *Tandem Parking* (BMC Section 31-1404(6)) – The developer may use tandem parking spaces for all traditional one (1) bedroom unit and those loft units determined by the Community Development Director to be of a one (1) bedroom nature.
- *Exterior Signage* (BMC Sec.31-1008 and 31-1009) The developer may have signage that does not comply with Burbank Municipal Code requirements by submitting signage plans for approval by the Community Development Director. The project shall be permitted to include advertising signs as shown on the approved plans and such additional locations not shown on the plans (i.e. the parking garage) subject to the approval of the Community Development Director. For the purpose of this approval, these signs may be utilized to advertise products being sold in either this project or the Burbank Entertainment Village project. The signs may be internally illuminated.
- *Blinking or Flashing Signage* (BMC Section 31-1013(11)) The developer may utilize blinking or flashing signage on the façade of the building facing the box office of the theater subject to the reasonable approval of the Community Development Director.
- *Loading Spaces* (BMC Sec. 31-1501) – The project shall provide two (2) loading spaces in lieu of the three (3) loading spaces required based upon project floor area. All loading spaces shall meet minimum City requirements for size and clearance.
- *Landscaping* – The proposed design includes zero lot line setbacks. Therefore, no landscaping is proposed. However, developer will work with staff to provide additional landscaping along the Palm Avenue and First Street Frontages subject to the approval of the Community Development Director and the Park & Recreation Director.
- *Common Open Space* (BMC 31-645(i)(6)) – The developer may include those portions of Palm Avenue that are within the developer's property to satisfy this requirement.
- *Private Open Space* (BMC 31-645(j)) – In lieu of providing at least fifty (50) square feet of private open space for each units, an average of fifty (50) square feet per unit of private open space shall be provided.
- *Entries* (BMC 31-1113(b)(5)) – The pedestrian entry to the residential units is permitted from the paseo running parallel to San Fernando Boulevard on the east side of the project subject to the developer obtaining appropriate easements.

24. The developer shall comply with all current and future policies and/or programs adopted by the City Council that are generally applicable to the management of parking within the Downtown Area with respect to the non-residential uses on the property.
25. Valet parking shall not be permitted for the project unless it is part of an overall valet parking program serving the whole of the Downtown Area and sponsored and/or approved by the City Council as part of an overall Parking Management Plan for the Downtown.
26. A rideshare board shall be installed and maintained within the common area of the residential portion of the project. The board should provide opportunities for people interested in carpooling as well as applicable schedules for adjacent transit operations (e.g. Metrolink and MTA bus routes).
27. The Palm pedestrian plaza shall be improved with additional seating and landscaping to the satisfaction of the Community Development Director.
28. Up to twelve (12) feet of the portion of Palm pedestrian plaza owned by the developer in front of any restaurant uses may be utilized for outdoor dining with approval of the Community Development Director, which shall not be unreasonably withheld, subject to the Developer maintaining existing easements and fire lane clearances.
29. All loading areas shall be designed and operated to accommodate the needs of both the residential and commercial tenants on the site.
30. No signs shall be installed on the roof the building.
31. In order to enhance the pedestrian character of the project, the receiving and trash area shall be redesigned to minimize the width of driveway aprons along First Street.
32. The developer shall install a ventilation system designed to capture vehicle exhaust such that residential units are not impacted by exhaust resulting from engine emissions within the parking structure to the satisfaction of the Community Development Director.

*Redevelopment Agency*

33. All plans, building materials, colors, decorative elements, Art-in-Public Places components, and any other exterior design features shall be reviewed and approved by Assistant Executive Director of the Redevelopment Agency. The developer shall work with Agency staff on the quality of materials, colors, signage, architectural and landscape design
34. A minimum of twelve and one half (12.5) percent of the units constructed shall be made affordable for moderate income buyers.

35. Restaurant space shall not exceed forty (40) percent of the total retail space. The project must have at least two retail anchors of 5,000 square feet or more. Food courts commonly found in shopping centers are prohibited.
36. Rezoning will not be effective until the developer closes escrow on the parcel(s) within the project site.
37. Design elements shall be incorporated along the exterior elevations that provide visual relief and interest at a pedestrian scale. Design shall be consistent with the downtown entertainment environment.
38. The developer shall provide an underground electrical distribution system for street tree uplighting.
39. During construction of the project's portion of the pedestrian plaza along Palm Avenue, the developer shall make good faith and commercially reasonable efforts to match existing colors and materials that have been utilized in the existing Palm Avenue pedestrian plaza.
40. Developer shall pay for all off site and on site improvements including temporary and permanent services to immediately adjacent properties as needed.

#### *Building Division*

41. All permits, with the exception of electrical, plumbing, HVAC, and mechanical permits, shall be reviewed and approved by the Planning Division and Redevelopment Agency staff.
42. All equipment locations and screening structures shall meet the Community Development Department Equipment Screening Guidelines.

#### *Parks, Recreation, and Community Services*

43. The developer shall submit landscape and irrigation plans prepared by a licensed landscape architect for review and approval by the Parks and Recreation Director and Community Development Director. Except as otherwise authorized by this approval, the landscaping shall comply with commercial standards.
44. All common open spaces areas within the residential portion of the project shall be landscaped in accordance with multifamily residential landscape standards subject to review and approval by the Parks and Recreation Director and Community Development Director.

#### *Police Department*

45. Secure fencing around the construction site shall be installed during construction to prevent trespassing and theft.

46. Lighting in all pedestrian areas shall be an average of two (2) footcandles per square foot to allow free pedestrian movement and to provide a general feeling of security in the area to the satisfaction of the Chief of Police.
47. Lighting in the parking structures shall be an average of two (2) footcandles per square foot to provide good visibility while driving and also to provide a feeling of security while parked or walking in the structure to the satisfaction of the Chief of Police.
48. A low power repeater system shall be installed in the parking structure subterranean area for safety service communication systems to function properly.
49. Required lighting devices shall have vandal resistant covers.
50. Preventive measures should be taken to secure any entrances to the buildings from the parking structures to prevent the possibility of theft or burglary from the buildings.
51. The architectural design and landscaping shall allow an unobstructed view, from public rights-of-way, of all ground level doors and windows.
52. All exterior doors, other than primary entry doors, should be self-closing, latching and self locking to prevent trespassing.
53. Traffic signs installed in this area should be highly visible to prevent possible confusion.
54. During construction, the Police Department shall be given emergency contact information of contractors and owners for any problems encountered after normal construction hours.
55. Maps of the complex shall be furnished to the Police Department upon completion of construction. The maps shall include building identification and unit identification.
56. At each entrance to the residential portion of the project, there shall be a weatherproof, illuminated diagrammatic representation (plot plan) of the complex which shows the location of the viewer and the building units within the complex. The scale shall be drawn to 1/8" scale or larger and shall not be less than 8½" X 11".
57. Stairwells, the interiors of which are not completely visible when entering, shall have mirrors to make visible the whole stair well interior to pedestrians outside.
58. Address numbers shall be displayed on the roof of the building to the satisfaction of the Police Chief.

*Public Works Department*

59. Prior to issuance of a Building Permit, all off-site improvement plans within the public right-of-way shall be approved by the Public Works Director.

60. If warranted by traffic counts and required by the Traffic Engineer, the developer shall provide an exclusive right turn lane on First Street in the northbound direction at the driveway to the parking structure. The design of this lane shall be to the satisfaction of City Traffic Engineer.
61. A manhole must be installed at the sewer main connection on all laterals greater than six (6) inches in diameter per City of Burbank standards.
62. A sewer study analyzing how the proposed project will impact the wastewater flows and assessing the existing sewer lines ability to accommodate the proposed project must be performed. All project modification noted in the study must be completed prior to any sewer mainline connections.
63. Adequate on-site landing areas shall be provided to prevent crowding at pedestrian exists connecting to the public sidewalks.
64. Access easements shall be provided to any required loading areas for adjacent properties.
65. All ingress and egress driveways on First Street shall be right turn only. The developer shall install a median island, with a minimum width of four (4) foot, along First Street starting from Palm Street southerly to block all other prohibited movements. The developer may be required to change the existing striping on First Street to accommodate this median island.
66. All service routes shall be constructed to provide turning radii and width sufficient for the largest vehicle expected to use route to the satisfaction of the Traffic Engineer.
67. All service vehicle routes longer than 150 feet shall provide egress to a public street in a forward manner. No vehicles may block public sidewalks or streets.
68. Freeway "trailblazer" signs shall be installed from parking structure exits to the freeway entrances.
69. Parking stalls against walls, fences, or other obstructions shall be a minimum of ten (10) feet wide. End stalls shall be at least eleven (11) feet wide.
70. The Traffic Engineer retains the right to restrict any and all street parking on First Street for visibility and access.
71. Points of vehicular ingress and egress shall not disrupt the normal flow of traffic on public rights-of-way. Signs and/or physical barriers restricting certain movements may be required if deemed necessary by the Traffic Engineer.

*Burbank Water and Power – Water Division*

72. The developer shall be responsible for paying a Water Main Replacement Fee for water main upgrades on the First Street frontage.

*Burbank Water and Power – Fiber Optic Section*

73. A two (2) inch conduit for future fiber optic service to the development shall be included in the design.

*Burbank Water and Power – Electrical Division*

74. The developer shall replace existing octaflute streetlight standards along the northerly side of Orange Grove Avenue between First Street and San Fernando Boulevard with low level streetlights. The developer will be responsible for the installation of a complete underground streetlight system and its power supply, including street lighting bases, pull boxes, and conduits to the satisfaction of Burbank Water and Power.
75. The developer shall provide a ½” conduit with 4-pair category 3 minimum communication wire from the telephone demarcation point to the metering room/service panels for connection of each service panel for the Automatic Remote Meter reading.

**PARTIAL LIST OF CODE REQUIREMENTS****Planned Development No. 2003-2 with Development Review No. 2003-50  
(The Collection at Downtown Burbank – Champion Development, Developer)**

1. The developer shall comply with all applicable provisions of the Burbank Municipal Code and obtain all necessary permits as required for the project.
2. The developer shall comply with the 2001 Editions of the California Building Code and Burbank Municipal Code Amendments.
3. The project shall comply with all applicable provisions of the National Pollutant Discharge Elimination System.
4. Acoustical reports are required for all multifamily residential projects within the noise contour zones as published in the City of Burbank Noise Element.
5. Each condominium unit shall be provided with a minimum of sixty (60) cubic feet of locatable enclosed storage space. [BMC 31-669(c)] The 60 cubic feet of required storage will be in the garage or in another common area outside of the unit.
6. Fire apparatus access roads shall be provided in accordance with Sections 901 and 902.2 of the Uniform Fire Code.
7. Mid-rise buildings shall be accessible on a minimum of two sides. [BMC 15-902-2.2.2.7]
8. Developer shall protect in place all survey monuments (City, County, State, Federal, and private). Any monument that requires removal shall be reestablished as approved by the Deputy City Manager/Public Works and Capital Projects. [State of California, Business and Professions Code, Section 8771].
9. Broken, uneven, or sub-standard sidewalk, driveway, curb, and gutter shall be replaced to the satisfaction of the City Engineer [BMC 26-501].
10. No structure is permitted in any public street or alley or within any public utility, storm drain or sewer easement located within the property. [BMC 7-104, 26-701.1]
11. No person shall connect to or tap an existing public sewer without obtaining a permit. [BMC 25-301]
12. All exterior lighting shall be directed away from the view of drivers on public streets. [BMC-31-1420]

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LIST OF USES

Planned Development No. 2003-2

<i>Land Use</i>	<i>PD No. 2003-2</i>
Alcoholic beverages – sale & consumption, on/off premises per 31-1116	CUP
Amusement enterprise	CUP
Appliance store	P
Arcade – pursuant to 31-1115	CUP
Art gallery	P
Art shop	P
Auction – in c.e.b.	CUP
Automated teller machine (Freestanding)	P
Bakery	P
Bank	CUP
Barber shop	P
Beauty salon	P
Beauty supply store	CUP
Bicycle sales	P
Billiard parlor	CUP
Book store	P
Camera shop – incidental film development	P
Candy store	P
Catering services (incidental to restaurant use)	P
Clay products mfg. – kiln not to exceed 8 cu. Ft.	CUP
Clothing store	P
Cocktail lounge/bar pursuant to 31-1116	CUP
Dance hall – in c.e.b.	CUP
Department store	P
Drugstore	P
Dry cleaning agency – no on-site dry cleaning	CUP
Florist	P
Grocery/Market	CUP
Hardware store	CUP
Ice cream shop	P
Museum	P
Nightclub, pursuant to 31-1116	CUP
Off-street parking lot or structure	P
Personal or physical arts studio	CUP
Personal wireless telecommunications facility per 31-1118	P
Pet shop – including grooming	CUP
Photocopy service, with incidental printing	CUP
Photographer	P
Picture frame store	P
Post office	P
Public utility facility	CUP
Residential – multifamily, for sale	P
Restaurant	P
Restaurant/Drinking Establishment, see 31-1116	AUP
Restaurant with incidental alcohol, see 31-1116	P
Retail store/sales	P

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<i>Land Use</i>	<i>PD No. 2003-2</i>
Shoe shine shop	P
Studio – art and graphic arts	P
Theater – outdoor, no permanent seating	P

- c.e.b – Within Completely Enclosed Building
- CUP – Conditional Use Permit Required
- AUP – Administrative Use Permit Required
- P – Permitted Use

Note: Any uses not listed are prohibited

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**EXHIBIT C  
CONSTRUCTION SCHEDULE\***

- |    |   |    |  |
|----|---|----|--|
| 1. | Developer commences construction of Project | 1. | By November 30, 2005.  |
| 2. | Developer completes construction of Project | 2. | No later than 24 months after commencement of construction+. |

\* Subject to Section 4.03(e)

+ Subject to "Force Majeure" as that term is defined in the Amended and Restated Owner Participation Agreement between Developer and the Redevelopment Agency of the City of Burbank.

## **MARSHALL & SWIFT ADDENDUM**

Estimate Number : 615  
 Estimate ID : N2632  
 Property Owner : The Collection  
 Property Address : 140 Palm Drive  
 Property City : Burbank  
 State/Province : CA  
 ZIP/Postal Code : 91502

**Section 1****Occupancy**

	<u>Class</u>	<u>Height</u>	<u>Rank</u>
100% Underground Prkg Structure	Reinforced concrete frame	8.00	2.0
Total Area	: 83,000		
Number of Stories (Section)	: 1.00		
Shape	: 2.00		

**Components**

	<u>Units/%</u>	<u>Other</u>
HVAC (Heating):		
Ventilation	100%	
Elevators:		
Passenger #	1	
Sprinklers:		
Wet Sprinklers	100%	

**Section 2****Occupancy**

	<u>Class</u>	<u>Height</u>	<u>Rank</u>
100% Parking Structure	Reinforced concrete frame	8.00	2.0
Total Area	: 117,000		
Number of Stories (Section)	: 3.00		
Shape	: 2.00		

**Components**

	<u>Units/%</u>	<u>Other</u>
HVAC (Heating):		
Ventilation	100%	
Elevators:		
Passenger #	1	
Sprinklers:		
Wet Sprinklers	100%	

Cost as of 07/2005

	<u>Units/%</u>	<u>Cost</u>	<u>Total</u>
Basic Structure			
Base Cost	200,000	34.92	6,983,200
Exterior Walls	200,000	8.37	1,673,520
Heating & Cooling	200,000	0.67	134,340
Elevators	2	54,903.50	109,807
Sprinklers	200,000	1.81	362,980
Basic Structure Cost	200,000	46.32	9,263,847

Estimate Number: 615

Estimate ID: N2632

**Section 1****Occupancy**

	<u>Class</u>	<u>Height</u>	<u>Rank</u>
100% Underground Prkg Structure	Reinforced concrete frame	8.00	2.0
Total Area	: 83,000		
Number of Stories (Section)	: 1.00		
Shape	: 2.0		

**Components**

	<u>Units/%</u>	<u>Other</u>
HVAC (Heating):		
Ventilation	100%	
Elevators:		
Passenger #	1	
Sprinklers:		
Wet Sprinklers	100%	

Cost as of 07/2005

	<u>Units</u>	<u>Unit Cost</u>	<u>Total Cost New</u>	<u>Less Depreciation</u>	<u>Total Cost Depreciated</u>
Basic Structure					
Base Cost	83,000	45.68	3,791,440	0	3,791,440
Exterior Walls	83,000	9.21	764,430	0	764,430
Heating & Cooling					
Ventilation	83,000	0.66	54,780	0	54,780
Elevators					
Passenger #	1	48,858.00	48,858	0	48,858
Sprinklers					
Wet Sprinklers	83,000	1.85	153,550	0	153,550
Basic Structure Cost	83,000	57.99	4,813,058	0	4,813,058

Estimate Number: 615

Estimate ID: N2632

**Section 2****Occupancy**

	<u>Class</u>	<u>Height</u>	<u>Rank</u>
100% Parking Structure	Reinforced concrete frame	8.00	2.0
Total Area	: 117,000		
Number of Stories (Section)	: 3.00		
Shape	: 2.0		

**Components**

	<u>Units/%</u>	<u>Other</u>
HVAC (Heating):		
Ventilation	100%	
Elevators:		
Passenger #	1	
Sprinklers:		
Wet Sprinklers	100%	

Cost as of 07/2005

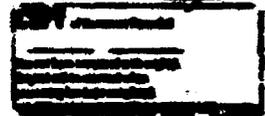
	<u>Units</u>	<u>Unit Cost</u>	<u>Total Cost New</u>	<u>Less Depreciation</u>	<u>Total Cost Depreciated</u>
Basic Structure					
Base Cost	117,000	27.28	3,191,760	0	3,191,760
Exterior Walls	117,000	7.77	909,090	0	909,090
Heating & Cooling					
Ventilation	117,000	0.68	79,560	0	79,560
Elevators					
Passenger #	1	60,949.00	60,949	0	60,949
Sprinklers					
Wet Sprinklers	117,000	1.79	209,430	0	209,430
Basic Structure Cost	117,000	38.04	4,450,789	0	4,450,789

**RECORDED PARCEL BOUNDARIES ADDENDUM**

PROPOSED BOUNDARIES OF  
CITY OF BURBANK  
COMMUNITY FACILITIES DISTRICT NO. 2005-1  
(The Collection Public Parking Facility)  
COUNTY OF LOS ANGELES  
STATE OF CALIFORNIA

BOOK 191 PAGE 16

35 2246211



SEP 14 2005  
SEP 14 2005  
Sept 14, 2005

(1) Filed in the office of the City Clerk of the City of Burbank this 14<sup>th</sup> day of September, 2005.

Margarita Campos  
Margarita Campos  
City Clerk, City of Burbank

(2) I hereby certify that the within map showing the proposed boundaries of City of Burbank Community Facilities District No. 2005-1 (The Collection Public Parking Facility), City of Burbank, County of Los Angeles, State of California, was approved by the Council of the City of Burbank at a regular meeting thereof, held on this 13<sup>th</sup> day of September, 2005, by its Resolution No. 27,069.

Margarita Campos  
Margarita Campos  
City Clerk, City of Burbank

(3) Filed this \_\_\_ day of \_\_\_\_\_, 2005, at the hour of \_\_\_ o'clock \_\_\_ m, in Book \_\_\_\_\_ of Maps of Assessment and Community Facilities Districts at Page \_\_\_\_\_ and as Instrument No. \_\_\_\_\_ in the office of the County Recorder in the County of Los Angeles, State of California.

Conny B. McCormack  
Registrar-Recorder/County Clerk,  
County of Los Angeles

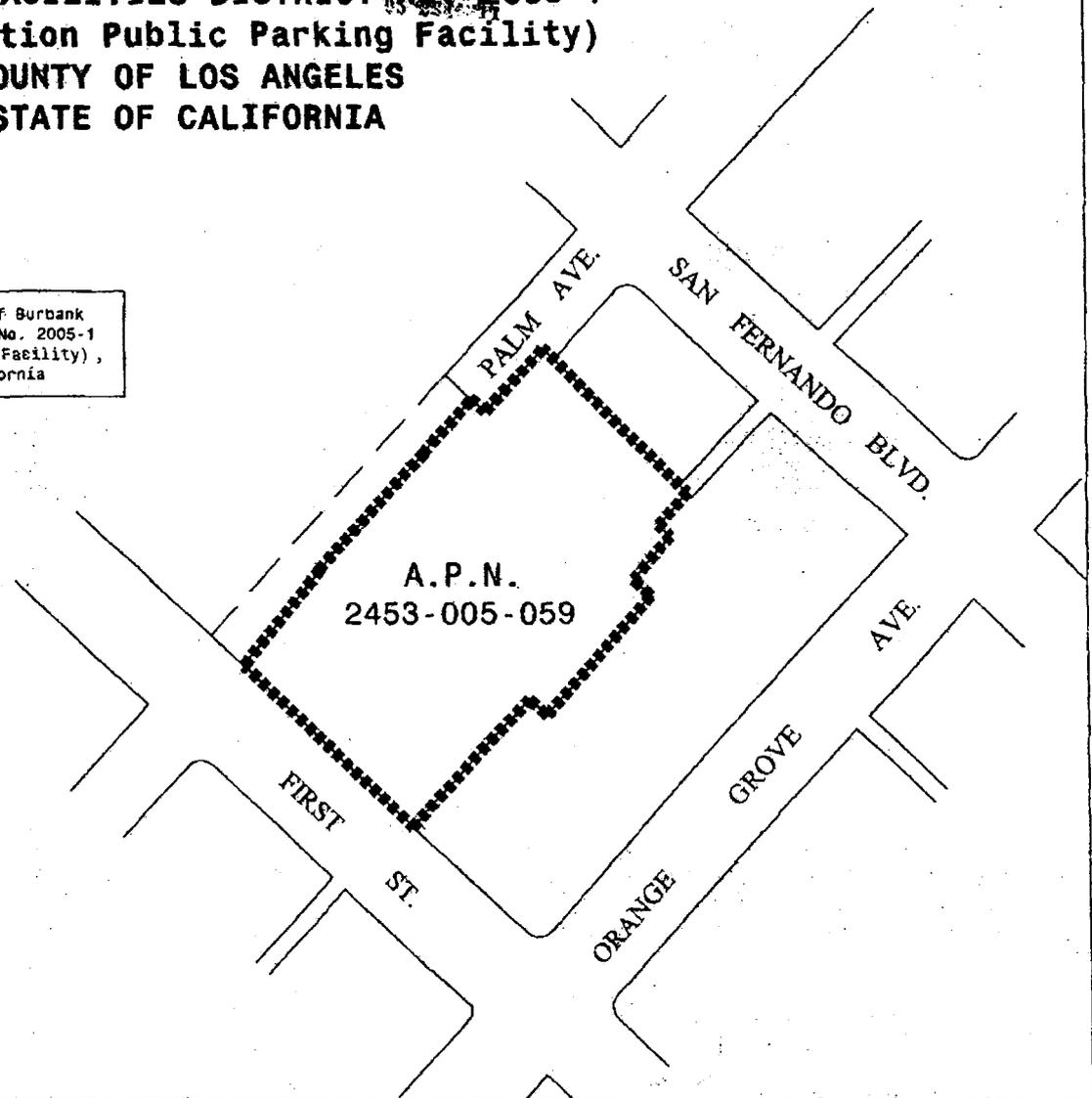
By \_\_\_\_\_  
Deputy  
Fee \_\_\_\_\_

Exempt recording requested,  
per CA Government Code §6103

**PROPOSED BOUNDARIES OF  
CITY OF BURBANK  
COMMUNITY FACILITIES DISTRICT NO. 2005-1  
(The Collection Public Parking Facility)  
COUNTY OF LOS ANGELES  
STATE OF CALIFORNIA**

**LEGEND**

Proposed Boundaries of City of Burbank  
Community Facilities District No. 2005-1  
(The Collection Public Parking Facility),  
Los Angeles County, California



Reference is hereby made to the Assessor maps of the  
County of Los Angeles for a description of the lines  
and dimensions of this parcel.

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## APPENDIX E

### THE REDEVELOPMENT AGENCY AND THE REDEVELOPMENT PROJECT AREAS

*Information contained in this appendix is presented as general background data. The Bonds are payable solely from Tax Increment Revenues and revenues generated by the Special Taxes and are not a general obligation of the City, the Agency, or the District. Except with respect to the Tax Increment Revenues and the Special Taxes, neither the full faith and credit nor the taxing power of the City, the Agency, the District, the County, the State, or any political subdivision of the State is pledged to the payment of the Bonds.*

#### **The Agency**

The Agency was activated as a redevelopment agency by the City Council in 1970 pursuant to Ordinance No. 2269, adopted by the City Council in accordance with Section 33000 *et seq.* of the Redevelopment Law. The members of the City Council serve as the governing body of the Agency and exercise all rights, powers, duties, and privileges of the Agency. The Mayor serves as Chair of the Agency. All powers of the Agency are vested in its members. Under the Redevelopment Law, the Agency is a separate public body and exercises governmental functions in executing duly adopted redevelopment projects. The Agency exercises all of the governmental functions authorized under the Redevelopment Law and has, among other powers, the authority to acquire, administer, develop, and sell or lease property, including the right to acquire property through the power of eminent domain, and the right to issue bonds and expend the proceeds. The Agency itself does not have the power to levy taxes.

#### **Allocation of Taxes**

The Redevelopment Law provides a means for financing redevelopment projects based upon an allocation of taxes collected within a project area. The taxable valuation of a project area last equalized prior to adoption of the redevelopment plan for the project area, or base roll, is established as of the adoption of the redevelopment plan. Thereafter, except for any period during which the taxable valuation drops below the base year level, the taxing bodies receive the taxes produced by the levy of the then current tax rate upon the base roll. Taxes collected upon any increase in taxable valuation over the base roll (with the exception of taxes derived from increases in the tax rate imposed by Taxing Agencies (as defined below) to support new bonded indebtedness) (the "Tax Increment") are allocated to the redevelopment agency and may be pledged to the repayment of any indebtedness incurred in financing or refinancing redevelopment. Redevelopment agencies themselves have no authority to levy property taxes and must look exclusively to such allocation of taxes.

As provided in the redevelopment plan for the project area, and pursuant to Article 6 of Chapter 6 of the Redevelopment Law and Section 16 of Article XVI of the State Constitution, taxes levied upon taxable property in the project area each year by or for the benefit of the State, cities, counties, districts, or other public corporations (collectively, the "Taxing Agencies"), for fiscal years beginning after the effective date of the redevelopment plan, will be divided as follows:

- (1) *To Taxing Agencies:* The portion equal to the amount of those taxes which would have been produced by the then current tax rate, applied to the taxable valuation of such property in the redevelopment project area as last equalized prior to the establishment of the redevelopment project, or base roll, is paid into the funds of those respective Taxing Agencies as taxes by or for said Taxing Agencies; and

- (2) *To the Agency:* The portion of said levied taxes each year in excess of the amount referred to in (1) above is allocated to, and when collected, is paid to the agency; provided that the portion of the tax increment revenues which are attributable to a tax rate levied by a taxing agency to pay indebtedness approved by the voters of that taxing agency on or after January 1, 1989, shall be allocated to, and when collected shall be paid into, the fund of such taxing agency.

## **Redevelopment Project Areas**

The Agency currently administers two redevelopment project areas within the City: West Olive Redevelopment Project Area (the “West Olive Project Area”) and the Merged Project Area. The Tax Increment Site is located within the Merged Project Area.

***West Olive Project Area.*** The West Olive Project Area was formed pursuant to City ordinance in October 1976 for the purpose of implementing the City’s Media District Specific Plan. The West Olive Project Area comprises approximately 128 acres located proximate to West Olive Avenue, south of the Ventura Freeway (California Highway 134). The property within the West Olive Project area is primarily classified for commercial uses (primarily media and medical related uses), with some industrial and limited multifamily residential uses.

***Merged Project Area.*** The Merged Project Area was formed pursuant to City ordinance in October 2004 as a merger of three existing project areas (collectively, the “Constituent Project Areas”) in order to allow flexibility in the use of tax increment revenue within the Constituent Project Areas. The Merged Project Area encompasses all of the property of the Constituent Project Areas, which includes approximately 1,786 acres generally located along the Golden State Freeway (Interstate 5) from the City limits in the south to the Bob Hope Airport in the north.

The Merged Project Area is comprised of the following three Constituent Project Areas: (i) the City Centre Redevelopment Project Area, as more particularly described below, which project area includes the Tax Increment Site, (ii) the Golden State Redevelopment Project Area, which encompasses approximately 1,107 acres located in the northwest corner of the City, and (iii) the South San Fernando Redevelopment Project Area, which encompasses approximately 467 acres located in the downtown area of the City. The merger of the Constituent Project Areas into the Merged Project Area did not (i) alter or affect the boundaries of any Constituent Project Area, (ii) increase or otherwise modify the time limits for the establishment of loans, advances, and indebtedness with respect to any Constituent Project Area, (iii) lengthen or otherwise modify the period during which the redevelopment plan of any Constituent Project Area is effective, (iv) reactivate lapsed powers or otherwise affect powers of condemnation of the Agency, or (v) add significant capital improvements to any of the Constituent Project Areas.

Tax increment revenues generated by each of the Constituent Project Areas that are allocated to the Agency may be allocated to the entire Merged Project Area; provided, however, that any of such tax increment revenues generated by any Constituent Project Area must first be used to pay indebtedness in compliance with terms of any bond resolution or other agreement pledging such tax increment revenues to pay such indebtedness, which resolution or other agreement was adopted or approved by the Agency prior to the merging of the Constituent Project Areas into the Merged Project Area.

## **The City Centre Redevelopment Project Area**

***Location.*** The City Centre Redevelopment Project Area encompasses approximately 212 acres located in the City’s central business district. The City Centre Redevelopment Project Area contains a variety of commercial, residential, and governmental structures, including City Hall and the Media City

Center Mall. The Tax Increment Site is comprised of approximately four acres located within the City Centre Redevelopment Project Area.

**Redevelopment Plan.** The Agency adopted the redevelopment plan for the City Centre Redevelopment Project Area (the “City Centre Redevelopment Plan”) on October 26, 1971, pursuant to Ordinance No. 2315, as amended by Ordinance No. 2452 adopted by the City Council on August 6, 1974, as further amended by Ordinance No. 3052 adopted by the City Council on December 30, 1986, as further amended by Ordinance No. 3387 adopted by the City Council on October 11, 1994, as further amended and restated by Ordinance No. 3510 adopted by the City Council on February 2, 1999, as further amended by Ordinance No. 3631 adopted by the City Council on January 14, 2004, and as further amended by Ordinance No. 3679, adopted by the City Council on August 30, 2005.

Sections 33333.2 and 33333.4 of the Redevelopment Law require each redevelopment agency to include in each redevelopment plan, or to adopt by ordinance, a limitation on the amount of taxes that may be divided and allocated to the redevelopment agency with respect to the related redevelopment project area. Under Section 33333.2, taxes may not be allocated to a redevelopment agency beyond this limitation except by amendment of the redevelopment plan. The City Centre Redevelopment Plan time limitations, which apply to the land within the Tax Increment Site, are set forth in the table below.

**City Centre Redevelopment Plan Limits**

<u>Description</u>	<u>Limit</u>
Term of effectiveness of Redevelopment Plan <sup>(1)</sup>	October 26, 2014 (2)
Time limit on incurring debt	January 1, 2004
Time limit on repaying debt	October 26, 2024 <sup>(1)</sup>
Limit on receiving tax increment <sup>(2)</sup>	October 26, 2024
Time limit on the Agency’s use of eminent domain	February 1, 2011 (No eminent domain on property in which persons reside. <sup>(3)</sup> )
Dollar limit on amount of tax increment that can be allocated to the redevelopment project	\$3,106,962,907 <sup>(4)</sup>
Bonded debt limit	None

- (1) Except to pay previously incurred indebtedness incurred prior to the effective date of Assembly Bill 1290 (i.e., January 1, 1994.)
  - (2) Pursuant to Senate Bill 1045 (Statutes of 2003) and Senate Bill 1096 (Statutes of 2004) all redevelopment agencies were permitted to extend the time limit of the effectiveness of the redevelopment plans as well as the time period to collect tax increment in consideration of the required 2003-04, 2004-05 and 2005-06 Education Reimbursement Fund contributions. On January 14, 2004, the Agency amended the City Centre Redevelopment Plan pursuant to Ordinance No. 3631 to accomplish the SB 1045 extension (2003-04) and Ordinance No 3679 to accomplish the SB 1096 extension (2004-05). It is anticipated that the Agency will adopt a summary ordinance to extend an additional SB 1096 extension (2005-06) prior to May 10, 2006.
  - (3) Source: Section 702 of the City Centre Amended and Restated Redevelopment Plan, adopted February 2, 1999.
  - (4) Represents the maximum amount of tax increment revenues, net of housing set-aside requirement and pass-through obligations, receivable by the Agency. As of the Fiscal Year ending June 30, 2005, the Agency has received \$86,074,888 in tax increment from the City Centre Redevelopment Project Area.
- Source: The Agency.

**Additional Information.** For additional information regarding the City Centre Redevelopment Project Area and the Tax Increment Site, including historic assessed values, tax rates, major taxpayers, and tax increment projections, see “APPENDIX F – Fiscal Consultant’s Report.”

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**APPENDIX F**  
**FISCAL CONSULTANT'S REPORT**

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**KEYSER MARSTON ASSOCIATES, INC.**

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**FISCAL CONSULTANT REPORT  
CITY CENTRE REDEVELOPMENT PROJECT**

**PREPARED FOR  
REDEVELOPMENT AGENCY OF THE CITY OF BURBANK**

**PREPARED BY  
KEYSER MARSTON ASSOCIATES, INC.**

**January 6, 2006**

**FISCAL CONSULTANT REPORT  
CITY CENTRE REDEVELOPMENT PROJECT**

**Prepared For**

**REDEVELOPMENT AGENCY OF THE CITY OF BURBANK**  
141 North Glenoaks Boulevard  
Burbank, California 91510

**Prepared By**

**KEYSER MARSTON ASSOCIATES, INC.**  
500 South Grand Avenue, Suite 1480  
Los Angeles, California 90071

**January 6, 2006**

# **Burbank City Centre Redevelopment Project Fiscal Consultant Report**

**January 6, 2006**

## **1. INTRODUCTION**

Keyser Marston Associates, Inc. (KMA) has been retained as Fiscal Consultant to the Burbank Redevelopment Agency to prepare a projection of tax increment revenues for the City Centre Redevelopment Project Area (hereinafter referred to as the Project Area). The City is issuing CFD bonds for a public parking facility, the debt service of which is expected to be paid in full or in part by tax increment revenue generated by the Project Area. This Fiscal Consultant Report will examine the Project Area values and will project the multi-year net tax increment revenues that the Agency is expected to receive from the Project Area. The projected taxable values and resulting tax increment revenues for the Project Area are based on assumptions determined by a review of the taxable value history of the Project Area; Agency identified new developments that have been recently completed, are presently under construction or are proposed for the Project Area; and the property tax assessment and property tax apportionment procedures of Los Angeles County.

This Report has been revised from our previously submitted Report dated November 28, 2005 and only reflects an increase in assessed value projected to be added by the Collection Project (AMC Phase II). This change results in an increase in annual tax increment revenues.

## **2. REVIEW OF THE PROJECT AREA**

### **2.1 Project Area and Redevelopment Plan**

On October 26, 1971 the Agency adopted the Project Area. The California Redevelopment Law (CRL) provides that the effectiveness of the Redevelopment Plan shall be 40 years from the date of adoption and that the time limit for the Agency's receipt of tax increment to repay debt shall be 50 years from the date of adoption. Recent legislation allows the Agency to elect to extend these time limits by one year pursuant to SB 1045 (Chapter 260 adopted September 2003) and by up to two years pursuant to SB 1096 (Chapter 211 adopted August 2004) <sup>1</sup>. These elected extensions have been incorporated into the attached tax increment revenue projection.

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<sup>1</sup> The Agency adopted Ordinance 3679 on August 30, 2005 permitting the first of the two years extension allowed under SB 1096.

## **2.2 Review of Senior Agency Obligations**

- ***County Administrative Fees***

Chapter 466, Statutes of 1990, (referred to as SB 2557) permits the County to withhold a portion of annual tax revenues for the recovery of County charges related to property tax administration services to cities in an amount equal to their property tax administration costs proportionately attributable to cities. SB 2557, and subsequent legislation under SB 1559 (Statutes of 1992), permitted counties to charge all jurisdictions, including redevelopment agencies, on a year-to-year basis. The tax increment projection assumes that the County will continue to charge the Agency for property tax administration and that future charges will continue to be applied in subsequent years at 2% of the gross tax increment revenue.

- ***Low and Moderate Income Housing Set Aside Requirement***

The CRL requires redevelopment agencies to annually set aside 20% of all tax increment revenues into a Low and Moderate Income Housing Set Aside Fund (hereinafter the "Housing Set Aside"). The set aside requirement could be reduced or eliminated if the redevelopment agency finds that (1) no need exists in the community to improve or increase the supply of low and moderate income housing, (2) that some stated percentage less than 20% of the tax increment is sufficient to meet the housing need or (3) that other substantial efforts, including the obligation of funds from certain local, state or federal sources for low and moderate income housing, of equivalent impact are being provided for in the community. The annual Housing Set Aside has been deducted from the attached tax increment revenue projections for purposes of this analysis.

- ***Educational Revenue Augmentation Fund (ERAF)***

Chapter 260, Statutes of 2003, (SB 1045) required redevelopment agencies to shift \$135 million in property tax revenues to K-12 schools and community colleges during the 2003-04 fiscal year. The shift of tax increment revenues was placed into the Educational Revenue Augmentation Fund (ERAF). SB 1096 required redevelopment agencies to annually shift \$250 million in property tax revenues to K-12 schools and community colleges during the 2004-05 and 2005-06 fiscal years. The shift of property tax revenues will be placed into the ERAF. The Agency will be required to allocate the 2005-06 ERAF payment to the County Auditor-Controller on May 10, 2006. According to Agency staff, the Project Area's ERAF obligation will be fully funded from the West Olive Redevelopment Project and therefore no ERAF payment is assumed in the attached projection.

- **2003 Refunding Tax Allocation Bonds, Series C**

The 2003 Refunding Tax Allocation Bonds, Series C represent purchase in-lieu of redemption of the currently outstanding 1993 Tax Allocation Bonds, Series A. For purposes of this projection, the 2003 Refunding TAB debt service is reflected and the net annual savings to the Agency assumed therein.

- **Media Center Promissory Notes**

Property tax revenues generated by the Media Center project are used to repay a \$33 million promissory note and an \$18.5 million promissory note to 2016. For purposes of this projection, the annual obligations provided by Agency finance staff provide the basis for projecting the annual obligation in subsequent years. A growth factor of 2% per year has been applied for purposes of this projection through 2016. The final payment on August 1, 2016 will be a partial fiscal year's payment. Based upon City finance staff calculations, the final payment shown on Table 8 represents 22.75% of the annual amount. Staff's methodology in estimating the final payment will be subject to the City Attorney review and confirmation. No site-specific sales tax payments from the City General Fund are assumed in this analysis.

- **YES Fund Contribution**

The Agency's contribution of Project Area tax increment to the YES Fund is based upon budgeted estimates provided by Agency finance staff. Commencing in the sixth year of the analysis, subsequent year contributions are assumed to be made based upon a 3% growth factor.

### **3. REVIEW OF PROJECT ASSESSED VALUES**

#### **3.1 Real and Personal Property**

Real Property is defined to represent locally assessed land and improvement assessed values. Annual increases in the assessed value of Real Property are limited to an annual inflationary increase of up to 2%, as governed by Article XIII A of the State Constitution. Real Property values are also permitted to increase or decrease as a result of a property's change of ownership or new construction activity. As discussed below, the assessed value of taxable property is subject to reduction under certain conditions.

For the 1995-96 and 1996-97 fiscal years the County Assessor applied a state mandated factor of 1.19% and a 1.11% inflationary factor to Real Property values in the

respective fiscal years to reflect the change in the 1994 and 1995 State Consumer Price Indices. For the 1997-98 and 1998-99 fiscal years, the County Assessor applied the maximum 2% inflationary factor. For the 1999-2000 fiscal year, the County Assessor applied a 1.85% inflationary factor and commencing with FY 2000-01 the maximum 2% inflationary factor was used each year until FY 2004-05, when the inflationary factor was again adjusted to 1.867%. Commencing in FY 2005-06, the 2% inflation factor was used and for purposes of this analysis, a 2% Real Property inflationary factor will be applied in subsequent fiscal years commencing FY 2006-07.

The assessed value of Personal Property is not subject to the maximum 2% inflationary increase and is subject to annual appraisal, either upward or downward. State assessed Non-Unitary properties assessed by the State Board of Equalization (SBE) also may be revalued annually and such assessments are not subject to the annual 2% inflation limitation of Article XIII A.

The Project Area assessed values are prepared by the County Assessor and, until the 1996-97 fiscal year, have reflected a lien date of March 1. Commencing with the 1997-98 fiscal year, the property tax lien date was changed to January 1, pursuant to Revenue and Taxation Code Section 2192. Each property assessment is assigned a unique Assessor Parcel Number (APN) which correlates to assessment maps prepared by the County. The corresponding assessed values for each parcel are then encoded to Tax Rate Areas (TRAs) which are geographic subareas with common distribution of taxes and which are contained within the Project Area boundaries. The Project Area is represented by one TRA.

The County Auditor-Controller is responsible for the aggregation of the assessed values assigned by the Assessor for properties within the boundaries of the Project Area. This results in the reported total current year assessed value and becomes the basis for determining tax increment revenues due to the Agency. The reported values of the Project Area for FY 2005-06 are as follows:

	<u>FY 2005-06 Value</u>	<u>% of Total</u>
Secured Property	\$667,932,090	90%
Unsecured Property	74,969,003	10%
Total Assessed Value	<u>\$742,901,093</u>	<u>100%</u>
Base Year Value	(38,379,820)	
Incremental Value	<u>\$704,521,273</u>	

Secured Property includes property on which any property tax levied by the County becomes a lien on that property. Unsecured Property typically includes the value of tenant improvements, trade fixtures and personal property. Unsecured Property values reflect depreciation factors on the useful life of the tenant improvements, trade fixtures and personal

property of the assessee. The taxes levied on Unsecured Property are levied at the previous year's Secured Property tax rate.

### **3.2 Historic Assessed Values (Table 1)**

Aggregated historic Project Area values were summarized by KMA on Table 1 covering fiscal years 2000-01 to 2005-06. The historic taxable values reported by the County Auditor-Controller for the Project Area reflect an overall average annual increase of 5% for the period. The Secured values, which represent 90% of the Project Area's reported value for the 2005-06 fiscal year, increased an average of 5.32% per year over the period. The Unsecured values, which represent 10% of the current year value, increased an average of 2.7% per year over the period.

### **3.3 Land Use Composition (Table 2)**

KMA analyzed the composition of land uses within the Project Area in FY 2005-06 using the County Assessor's tax roll classification system. The Project Area is generally spread between commercial and residential uses. Commercial properties from the Secured tax roll constitute the largest land use category of the Project Area, representing nearly 68% of the total assessed value. Residential properties from the Secured tax roll represent the second largest land use category, accounting for 13% of the Project Area's total assessed value. Industrial land uses from the Secured tax roll are third and represent nearly 8% of the Project Area's assessed value. Unsecured values comprise 10% of the total assessed value. The balance of the assessed value is represented by vacant land, possessory interest, recreational uses, institutional uses and other miscellaneous uses. A full summary of the 2005-06 values by land use is reflected on Table 2.

### **3.4 Ten Largest Taxpayers (Table 3)**

The ten largest property owners in the Project Area were identified by KMA based upon a review of the FY 2005-06 locally assessed secured and unsecured taxable valuations reported by the County Assessor. The aggregated total assessed value of the identified ten largest tax payers is shown on Table 3 and includes the assessee name, property use, parcel count, aggregate assessed value, and the percentage share of the total Project Area value contrasted with the percentage share of the incremental Project Area value. The ten identified taxpayers comprise approximately \$503 million or 67.68% of the total Project Area value for 2005-06. The composition increases to 71.37% when analyzed against the incremental assessed value of the Project Area. The top ten represent primarily commercial and residential uses.

### 3.5 Assessment Appeals (Table 4)

Property taxable values determined by the County Assessor may be subject to an appeal by the property owner. Assessment appeals are annually filed with the County Assessment Appeals Board for a hearing and resolution. The resolution of an appeal may result in a reduction to the Assessor's original taxable value and a tax refund to the property owner. The reduction in future Project Area taxable values and the refund of taxes affects all taxing entities, including the Agency.

Commencing in early 1990's, County Assessors throughout California began to see significant numbers of property owners filing petitions to lower their property assessments. Spurred by the residual effects of the last recession and by an entrepreneurial consultant industry specializing in the petitioning of assessments on behalf of property owners, assessment appeal filings rose dramatically from prior years. As a result of the improved economic health experienced throughout the State, the number of recent appeal applications has generally returned to the levels experienced before 1994.

#### Estimated Value Reductions

KMA researched the status of assessment appeals filed by property owners in the Project Area based upon the latest information available from the County Appeals Board database. Table 4 represents the results of this survey and contains a listing of properties having an outstanding appeal filed with the Assessor. The listing identifies the application number, secured parcel number, unsecured bill number, applicant name, contested value, applicant opinion of value, assumed resolved value, the projected value reduction and the resolution assumption incorporated by KMA.

Unless a particular pattern from parcel-specific prior year filings is seen, it is difficult to project with any degree of certainty which appeal filings would ultimately be withdrawn, denied, invalidated or revoked due to non-appearance. Therefore, the projected tax refunds and valuation reductions shown on Table 4 assume that all outstanding appeals will be reduced based upon one of several methods listed below:

1. If the parcel assessment was reduced by prior stipulation or Appeals Board action, the contested value was reduced to the reported resolved value.
2. If the applicant, in prior fiscal year appeal filings, withdrew an appeal or failed to appear for a scheduled hearing or was denied the appeal request by the Appeals Board, it was assumed that the same would occur with respect to the open appeals being filed by the applicant. For all other appeal records, the following assumptions listed below were incorporated in the analysis.

3. For contested Secured commercial property a reduction to the greater of either the applicant's opinion of value or 82% of the contested value was used (this 18% reduction was determined from the average percentage reduction experienced by a sampling of 125 stipulated commercial property appeals of Agency Project Areas over the past five years).
4. For contested Secured business personal property and fixture value a reduction to the greater of either the applicant's opinion of value or 84% of the contested value was used (this 16% reduction was determined from the average percentage reduction experienced by a sampling of 61 stipulated business personal property and fixture appeals found in Agency Project Areas over the past five years).

Estimated Fiscal Impact

Tax refunds payable from resolved appeals (to the extent applicants are not delinquent in their property tax payments) are deducted by the County Auditor-Controller from current year tax increment allocations. As shown on Table 4, the projected tax refunds and projected future year reductions to value are as follows:

	<u>Tax Refund</u> <u>(rounded)</u>	<u>Value Reduction</u> <u>(rounded)</u>
Tax Refunds FY 2005-06	\$37,000	--
Secured Value Reductions FY 2006-07	--	\$3,577,000
Unsecured Value Reductions FY 2006-07	--	\$56,000

In cases where an applicant has filed an appeal on the same parcel for multiple years, only the most recent value impact is reflected in these valuation reductions. The actual reductions to tax increment and Project Area taxable values may likely be higher or lower than what has been incorporated in the attached projection. Resolution of appeals are determined by a number of factors including vacancy and rental rates, circumstances of hardship and other real estate comparables, all of which are unique to the individual assessment. Therefore, actual reductions, if any, may be higher or lower than the reductions incorporated in the projection. An appeal may be withdrawn by the applicant, the Appeals Board may deny or modify the appeal at hearing or by stipulation, or the final value may be adjusted to an amount other than the stated opinion of value.

Actual Appeal Filing Outcomes

The database extraction of assessment appeal records for the Agency's Project Areas totaled 510 closed records for the period ranging from 1999-00 to 2004-05. Based upon the distribution of Project Area appeals shown on the table below, historic statistical patterns between FY 1999-00 and FY 2004-05 indicate that an average of 16% of all filed appeals in the Project Areas were reduced or stipulated, while approximately 84% of all filed appeals subsequently were withdrawn, denied, deemed invalid or the applicant failed to appear.

<u>Fiscal Year</u>	<u>Total Closed Filings</u>	<u>Stipulated or Reduced</u>	<u>Denied, Invalid, Withdrawn or Non-appearance</u>
2004-05	13	2 15%	11 85%
2003-04	104	26 25%	78 75%
2002-03	87	17 20%	70 80%
2001-02	108	16 15%	92 85%
2000-01	96	13 14%	83 87%
1999-00	102	7 7%	95 93%

Actual Overall Net Value Impact

A secondary analysis was conducted to determine the average percentage reduction experienced from all prior year secured and unsecured resolved appeal filings (excluding appeals with an "open" status designation) within the Agency's Project Areas. The average percentage reductions considered all secured and unsecured resolved appeals, including those withdrawn, denied, deemed invalid or not heard because of the non-appearance by the applicant. The corresponding contested and resolved values <sup>2</sup> were then aggregated and the average percentage reductions were determined. The resulting historic percentage reductions experienced for the period analyzed are as follows:

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<sup>2</sup> The resolved value of appeals withdrawn, denied, deemed invalid or not heard because of a non-appearance, is the same as the value contested since no reduction was approved by the Assessment Appeals Board.

<u>Fiscal Year</u>	<u>Total Number of Closed Records</u>	<u>Total Number of All Records</u>	<u>Aggregate Contested Value</u>	<u>Aggregate Resolved Value</u>	<u>% Reduction</u>
<u>Secured:</u>					
2003-04	12	51	\$540,146,080	\$525,349,107	2.7%
2002-03	7	61	479,495,890	468,460,951	2.3%
2001-02	11	82	520,954,244	512,281,476	1.7%
2000-01	10	64	405,468,592	399,772,598	1.4%
1999-00	6	73	580,827,112	571,004,847	1.7%
<u>Unsecured:</u>					
2003-04	14	53	\$352,086,419	\$348,268,068	1.1%
2002-03	10	26	141,171,950	125,532,773	11.1%
2001-02	5	26	108,708,199	107,924,809	0.7%
2000-01	3	32	204,544,154	204,028,955	0.3%
1999-00	1	29	249,493,634	237,357,571	4.9%

For the period reviewed, properties that were the subject of assessment appeal filings in the Agency's Project Areas only resulted in an overall average net secured value reduction of 2% and an overall average net unsecured value reduction of 3.6%.

#### 4. TAX ALLOCATION AND DISBURSEMENT

##### 4.1 Tax Rates

The tax rates which are applied to incremental taxable values consist of two components: the General Tax Rate of \$1.00 per \$100 of taxable values and the Override Tax Rate which is levied to pay voter approved indebtedness. The basic levy tax rate may not exceed one percent (\$1.00 of \$100 taxable value) in accordance with Article XIII A. An amendment to the Constitution prohibits redevelopment agencies from receiving taxes generated by new Override Tax Rates, which are reflective of debt approved after December 31, 1988. For purposes of the tax increment projection shown on Table 7, a tax rate of 1.007% has been used based upon a derived formula utilizing the County's FY 2004-05 allocation of tax increment revenue.

##### 4.2 Allocation of Taxes

The County Auditor-Controller is responsible for the aggregation of the taxable values assigned by the Assessor as of the lien date for property within the boundaries of the Project Area. This results in the reported total current year Project Area taxable value and becomes the basis for determining tax increment revenues due to the Agency. Although adjustments to taxable values for property within the Project Area may occur throughout the

fiscal year for Assessor value changes and corrections, such adjustments are not assumed in the tax increment projection prepared by KMA.

Secured taxes are due in two equal installments. Installments of taxes levied upon secured property become delinquent on December 10 and April 10. Taxes on unsecured property are due March 1 and become delinquent August 31. Tax increment revenue is disbursed to the Agency based upon actual collections within the Project Area Tax Rate Area. The secured tax revenues are disbursed beginning in December with a 35% advance payment followed by a 5% advance in January. A reconciliation payment reflecting actual first installment collections is made in February. In April, up to 75% of the total annual levy is disbursed to the Agency, followed by a reconciliation payment in May reflecting actual second installment collections. Final payments are generally allocated in August. Over-allocations, if any, are deducted from the next year's allocation. The unsecured tax increment revenues are advanced in November and March of each year with final reconciliation payments made in August.

#### **4.3 Tax Receipts to Tax Levy (Table 5)**

Tax increment revenues are allocated to the Agency based upon actual tax collections received in the Project Area. To estimate the percentage of unpaid taxes in a given Project Area, a comparison of computed tax levy to actual tax receipts was conducted by KMA. This comparison, summarized on Table 5, was reviewed for the 2000-01 through 2004-05 fiscal years.

A comparison of the historic receipt rate revealed an average collections rate of over 98.3% (an average 1.7% delinquency rate over the period) from the calculated tax levy for the period reviewed. The collection rates ranged from a high of 99.05% in 2004-05 to a low of 96.38% in 2000-01. If the reported redemption payments (from prior year delinquencies) are included in the tax receipts, the average collections rate increases to over 99.8% for the period. The collections rates noted herein include collections from both secured and unsecured taxes. For purposes of this comparison, the calculated tax levy and the annual receipt amounts do not include administrative charges, supplemental taxes, tax refunds due to appeals, mid year roll adjustments or pass through payments.

### **5. TAX INCREMENT REVENUE PROJECTION**

#### **5.1 New Development Value Added (Table 6)**

New developments occurring in the Project Area have been identified by Agency staff for inclusion in the tax increment revenue projection. The development projects included in the tax increment projection and their corresponding estimates of taxable value are presented on Table 6 for the Project Area. The amount of new development values anticipated to be

added to the future property tax rolls are assumed to be as of the January 1st lien date of each year. The projects identified by the Agency are as follows:

- AMC Phase I Sale to EPT – According to Agency staff, the AMC Phase I property was recently sold in March 2005 to Entertainment Properties Trust (EPT) for \$51 million. AMC will continue to lease the multiplex theaters from EPT. Based upon a reported assessed value of \$40.8 million on the FY 2005-06 tax roll, the anticipated increase in value reflecting this property sale is projected to appear on the FY 2006-07 property tax roll.
- The Collection (AMC Phase II) – Formerly referred to as the Phase II of the AMC project, The Collection will represent a mixed use development containing 40,000 square feet of retail and 118 condominiums units. The project is expected to add \$71,171,000 in Real Property taxable value to the Project Area. If the project is completed before January 1, 2008, the value would be added to the FY 2008-09 property tax roll.
- Civic Plaza (Old Police Block) – This project consists of 71,000 square feet of office space and 12,000 square feet of retail, restaurant and commercial service space. This project was complete in July 2005 and the Real Property value added by the site is expected to be added to the FY 2006-07 property tax roll.
- Village Walk – The project is under construction and contains 140 for sale residential units with 14,000 sq. ft. of ground floor restaurant/retail space. This project is expected to be complete before 2006 and the Real Property value added by the site is projected to be added to the FY 2006-07 property tax roll and be fully added to the FY 2007-08 property tax roll.

## **5.2 Project Area Wide Tax Increment (Table 7)**

Property tax revenues in excess of the amount resulting from the valuation shown on the assessment roll for the base year value of the Project Area are referred to as tax increment. The base year for the Project Area represents the fiscal year in which taxable property was last equalized prior to the effective date of the ordinance approving the Redevelopment Plan.

The projection of tax increment revenues shown on Table 7 is based upon the actual 2005-06 fiscal year and base year assessed values reported by the County Auditor-Controller. The projection is separated into Real Property and Personal Property values for purposes of increasing Real Property values allowed under Proposition 13. The application of the Proposition 13 inflationary increase to Real Property values, plus any anticipated values

added from new developments identified by Agency staff, results in the estimate of future Project Area values. The projections have been extended to the tax increment receipt time limits presently imposed under AB 1290, SB 1045 and SB 1096.

The projected growth in Real Property taxable values has been limited to anticipated value added from the identified new developments discussed above, and the maximum annual inflationary factor allowed under Proposition 13. This projection assumes that future inflationary growth commencing in 2006-07 will be at least 2% per year in subsequent fiscal years. Projected Real Property values in 2006-07 have also been adjusted to reflect estimated valuation changes resulting from forecasted assessment appeal reductions.

The Available Tax Increment Revenue amounts shown on Table 7 represent the sum of gross tax increment (based upon the 1.007% tax rate) plus unitary revenue (discussed below) less the County's collection fee authorized under SB 2557 and the FY 2005-06 projected tax refund due to outstanding Project Area appeals.

The final year in which the Agency can receive tax increment to repay the indebtedness of the Project Area would be October 26, 2024 (allowing for the assumed time extensions permitted under SB 1045 and SB 1096). However, based upon the allocation schedule currently implemented by the County Auditor-Controller to redevelopment agencies, the allocation of FY 2024-25 tax increment is not expected to occur since this time limit takes effect prior to the first scheduled apportionment of tax increment in that fiscal year. Therefore, for purposes of this projection it is assumed that no tax increment revenue will be received in the final fiscal year of the projection shown on Table 7.

### **5.3 Unitary Tax Revenue**

Commencing in 1988-89, the reporting of public utility values assessed by the SBE was modified pursuant to legislation enacted in 1986 (Chapter 1457) and 1987 (Chapter 921). Previously, property assessed by the SBE was assessed State-wide and was allocated according to the location of individual components of a utility in a TRA. Hence, public utility values located within a Project Area were fully reflected in the Project Area's annual taxable value. Since the County no longer included the taxable value of unitary properties as part of the reported taxable values in a redevelopment project, base year reductions were made equal to the amount of unitary taxable value that existed originally in the base year. The values of most public utility properties are now assessed as a single unit on a County-wide basis (referred to as unitary values). Railroad properties and utility owned parcels not included by SBE in the unitary assessment are referred to as Non-Unitary assessments.

Unitary tax revenues are distributed by the County in the following manner: (1) each taxing entity will receive the same amount as in the previous year plus an increase for inflation of up to 2%; (2) if utility tax revenues are insufficient to provide the same amount of

revenue as in the previous year, allocation of the taxes would be reduced pro-rata County-wide; and (3) any increase in revenue above 2% would be allocated in the same proportion as the taxing entity's local secured taxable values are distributed to the local secured taxable values of the County.

According to the County Auditor-Controller, the Agency should receive nearly \$136,000 in unitary tax revenues for the Project Area in FY 2004-05. For purposes of this projection, it is assumed that the unitary tax revenues will stabilize at this amount in FY 2005-06 and thereafter.

#### **5.4 Supplemental Assessments**

Supplemental assessments are authorized under Chapter 498 of the Statutes of 1983 which provides that property may be reassessed upon the occurrence of a change of ownership or completion of new construction. The supplemental assessment reflects the difference between the new value and old value. Prior to the enactment of Chapter 498, property reassessments occurred only on the lien date next following the change in ownership or new construction. The supplemental tax (if there is a resulting increase in value) or the supplemental refund (if there is a resulting decrease in value) is determined by applying the current year tax rate to the amount of supplemental assessment and prorating the resulting tax based upon the number of months remaining in the current fiscal year and, in certain instances, in the forthcoming fiscal year.<sup>3</sup>

The tax revenues or refunds derived from supplemental assessments are allocated to redevelopment agencies on a monthly basis and incorporated in the tax payments prepared by the County Auditor-Controller. Future new developments or property transfers occurring in the Project Area could likely result in supplemental tax revenues being allocated to the Agency. However, due to their nature as one-time occurring revenues, supplemental taxes can be a relatively minimal revenue source to the Agency to the extent no new developments or transfers of ownership are occurring in the Project Area. In addition, pursuant to conversations with County Tax Collector staff, the receipt of supplemental taxes by the Agency can be delayed by as much as six to nine months after a property transfer or construction.

Supplemental taxes are prorated by the number of months that remain in the fiscal year. However, the City's projection of future new developments occurring in the Project Area did not contain specific completion months, making an annual supplemental tax estimate difficult to project. Therefore, for purposes of the projection, KMA has not included any revenues in the tax increment projection resulting from future supplemental assessments.

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<sup>3</sup> Two supplemental assessments would occur in instances where a change in ownership or a new construction occurs between the January 1 lien date and May 31<sup>st</sup>.

## **5.5 Project Area Wide Cash Flow (Table 8)**

A cash flow summary projected on Table 8 was created to identify the amount of net tax increment revenues that may be annually available after the Agency satisfies its existing senior lien debt obligations identified in Section 2.2 of this Report. The Table 8 cash flow is shown on an annual cash basis and does not reflect any carry over cash balances that may become available.

## **5.6 AMC Phases I & II Site Specific Tax Increment (Table 9)**

A projection of site-specific tax increment revenue generated from the completed AMC Phase I and proposed Phase II developments is summarized on Table 9. The projection incorporates the current FY 2005-06 value of the completed Phase I project and the value to be added to the tax roll from the recent sale of the Phase I development to EPT. The value added from the completion of Phase II is assumed in FY 2008-09. The site specific projection incorporates the same property tax rate, housing set aside and County administrative fee assumptions reflected in the Project Area wide projection.

## **5.7 Caveat**

The projection reflects KMA's understanding of the assessment and tax apportionment procedures employed by the County. The County procedures are subject to change as a reflection of policy revisions or legislative mandate. While we believe our estimates to be reasonable, taxable values resulting from actual appraisals may vary from the amounts assumed in the projections. Assumptions have also been made that Unitary tax revenues will continue to be allocated in the manner discussed herein and that legislatively-mandated payments to the State will not be required in future fiscal years. These assumptions reflect existing State policies and are subject to future legislative changes.

No assurances are provided by KMA as to the certainty of the projected tax increment revenues shown on Tables 7 and 9. Actual revenues may be higher or lower than what has been projected and are subject to valuation changes resulting from new developments or transfers of ownership not specifically identified herein, actual resolution of outstanding appeals, future filing of appeals, or the non-payment of taxes due.

**Table 1**  
**Historic Project Area Assessed Values**  
**City Centre Project**  
**Burbank Redevelopment Agency**

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	Avg % Chg
<b>I. Secured:</b>							
Land	119,040,391	125,018,944	127,373,891	142,050,224	154,289,346	167,039,033	8.06%
Improvements	426,802,768	432,807,705	448,566,779	478,554,831	474,570,412	542,813,128	5.44%
Personal Property	1,915,564	691,303	1,934,355	1,899,492	1,634,293	1,755,273	-1.67%
Exemptions	(20,133,550)	(21,401,045)	(36,242,473)	(8,410,271)	(42,802,320)	(43,675,344)	23.39%
<b>Total Secured</b>	<b>527,625,173</b>	<b>537,116,907</b>	<b>541,632,552</b>	<b>614,094,276</b>	<b>587,691,731</b>	<b>667,932,090</b>	<b>5.32%</b>
<b>II. Unsecured:</b>							
Land	0	0	0	0	0	0	0.00%
Improvements	21,217,544	17,417,644	22,297,215	22,664,893	23,825,237	33,065,428	11.17%
Personal Property	44,872,684	49,393,062	41,860,656	39,410,671	42,687,285	45,239,297	0.16%
Exemptions	(40,500)	(62,500)	(38,500)	(76,500)	(41,500)	(3,335,722)	1627%
<b>Total Unsecured</b>	<b>66,049,728</b>	<b>66,748,206</b>	<b>64,119,371</b>	<b>61,999,064</b>	<b>66,471,022</b>	<b>74,969,003</b>	<b>2.70%</b>
<b>III. Project Value:</b>							
Land	119,040,391	125,018,944	127,373,891	142,050,224	154,289,346	167,039,033	8.06%
Improvements	448,020,312	450,225,349	470,863,994	501,219,724	498,395,649	575,878,556	5.71%
Personal Property	46,788,248	50,084,365	43,795,011	41,310,163	44,321,578	46,994,570	0.09%
Exemptions	(20,174,050)	(21,463,545)	(36,280,973)	(8,486,771)	(42,843,820)	(47,011,066)	26.61%
<b>Total Project</b>	<b>593,674,901</b>	<b>603,865,113</b>	<b>605,751,923</b>	<b>676,093,340</b>	<b>654,162,753</b>	<b>742,901,093</b>	<b>5.03%</b>

**Table 2**  
**Values by Designated Use - FY 2005-06**  
**City Centre Project Area**  
**Burbank Redevelopment Agency**

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<b>Land Use</b>	<b>Parcel Count</b>	<b>FY 2005-06 Total AV</b>	<b>% of Total</b>
1 Commercial	132	503,704,924	67.8%
2 Residential	32	95,220,390	12.8%
3 Industrial	18	56,091,666	7.6%
4 Vacant	9	9,858,437	1.3%
5 Other Uses	8	2,037,062	0.3%
6 Miscellaneous	1	330,080	0.0%
7 Possessory Interest	2	689,531	0.1%
8 Subtotal Secured	202	667,932,090	89.9%
9 Unsecured	470	74,969,003	10.1%
<b>Total Value 2005-06</b>	<b>672</b>	<b>742,901,093</b>	<b>100.0%</b>

**Table 3**  
**Ten Largest Taxpayers - FY 2005-06**  
**City Centre Project Area**  
**Burbank Redevelopment Agency**

Assessee Name	Property Use	No. of Parcels	2005-06 Value	% of Total Project Value (1)	% of Incremental Value (2)	Estimated Appeal Value Reduction (3)
1 CT Operating Partnership	Commercial - Shopping Center	16	214,553,573	28.88%	30.45%	(3,337,950)
2 Avalon Promenade Inc.	Residential - Multi-Family	1	71,082,194	9.57%	10.09%	
3 Arden Realty Finance Partnership	Commercial - Office	5	44,536,529	5.99%	6.32%	
4 American Multi Cinema Inc (4)	AMC Phase I	1	40,843,416	5.50%	5.80%	
5 Perry Joseph A	Commercial - Hotel	4	40,176,694	5.41%	5.70%	
6 Haagen Burbank Partnership	Commercial - Shopping Center	1	24,638,614	3.32%	3.50%	
7 Del Rey Properties LLC	Commercial - Office	4	22,203,222	2.99%	3.15%	
8 Olsen 737 (5)	Commercial - Store/Res	1	17,880,000	2.41%	2.54%	
9 230 N Golden Mall Assoc	Commercial - Store	1	13,683,873	1.84%	1.94%	
10 Media Village Development Corp	Commercial & Residential	4	13,219,099	1.78%	1.88%	
TOTALS			502,817,214	67.68%	71.37%	

(1) Based upon a reported FY 2005-06 Project Area value of \$742,901,093.

(1) Based upon an incremental value of \$704,521,273 for FY 2005-06.

(3) Refer to Table 4. Reflects contested value impact on FY 2004-05 appeal.

(4) This parcel has already been reassessed twice in the 2005-06 tax roll year. Current assessee name is Burbank Village LP.  
 In March 2005, the property was sold for \$51 million to Entertainment Properties Trust and should be reflected in FY 2006-07.

(5) It is expected that a new parcel number will be assigned.

**Table 4**  
**Projection of Assessment Appeal Impacts**  
**City Centre Project Area**  
**Burbank Redevelopment Agency**

Appeal Number	APN or Bill No	FY	Applicant Name	Land Use	Total Contested Value	Applicant Opinion of Value	Estimated Resolved Value	Estimated Variance	KMA Assumption
<b>Secured Appeals:</b>									
2004-005012	2453-005-059	04	AMC REALTY INC.	COML	4,738,791	1,684,289	4,738,791	-	Assume withdrawn per previous appeal attempt (1)
2004-002754	2453-011-029	04	C & P PROPERTIES NO. 1	COML	11,505,919	8,000,000	11,505,919	-	Assumed withdrawn per previous appeal attempts (1)
2004-007104	2453-012-021	04	BANK OF AMERICA	COML	2,072,963	1,500,000	2,072,963	-	Assume withdrawn per previous appeal attempts (1)
2004-007105	2453-012-022	04	BANK OF AMERICA	COML	1,197,465	906,000	1,197,465	-	Assume withdrawn per previous appeal attempts (1)
2004-005837	2453-016-023	04	AVALON PROMENADE INC.	APTS	73,044,750	65,000,000	69,706,800	(3,337,950)	Decreased to last year's reduced AV +2% Growth (1)
2004-005686	2453-017-024	04	JOSEPH A. PERRY	COML	33,300,000	30,000,000	33,300,000	-	Assumed withdrawn per previous appeal attempts (1)
2004-002752	2453-021-059	04	TWIN OAK PROPERTIES	APTS	4,123,798	3,000,000	4,123,798	-	Assumed withdrawn per previous appeal attempts (1)
2004-005354	2460-023-044	04	IKEA CALIFORNIA, LLC (LESSEE)	COML	24,155,505	18,000,000	24,155,505	-	Assumed withdrawn per previous appeal attempts (1)
2004-006536	2460-023-056	04	CIRCUIT CITY STORES, INC. # 43	COML	6,469,892	5,000,000	6,469,892	-	Assumed withdrawn per previous appeal attempts (1)
2004-007250	2460-023-060	04	OFFICE DEPOT	COML	4,418,460	1,767,383	4,418,460	-	Assumed withdrawn per previous appeal attempts (1)
2004-005031	2460-035-005	04	RUBINFELD FAMILY LP	COML	600,838	360,000	491,312	(109,526)	Reduce to Opinion or 18.2% of AV per COML comps (1)
2004-005031	2460-035-007	04	RUBINFELD FAMILY LP	COML	712,022	425,000	582,229	(129,793)	Reduce to Opinion or 18.2% of AV per COML comps (1)
<b>Unsecured Appeals:</b>									
2003-004192	40786185	03	CLEAR CHANNEL OUTDOOR INC.	BPF	140,869	82,153	118,622	(22,247)	Reduce to Opinion or 15.8% of AV per BPF comps
2002-001859	40804016	02	CLEAR CHANNEL OUTDOOR INC.	BPF	133,933	13,393	112,781	(21,152)	Reduce to Opinion or 15.8% of AV per BPF comps
2004-001926	40783838	04	CLEAR CHANNEL OUTDOOR, INC.	BPF	143,741	50,000	121,040	(22,701)	Reduce to Opinion or 15.8% of AV per BPF comps (2)
2001-005676	40784410	01	EUER MEDIA, INC.	BPF	117,353	-	98,820	(18,533)	Reduce to Opinion or 15.8% of AV per BPF comps
2004-005357	40764877	04	IKEA CALIFORNIA, LLC	BPF	4,662,886	3,100,000	4,662,886	-	Assumed withdrawn per previous appeal attempts (2)
2004-003471	40793214	04	WALDENBOOK COMPANY, INC.	BPF	68,207	48,384	57,435	(10,772)	Reduce to Opinion or 15.8% of AV per BPF comps (2)
2004-005973	40787388	04	XEROX LEASE EQUIPMENT, LLC	BPF	142,686	87,507	120,152	(22,534)	Reduce to Opinion or 15.8% of AV per BPF comps (2)

Total Value Reduction for Projected Tax Refund	(3,695,208)
Projected Tax Refund Levy FY 2005-06	(36,952)
(1) Secured Value Reduction (unique filings) FY 2006-07	(3,577,000)
(2) Unsecured Value Reduction (unique filings) FY 2006-07	(56,000)

**Table 5**  
**Receipts to Levy Analysis**  
**City Centre Project**  
**Burbank Redevelopment Agency**

	2000-01	2001-02	2002-03	2003-04	2004-05	Average
I. Reported Assessed Value (1):						
Secured	527,625,173	537,116,907	541,632,552	614,094,276	587,691,731	
Unsecured	66,049,728	66,748,206	64,119,371	61,999,064	66,471,022	
II. Total Project Value	593,674,901	603,865,113	605,751,923	676,093,340	654,162,753	
Less Base Value (1)	38,379,820	38,379,820	38,379,820	38,379,820	38,379,820	
Incremental Value	555,295,081	565,485,293	567,372,103	637,713,520	615,782,933	
Averaged Tax Rate	1.0388694%	1.0259412%	1.0086734%	1.0075593%	1.0069862%	
III. Gross Tax Increment	5,768,791	5,801,547	5,722,932	6,425,342	6,200,849	
Unitary Tax Revenue	157,503	156,135	155,281	146,105	135,520	
Total Computed Levy	5,926,294	5,957,681	5,878,213	6,571,447	6,336,370	
IV. Tax Allocation (2):						
Secured Tax Increment	5,007,124	5,196,264	5,126,168	5,789,323	5,564,000	
Unsecured Tax Increment	546,986	540,646	539,105	524,721	576,825	
Unitary Tax Revenue	157,503	156,135	155,281	146,105	135,520	
Total Annual Tax Increment	5,711,614	5,893,045	5,820,554	6,460,149	6,276,346	
Variance From Computed Levy	(214,681)	(64,637)	(57,659)	(111,298)	(60,024)	
<b>% Collections</b>	<b>96.38%</b>	<b>98.92%</b>	<b>99.02%</b>	<b>98.31%</b>	<b>99.05%</b>	<b>98.33%</b>
IV. Add Prior Year Redemptions (3)	31,911	135,151	101,161	76,404	103,485	
Total Annual Tax Increment + Redemptions	5,743,524	6,028,195	5,921,715	6,536,553	6,379,830	
Variance From Computed Levy	31,911	135,151	101,161	76,404	103,485	
<b>% Collections + Redemptions</b>	<b>96.92%</b>	<b>101.18%</b>	<b>100.74%</b>	<b>99.47%</b>	<b>100.69%</b>	<b>99.80%</b>

(1) Amounts shown are as reported by the Los Angeles County Auditor-Controller in August of each fiscal year.

(2) Source: County Auditor-Controller year-end remittance advice summaries. Amounts represent the annual tax increment revenues allocable to the Agency and do not include administrative fees, supplemental taxes, tax refunds, adjustments by the County Auditor-Controller, prior year redemption payments or pass throughs.

(3) Source: County Auditor-Controller year-end remittance advice summaries. Amounts represent cumulative redemption payments.

**Table 6**  
**Summary of New Development Value Added**  
**City Centre Project Area**  
**Burbank Redevelopment Agency**  
**(000s Omitted)**

Description	Net Value Added				
		2006-07	2007-08	2008-09	2009-10
<b><u>New Development Value Added</u></b>					
1 AMC Phase I - Sale to EPT	10,157	10,157	0	0	0
2 Collection Project (AMC Phase II)	71,171	0	0	71,171	0
3 Civic Plaza (Old Police Block)	17,000	17,000	0	0	0
4 Village Walk	43,731	32,798	10,933	0	0
<b>Total Real Property Value Added</b>	<b>142,059</b>	<b>59,955</b>	<b>10,933</b>	<b>71,171</b>	<b>0</b>

**Table 7**  
**Tax Increment Revenue Projection**  
**City Centre Project Area**  
**Burbank Redevelopment Agency**  
**(000s Omitted)**

	1	2	3	4	5	6	7	8	9	10
	Reported Real Property at FY 2%	New Development Added Value (Table 6)	Total Adjusted Real Property	Reported Personal Property	Total Project Assessed Value	Incremental Value Over Base \$38,380	(7) Gross Increment Revenue	Less County Admin Fee -2%	Less Appeals Refund (Table 4)	Available Tax Increment Revenue
(1) 2005-06	666,177	0	666,177	76,724	742,901	704,521	7,230	(145)	(37)	7,048
(2) 2006-07	675,852	59,955	735,807	76,668	812,475	774,095	7,931	(159)	0	7,772
2007-08	750,523	10,933	761,456	76,668	838,124	799,744	8,189	(164)	0	8,025
2008-09	776,685	71,171	847,856	76,668	924,524	886,144	9,059	(181)	0	8,878
2009-10	864,813	0	864,813	76,668	941,481	903,101	9,230	(185)	0	9,045
2010-11	882,109	0	882,109	76,668	958,777	920,397	9,404	(188)	0	9,216
(3) 2011-12	899,751	0	899,751	76,668	976,419	938,040	9,581	(192)	0	9,390
2012-13	917,746	0	917,746	76,668	994,414	956,035	9,763	(195)	0	9,567
(4) 2013-14	936,101	0	936,101	76,668	1,012,769	974,390	9,947	(199)	0	9,749
2014-15	954,823	0	954,823	76,668	1,031,491	993,112	10,136	(203)	0	9,933
2015-16	973,920	0	973,920	76,668	1,050,588	1,012,208	10,328	(207)	0	10,122
2016-17	993,398	0	993,398	76,668	1,070,066	1,031,686	10,524	(210)	0	10,314
2017-18	1,013,266	0	1,013,266	76,668	1,089,934	1,051,554	10,725	(214)	0	10,510
2018-19	1,033,531	0	1,033,531	76,668	1,110,200	1,071,820	10,929	(219)	0	10,710
2019-20	1,054,202	0	1,054,202	76,668	1,130,870	1,092,490	11,137	(223)	0	10,914
2020-21	1,075,286	0	1,075,286	76,668	1,151,954	1,113,574	11,349	(227)	0	11,122
(5) 2021-22	1,096,792	0	1,096,792	76,668	1,173,460	1,135,080	11,566	(231)	0	11,334
2022-23	1,118,728	0	1,118,728	76,668	1,195,396	1,157,016	11,787	(236)	0	11,551
2023-24	1,141,102	0	1,141,102	76,668	1,217,770	1,179,391	12,012	(240)	0	11,772
(6) 2024-25	1,163,924	0	1,163,924	76,668	1,240,592	1,202,213	0	0	0	0
<b>Total</b>							<b>190,825</b>	<b>(3,816)</b>	<b>(37)</b>	<b>186,971</b>

Note: Commencing in FY 2006-07, real property increases 2% per year.

- (1) Project value as reported by the Los Angeles County Auditor Controller.
- (2) FY 2006-07 incorporates assumed value reductions from identified secured and unsecured assessment appeals shown on Table 4.
- (3) Reflects Plan effectiveness limit of 10-26-2011 and extended 3 years by SB 1045 and SB 1096 (anticipated). Plan adopted 10-26-1971.
- (4) Reflects debt incurrence limit of 1-1-2014
- (5) Reflects tax increment receipt limit of 10-26-2021 and extended 3 years by SB 1045 and SB 1096 (anticipated).
- (6) Based upon the County's current allocation schedule, no tax increment would be paid after the 10-26-2024 tax increment receipt limit date (as extended).
- (7) Assumed tax rate of 1.007% is used based upon FY 2004-05 rate. Gross increment includes \$136,000 in annual Unitary tax revenue (FY 2004-05 actuals).

**Table 8**  
**Cash Flow Projection**  
**City Centre Project Area**  
**Burbank Redevelopment Agency**  
**(000s Omitted)**

	1	2	4	5	6	7	8
	Available Tax Increment	Housing Set Aside -20% Gross TI	2003 Refunding TA Bonds Series C	Media Ctr Note \$33 million 2% Increase (7)	Media Ctr Note \$18.5 million 2% Increase (7)	YES Fund Contribution 3% Increase (7)	Net Tax Increment After Senior Obligations
FY	(Table 7)						
(1) 2005-06	7,048	(1,446)	(1,629)	(2,189)	(766)	(188)	831
(2) 2006-07	7,772	(1,586)	(1,637)	(2,233)	(781)	(206)	1,329
2007-08	8,025	(1,638)	(1,633)	(2,277)	(797)	(212)	1,469
2008-09	8,878	(1,812)	(1,632)	(2,323)	(813)	(218)	2,080
2009-10	9,045	(1,846)	(1,634)	(2,369)	(829)	(224)	2,143
2010-11	9,216	(1,881)	(1,630)	(2,417)	(845)	(231)	2,212
(3) 2011-12	9,390	(1,916)	(1,629)	(2,465)	(862)	(238)	2,279
2012-13	9,567	(1,953)	(1,626)	(2,514)	(880)	(245)	2,350
(4) 2013-14	9,749	(1,989)	(1,625)	(2,565)	(897)	(253)	2,420
2014-15	9,933	(2,027)	(1,625)	(2,616)	(915)	(260)	2,489
2015-16	10,122	(2,066)	(1,622)	(2,668)	(933)	(268)	2,564
2016-17	10,314	(2,105)	(1,616)	(619)	(217)	(276)	5,481
2017-18	10,510	(2,145)	(1,617)	0	0	(284)	6,464
2018-19	10,710	(2,186)	(1,614)	0	0	(293)	6,617
2019-20	10,914	(2,227)	(1,612)	0	0	(302)	6,773
2020-21	11,122	(2,270)	(1,615)	0	0	(311)	6,926
(5) 2021-22	11,334	(2,313)	(1,610)	0	0	(320)	7,091
2022-23	11,551	(2,357)	(1,606)	0	0	0	7,588
2023-24	11,772	(2,402)	(1,603)	0	0	0	7,767
(6) 2024-25	0	0	0	0	0	0	0
Total	186,971	(38,165)	(30,814)	(27,257)	(9,535)	(4,328)	76,873

- (1) Project value as reported by the Los Angeles County Auditor Controller.  
(2) FY 2006-07 increment reflects assumed value reductions from identified secured and unsecured assessment appeals shown on Table 4.  
(3) Reflects Plan effectiveness limit of 10-26-2011 and extended 3 years by SB 1045 and SB 1096 (anticipated). Plan adopted 10-26-1971.  
(4) Reflects debt incurrence limit of 1-1-2014  
(5) Reflects debt repayment limit of 10-26-2021 and extended 3 years by SB 1045 and SB 1096 (anticipated).  
(6) Based upon the County's current allocation schedule, no tax increment would be paid after the 10-26-2024 tax increment receipt limit date.  
(7) Source: Burbank Redevelopment Agency.

**Table 9**  
**Tax Increment Revenue Projection - Site Specific AMC Phases I & II**  
**City Centre Project Area**  
**Burbank Redevelopment Agency**  
**(000s Omitted)**

	1	2	3	4	5	6	7	8	9
	Site Specific	New	Total	Incremental	(6)	Housing	Less	YES	Site
	Real	Site Specific	Site Specific	Value Over	Gross	Set Aside	County	Fund	Specific
	Property at	Added Value	Assessed	Base of	Increment	-20%	Admin Fee	Contribution	Tax
FY	2%	(Table 6)	Value	\$11,231	Revenue	Gross TI	-2%	-5%	Increment
									Revenue
(1) 2005-06	45,677	0	45,677	34,446	347	(69)	(7)	(17)	253
2006-07	46,591	10,157	56,747	45,517	458	(92)	(9)	(23)	335
2007-08	57,882	0	57,882	46,652	470	(94)	(9)	(23)	343
2008-09	59,040	71,171	130,211	118,980	1,198	(240)	(24)	(60)	875
2009-10	132,815	0	132,815	121,584	1,224	(245)	(24)	(61)	894
2010-11	135,471	0	135,471	124,241	1,251	(250)	(25)	(63)	913
(2) 2011-12	138,181	0	138,181	126,950	1,278	(256)	(26)	(64)	933
2012-13	140,944	0	140,944	129,714	1,306	(261)	(26)	(65)	954
(3) 2013-14	143,763	0	143,763	132,533	1,335	(267)	(27)	(67)	974
2014-15	146,638	0	146,638	135,408	1,364	(273)	(27)	(68)	995
2015-16	149,571	0	149,571	138,341	1,393	(279)	(28)	(70)	1,017
2016-17	152,563	0	152,563	141,332	1,423	(285)	(28)	(71)	1,039
2017-18	155,614	0	155,614	144,383	1,454	(291)	(29)	(73)	1,061
2018-19	158,726	0	158,726	147,496	1,485	(297)	(30)	(74)	1,084
2019-20	161,901	0	161,901	150,670	1,517	(303)	(30)	(76)	1,108
2020-21	165,139	0	165,139	153,908	1,550	(310)	(31)	(77)	1,131
(4) 2021-22	168,441	0	168,441	157,211	1,583	(317)	(32)	(79)	1,156
2022-23	171,810	0	171,810	160,580	1,617	(323)	(32)	(81)	1,180
2023-24	175,246	0	175,246	164,016	1,652	(330)	(33)	(83)	1,206
(5) 2024-25	178,751	0	178,751	167,521	0	0	0	0	0
<b>Total</b>					<b>23,905</b>	<b>(4,781)</b>	<b>(478)</b>	<b>(1,195)</b>	<b>17,451</b>

Note: Commencing in FY 2006-07, real property increases 2% per year.

- (1) Project value as reported by the Los Angeles County Assessor.
- (2) Reflects Plan effectiveness limit of 10-26-2011 and extended 3 years by SB 1045 and SB 1096. Plan adopted 10-26-1971.
- (3) Reflects debt incurrence limit of 1-1-2014
- (4) Reflects tax increment receipt limit of 10-26-2021 and extended 3 years by SB 1045 and SB 1096 (anticipated).
- (5) Based upon the County's current allocation schedule, no tax increment would be paid after the 10-26-2024 tax increment receipt limit date (as extended).
- (6) Assumed tax rate of 1.007% is used based upon FY 2004-05 rate.

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## APPENDIX G

### GENERAL AND ECONOMIC INFORMATION REGARDING THE CITY OF BURBANK

*Information contained in this appendix is presented as general background data. The Bonds are payable solely from Tax Increment Revenues and revenues generated by the Special Taxes and are not a general obligation of the City, the Agency, or the District. Except with respect to the Tax Increment Revenues and the Special Taxes, neither the full faith and credit nor the taxing power of the City, the Agency, the District, the County, or the State or any political subdivision thereof is pledged to the payment of the Bonds.*

#### **General**

The City of Burbank, California (the "City") is located in the greater metropolitan Los Angeles area, approximately 12 miles northeast of downtown Los Angeles, in the southeast section of the San Fernando Valley. The economy in the City represents a diverse blend of commercial and residential development. The City is the home of several major entertainment industry firms, including NBC, Warner Brothers, and Walt Disney Company. The City is a mature community that experienced very little population growth in the later 1970's, modest population growth in the early 1980's, and slightly faster population growth in the late 1980's and early 1990's. See "Population" below. The Bob Hope Airport (formerly known as the Burbank-Glendale-Pasadena Airport) is located in the City. The airport is served by several major airlines, including: Alaska Airlines, Aloha Airlines, American Airlines, America West Airlines, Delta Airlines, JetBlue Airways, Southwest Airlines, and United Airlines.

#### **Municipal Government**

The City was incorporated as a general law city on July 8, 1911, and adopted its city charter on January 13, 1927. The City is administered by a Council-Manager form of government. The five City Council members, one of whom serves as Mayor, are elected at-large for four-year terms. Elections are staggered at two-year intervals. There is currently one vacancy on the City Council, which vacancy is expected to be filled on February 14, 2006. As of June 30, 2004, the City had 1,577 employees, including 1,200 full-time and 377 part-time, temporary, or seasonal employees. The City operates 25 parks, a golf course, and three libraries.

#### **Demographic Statistics**

The following table sets forth various demographic data regarding the City, including population and public school enrollment, from fiscal year 1994-95 through 2004-05:

**Table A-1  
CITY OF BURBANK  
DEMOGRAPHIC STATISTICS  
(1994-95 through 2004-05)**

<u>Fiscal Year</u>	<u>Population</u>	<u>Public School Enrollment</u>
1994-95	99,880	13,391
1995-96	101,424	13,836
1996-97	102,481	14,146
1997-98	104,048	14,154
1998-99	105,300	14,664
1999-2000	106,480	14,925
2000-01	102,400	15,173
2001-02	102,745	15,008
2002-03	104,497	15,159
2003-04	105,437	15,018
2004-05	106,379	14,945

Source: For fiscal years 1994-95 through 2003-04, City of Burbank Comprehensive Annual Financial Report; for fiscal year 2004-05, City.

### Employment

The City is part of the Los Angeles-Long Beach-Glendale Metro Division Metropolitan Statistical Area (“MSA”). The civilian labor force for the MSA increased from an average of 4,809,700 in 2004 to 4,879,435 for the period of January through November in 2005.

**Table A-2  
LOS ANGELES COUNTY, STATE OF CALIFORNIA, AND UNITED STATES  
LABOR FORCE EMPLOYMENT AND UNEMPLOYMENT  
Yearly Average for Calendar Years 2000-2005 <sup>(1)</sup>**

<u>Year</u>	<u>Area</u>	<u>Civilian Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployment Rate</u>
2000	MSA	4,681,300	4,427,800	253,500	5.4%
	State	16,869,700	16,034,100	835,600	5.0
	United States	142,583,000	136,891,000	5,692,000	4.0
2001	MSA	4,752,900	4,483,000	269,900	5.7
	State	17,150,100	16,217,500	932,600	5.4
	United States	143,734,000	136,933,000	6,801,000	4.7
2002	MSA	4,769,900	4,446,100	323,800	6.8
	State	17,326,900	16,165,100	1,161,800	6.7
	United States	144,863,000	136,485,000	8,378,000	5.8
2003 <sup>(2)</sup>	MSA	4,782,000	4,447,800	334,200	7.0
	State	17,414,000	16,223,500	1,190,500	6.8
	United States	146,510,000	137,736,000	8,774,000	6.0
2004 <sup>(2)</sup>	MSA	4,809,700	4,494,000	315,700	6.6
	State	17,552,300	16,459,900	1,092,400	6.2
	United States	147,401,000	139,252,000	8,149,000	5.5
2005 <sup>(1)(2)</sup>	MSA	4,879,435	4,617,663	261,773	5.4
	State	17,810,900	16,850,427	7,580,000	5.4
	United States	149,310,000	141,730,000	7,580,000	5.1

(1) 2005 figure for January through November 2005 only.

(2) United States statistics not strictly comparable with data for prior years.

Sources: California Employment Development Department; U.S. Department of Labor, Bureau of Labor Statistics.

### Industry and Employment

The following table lists the City’s major employers as of January 1, 2005. Most of these entities are also among the City’s largest taxpayers.

**Table A-3  
CITY OF BURBANK  
MAJOR EMPLOYERS**

<u>Company Name</u>	<u>No. of Employees</u>	<u>Products/Services</u>
The Walt Disney Company	9,466	Entertainment
Warner Bros. Entertainment Inc.	8,000	Entertainment
Providence St. Joseph Medical Center	3,500	Medical
Burbank Unified School District	2,010	Education
City of Burbank	1,509	Government
National Broadcasting Company West, LLC	1,278	Entertainment
Burbank Glendale Pasadena Airport Support Services	1,400	Aviation
Health Line Clinical Labs	560	Medical
Photo-Kern	552	Media Related
Clear Channel Communications	477	Entertainment

Source: City of Burbank License & Code Services.

Production facilities of Warner Bros. Entertainment (also known as Time Warner Entertainment), National Broadcasting Company/Universal (formerly known as National Broadcasting Company and National Broadcasting Company West, LLC), and The Walt Disney Company place the City in a leading role in the Southern California entertainment industry.

**Principal Property Owners and Taxpayers**

The following table lists the City's top ten property owners as of June 30, 2005, according to assessed value.

**Table A-4  
CITY OF BURBANK  
PRINCIPAL PROPERTY OWNERS  
(as of June 30, 2005)**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Taxable Value \$000</u>	<u>Percentage of Assessed Valuation</u>
Turner Entertainment	Motion picture and television	\$ 667,763	7.26%
Walt Disney Productions	Motion picture and television	642,060	6.98
Alexander Haagen Properties	Retail properties	211,819	2.31
National Broadcasting Company	Major television network	162,047	1.77
DB Real Estate (Pinnacle)	Office buildings	143,500	1.56
Tower Burbank Limited	Office buildings	115,750	1.26
Zelman Burbank Empire LLC	Retail properties	112,447	1.23
Southwest Airlines	Airline	112,447	0.81
Avalon Promenade Inc.	Apartment buildings	74,464	0.80
New Burbank LLC (Hilton)	Hotels	<u>73,119</u>	<u>0.71</u>
Subtotal		2,267,782	24.69
Other Taxpayers		<u>6,930,427</u>	<u>75.31</u>
<b>Total for Entire City</b>		<b>\$9,198,209</b>	<b>100.00%</b>

Source: City.

**Taxable Sales**

The table below shows the history of taxable transactions for the City for the years indicated.

**Table A-5**  
**CITY OF BURBANK**  
**TAXABLE SALES**  
**(1999 – 2004)**  
**(dollars in thousands)**

<u>Type of Business</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004*</u>
Retail Stores						
Apparel	\$ 46,474	\$ 46,842	\$ 49,966	\$ 64,670	\$ 59,896	\$ 15,080
General Merchandise	223,297	241,661	250,695	324,821	349,655	87,350
Food	66,036	68,308	69,125	64,895	65,884	17,082
Eating & Drinking Places	169,552	182,751	192,774	211,018	223,022	61,508
Home Furnishing & Appliances	139,370	145,548	146,389	159,093	172,347	48,386
Bldg Materials & Farm Implements	54,830	53,344	74,638	116,459	152,614	52,226
Auto Dealers & Suppliers	44,974	54,969	67,558	98,566	122,503	36,150
Service Stations	86,586	106,830	111,331	108,634	126,389	35,513
Other Retail Stores	<u>230,392</u>	<u>242,338</u>	<u>252,280</u>	<u>282,492</u>	<u>293,604</u>	<u>73,898</u>
Retail Stores Total	1,061,511	1,142,591	1,214,756	1,430,648	1,565,914	427,193
All Other Outlets	<u>615,380</u>	<u>680,178</u>	<u>662,390</u>	<u>634,289</u>	<u>673,176</u>	<u>187,095</u>
<b>Total All Outlets</b>	<b>\$1,676,891</b>	<b>\$1,822,769</b>	<b>\$1,877,146</b>	<b>\$2,064,937</b>	<b>\$2,239,090</b>	<b>\$614,288</b>

\* Data is through third quarter of 2004 only.  
Source: California State Board of Equalization.

### Construction Activity

The number of building permits issued by the City for the years indicated is set forth below.

**Table A-6**  
**CITY OF BURBANK**  
**BUILDING PERMITS**  
**(Fiscal Years 1994-95 through 2004-05)**

<u>Fiscal Year</u>	<u>Number of Permits</u>
1994-95	2,565
1995-96	2,286
1996-97	1,985
1997-98	2,187
1998-99	2,374
1999-00	2,268
2000-01	2,399
2001-02	2,627
2002-03	2,776
2003-04	2,686
2004-05	2,757

Source: For fiscal years 1994-95 through 2003-04, City of Burbank Comprehensive Annual Financial Report; for fiscal year 2004-05, City.

### Utilities

The City provides its own municipal electric, water, and sewer utilities. Southern California Gas Company and SBC Communications, Inc., also serve the City.

## APPENDIX H

### FORM OF CONTINUING DISCLOSURE AGREEMENTS

#### (CITY/AGENCY FORM)

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by and among the City of Burbank, California (the "City") (for itself and on behalf of the District, as defined below), the Redevelopment Agency of the City (the "Agency"), and Wells Fargo Bank, National Association, in its capacity as dissemination agent (the "Dissemination Agent"), in connection with the issuance by the City, on behalf of the City of Burbank Community Facilities District No. 2005-1 (The Collection Public Parking Facility) (the "District"), of the City of Burbank Community Facilities District No. 2005-1 (The Collection Public Parking Facility) 2006 Special Tax Bonds in the aggregate principal amount of \$6,155,000 (the "Bonds"). The Bonds are being issued pursuant to the City of Burbank Special Tax Financing Improvement Code, constituting Article 20 of Chapter 14 of the Burbank Municipal Code (the "Law"), and a Fiscal Agent Agreement, dated as of February 1, 2006 (the "Fiscal Agent Agreement"), by and between the City, for and on behalf of the District, and Wells Fargo Bank, National Association, as fiscal agent (the "Fiscal Agent"), in order to provide funds to finance a portion of the costs of certain public parking improvements within the District. The City (for itself and on behalf of the District), the Agency, and the Dissemination Agent hereby covenant and agree as follows:

Section 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the parties hereto for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) promulgated under the Securities and Exchange Act of 1934.

Section 2. Definitions. In addition to the definitions set forth in the Fiscal Agent Agreement, which apply to any capitalized terms used in this Disclosure Agreement, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"*Annual Report*" shall mean any Annual Report provided by the City (for itself and on behalf of the District) and the Agency, pursuant to and as described in Sections 3 and 4 of this Disclosure Agreement.

"*Annual Report Date*" shall mean the date in each year that is seven months after the end of the City's Fiscal Year, which Fiscal Year end, as of the date of this Disclosure Agreement, is June 30.

"*Dissemination Agent*" shall mean Wells Fargo Bank, National Association, or any successor Dissemination Agent designated in writing by the City, which successor must have filed a written acceptance of such designation with the City.

"*Listed Events*" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"*National Repository*" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. A list of the approved National Repositories can be found on the Securities and Exchange Commission website at <http://www.sec.gov/info/municipal/nrmsir.htm>.

"*Official Statement*" means the Official Statement dated January 27, 2006, relating to the Bonds.

"*Participating Underwriter*" shall mean the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

*“Repository”* shall mean each National Repository and each State Repository.

*“Rule”* shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

*“Special Taxes”* shall mean an annual special tax to be levied on certain real property within the District, which shall secure the payment of debt service on the Bonds.

*“State Repository”* shall mean any public or private repository or entity designated by the State of California as a state repository for the purpose of the Rule and recognized by the Securities and Exchange Commission. As of the date of this Agreement, there is no State Repository.

### Section 3. Provisions of Annual Reports.

(a) The City and the Agency shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing January 31, 2007, provide to each Repository and any Participating Underwriter an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement, with a copy to the Fiscal Agent and the Participating Underwriter. Not later than 15 Business Days prior to said date, the City and the Agency shall provide their Annual Report to the Dissemination Agent, if such Dissemination Agent is a different entity than the City or the Agency. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that any audited financial statements provided by the City and the Agency may be submitted separately from the balance of the Annual Report, and not later than the date required above for the filings of the Annual Report. The Annual Report may be filed using the SEC-Approved Electronic Transmission Facilities provided by the Texas Municipal Advisory Council at website <http://www.disclosureusa.org>. If the City's Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). The City and the Agency shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished hereunder. The Dissemination Agent may conclusively rely upon such certification of the City and Agency, and shall have no duty or obligation to review such Annual Report.

(b) If the City and the Agency are unable to provide the Repositories with an Annual Report by the date required in subsection (a), the City shall send a notice to the Municipal Securities Rulemaking Board in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

1. determine each year prior to the date for providing the Annual Report the name and address of each National Repository and each State Repository, if any;
2. file a report with the City, the Agency, and the Fiscal Agent (if the Dissemination Agent is other than the Fiscal Agent) certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and listing all the Repositories to which it was provided; and
3. take any other actions mutually agreed upon among the Dissemination Agent, the City, and the Agency.

Section 4. Content of Annual Reports. Each Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements of the City and Agency, which include information regarding the funds and accounts of the District, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If such audited financial statements are not available at the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) The following additional items with respect to the Bonds and the property in the District subject to the levy of Special Taxes:

1. Principal amount of Bonds outstanding.
2. Balance in the funds and accounts established under the Fiscal Agent Agreement.
3. A statement as to whether or not the amount on deposit in the Reserve Fund is equal to the Reserve Requirement and, if not, the amount of the delinquency or surplus, as applicable.
4. If any moneys are still on deposit in the Escrow Fund or the Improvement Fund, the estimated date of completion of the improvements being financed with the Bond proceeds.
5. The amount of Special Taxes levied and the delinquency rate for the Special Taxes for the most recent year.
6. Concerning delinquent parcels:
  - ÷! number of parcels in District delinquent in payment of Special Tax,
  - ÷! total of such delinquency and percentage of delinquency in relation to total Special Tax levy,
  - ÷! status of the actions taken by the City or the Agency related to any foreclosure proceedings upon delinquent properties within the District.
7. Identity of any delinquent taxpayer obligated for any of the annual Special Tax levy, plus:
  - ÷! assessed value of applicable properties, and
  - ÷! summary of results of foreclosure sales, if available.
8. Information relating to Tax Increment Revenues for the then-current fiscal year, including the information included in Table 2 entitled "Projection of Tax Increment Revenues;" provided, however, that projections for future fiscal years need not be provided.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District, the City, the Agency, or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal

Securities Rulemaking Board. The City and the Agency shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions or events affecting the tax-exempt status of the security.
7. Modifications to rights of security holders.
8. Bond calls.
9. Defeasances.
10. Release, substitution, or sale of property securing repayments of the securities.
11. Rating changes.

(b) Whenever the City (or the Agency, who will immediately notify the City) obtains knowledge of the occurrence of a Listed Event, the City shall as soon as possible determine if such event would be material under applicable federal securities law.

(c) If the City determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities law, the City shall promptly file a notice of such occurrence with the Municipal Securities Rulemaking Board and each Repository, with a copy to the Agency, the Fiscal Agent, and the Participating Underwriter. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds pursuant to the Fiscal Agent Agreement.

Section 6. Termination of Reporting Obligation. The obligations of the City, the Agency, and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption, or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 7. Dissemination Agent. The City may from time to time appoint or engage a Disseminating Agent to assist it in carrying out its (and the Agency's) obligations under this Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Fiscal Agent shall be

appointed as the Dissemination Agent. The initial Dissemination Agent shall be Wells Fargo Bank, National Association.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the City, the Agency, and the Dissemination Agent may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to annual or event information to be provided hereunder, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, status, or type of business conducted of the City, the District, or the Agency;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver (i) is approved by holders of the Bonds in the manner provided in the Fiscal Agent Agreement for amendments to the Fiscal Agent Agreement with the consent of holders, or (ii) does not, in the opinion of the City and the Agency or nationally recognized bond counsel, materially impair the interest of Bondholders.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the annual financial information containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City and the Agency to meet their respective obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be sent to the Repositories.

Section 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the City or the Agency from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the City or the Agency chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the City or the Agency, as applicable, shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the City or the Agency to comply with any provisions of this Disclosure Agreement, any Participating Underwriter or any holder or beneficial owner of the Bonds, or the Fiscal Agent on behalf of the holders of the Bonds, may take such actions as may be

necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City or the Agency, as applicable, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed a default under the Fiscal Agent Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the City or the Agency to comply with this Disclosure Agreement shall be an action to compel performance.

Section 11. Duties, Immunities, and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the City and the Agency each agrees to indemnify and save the Dissemination Agent, its officers, directors, employees, and agents, harmless against any loss, expense, and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the City and the Agency under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent shall not be responsible in any manner for the format or content of any notice or Annual Report prepared by the City or the Agency pursuant to this Disclosure Agreement. The City shall pay the reasonable fees and expenses of the Dissemination Agent for its duties hereunder.

Section 12. Beneficiaries. The Disclosure Agreement shall inure solely to the benefit of the City, the Agency, the Dissemination Agent, the Fiscal Agent, the Participating Underwriter, and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

[Remainder of Page Intentionally Left Blank]

Section 13. Counterparts. This Disclosure Agreement may be executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

Date: [Closing Date]

CITY OF BURBANK, CALIFORNIA,  
for itself and on behalf of the City of Burbank  
Community Facilities District No. 2005-1  
(The Collection Public Parking Facility)

By: \_\_\_\_\_  
Authorized Signatory

REDEVELOPMENT AGENCY OF THE  
CITY OF BURBANK

By: \_\_\_\_\_  
Authorized Signatory

WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as Dissemination Agent

By: \_\_\_\_\_  
Authorized Signatory

EXHIBIT A TO CONTINUING DISCLOSURE AGREEMENT  
NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF  
FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Burbank Community Facilities District No. 2005-1  
(The Collection Public Parking Facility)

Name of Bond Issue: City of Burbank Community Facilities District No. 2005-1 (The Collection  
Public Parking Facility) 2006 Special Tax Bonds

NOTICE IS HEREBY GIVEN that the City of Burbank, California (the "City") and the  
Redevelopment Agency of the City have not provided an Annual Report with respect to the above-named  
Bonds as required by the Continuing Disclosure Agreement, dated [Closing Date]. The City anticipates  
that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as Dissemination Agent

By: \_\_\_\_\_  
Authorized Signatory

## FORM OF CONTINUING DISCLOSURE AGREEMENT

### (DEVELOPER FORM)

THIS CONTINUING DISCLOSURE AGREEMENT (this "Disclosure Agreement"), is executed and entered into on [Closing Date], by and between Wells Fargo Bank, National Association, as dissemination agent (the "Dissemination Agent"), and Burbank Collection, Ltd., a California limited partnership (the "Developer");

#### WITNESSETH:

WHEREAS, pursuant to the Fiscal Agent Agreement, dated as of February 1, 2006 (the "Fiscal Agent Agreement"), by and between the City of Burbank (the "City"), for and on behalf of the City of Burbank Community Facilities District No. 2005-1 (The Collection Public Parking Facility) (the "District"), and Wells Fargo Bank, National Association, as fiscal agent (the "Fiscal Agent"), the District has issued its 2006 Special Tax Bonds in the aggregate principal amount of \$6,155,000 (the "Bonds");

WHEREAS, the Bonds are payable from and secured by certain tax increment revenues derived from, and special taxes levied on, certain of the property within the District;

WHEREAS, the Developer is a Major Developer within the meaning set forth in Section 1 below, is the owner of one hundred percent (100%) of the property within the District, and is developing such property with commercial and residential structures; and

WHEREAS, this Disclosure Agreement is being executed and delivered by the Developer and the Dissemination Agent for the benefit of the holders and beneficial owners of the Bonds and in order to assist the underwriters of the Bonds in complying with Securities and Exchange Commission Rule 15c2-12(b)(5);

NOW, THEREFORE, for and in consideration of the mutual premises and covenants herein contained, the parties hereto agree as follows:

Section 1. Definitions. Capitalized undefined terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Fiscal Agent Agreement. In addition, the following capitalized terms shall have the following meanings:

"*Affiliate*" of another Person means (a) a Person directly or indirectly owning, controlling, or holding with power to vote, five percent (5%) or more of the outstanding voting securities of such other Person, (b) any Person five percent (5%) or more of whose outstanding voting securities are directly or indirectly owned, controlled or held with power to vote, by such other Person, and (c) any Person directly or indirectly controlling, controlled by or under common control with such other Person; for purposes hereof, control means the power to exercise a controlling influence over the management or policies of a Person, unless such power is solely the result of an official position with such Person.

"*Assumption Agreement*" means an agreement between a Major Developer, or an Affiliate thereof, and the Dissemination Agent containing terms substantially similar to this Disclosure Agreement, whereby such Major Developer or Affiliate agrees to provide semi-annual reports and notices of significant events with respect to the portion of the Property owned by such Major Developer and its Affiliates.

“*Commercial Component*” means the non-residential portion of the Development, which, as of the date hereof, is planned to include approximately 49,300 square feet of restaurant, retail, and storage space.

“*Development*” means the development of the property in the District being undertaken, as of the date hereof, by the Developer, as described in the Official Statement.

“*Development Plan*” means, with respect to a Major Developer, the specific improvements such Major Developer intends to make, or cause to be made, to such Major Developer’s Property that, as described in the Official Statement under the caption “THE DEVELOPER AND THE DEVELOPMENT – The Development Plan,” is being developed by such Major Developer, the time frame in which such improvements are intended to be made, and the estimated costs of such improvements.

“*Disclosure Representative*” means any general partner of the Developer, or such other person as the Developer shall designate in writing to the Fiscal Agent from time to time.

“*Dissemination Agent*” means Wells Fargo Bank, National Association, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Developer and which has filed with the Fiscal Agent a written acceptance of such designation.

“*Event of Bankruptcy*” means, with respect to a Person, that such Person files a petition or institutes a proceeding under any act or acts, state or federal, dealing with or relating to the subject or subjects of bankruptcy or insolvency, or under any amendment of such act or acts, either as a bankrupt or as an insolvent, or as a debtor, or in any similar capacity, wherein or whereby such Person asks or seeks or prays to be adjudicated bankrupt, or is to be discharged from any or all of such Person’s debts or obligations, or offers to such Person’s creditors to effect a composition or extension of time to pay such Person’s debts or asks, seeks or prays for reorganization or to effect a plan of reorganization, or for a readjustment of such Person’s debts, or for any other similar relief, or if any such petition or any such proceedings of the same or similar kind or character is filed or instituted or taken against such Person and the same shall remain undismissed for a period of 60 days, or if a receiver of the business or of the property or assets of such Person is appointed by any court, or if such Person makes a general assignment for the benefit of such Person’s creditors.

“*Financing Plan*” means, with respect to a Major Developer, the method by which such Major Developer intends to finance its Development Plan, including specific sources of funding for such Development Plan; the Developer’s Financing Plan, as of the date hereof, is described in the Official Statement under the caption “THE DEVELOPER AND THE DEVELOPMENT – The Financing Plan.”

“*Financial Statements*” means, with respect to a Major Developer, the full financing statements, special purpose financial statements, project operating statements, or other reports reflecting the financial position of each entity, enterprise, fund, account, or other person (other than a financial institution acting as a lender in the ordinary course of business) identified in such Major Developer’s Financing Plan as a source of funding for such Major Developer’s Development Plan or, where such funding by such entity, enterprise, fund, account, or other person is to be provided or is guaranteed by another entity, enterprise, fund, account, or other person, the full financial statements, special purpose financing statements, project operating statements, or other reports reflecting the financial position of such other entity, enterprise, fund, account, or other person (other than a financial institution acting as a lender in the ordinary course of business); provided that, if such financial statements or reports are otherwise prepared as audited financial statements or reports, then Financial Statements means such audited financial statements or reports; provided further, however, that nothing herein shall require the preparation of audited financial statements or reports.

“*Listed Events*” means any of the events listed in Section 4(a) hereof.

“*Major Developer*” means, as of any date, any Property Owner, including the Developer, that owns Property that has not been released pursuant to Section 6 of this Disclosure Agreement and that, together with Property owned by such Property Owner’s Affiliates that has not been released pursuant to Section 6 of this Disclosure Agreement, is subject to ten percent (10%) or more of the Special Tax levy for the then current Fiscal Year.

“*National Repository*” means any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. A list of the approved National Repositories can be found on the Securities and Exchange Commission website at <http://www.sec.gov/info/municipal/nrmsir.htm>.

“*Official Statement*” means the Official Statement dated January 27, 2006, relating to the Bonds.

“*Participating Underwriter*” means the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“*Person*” means an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization, or a government or political subdivision thereof.

“*Property*” means the real property within the boundaries of the District that is not exempt from the Special Taxes.

“*Property Owner*” means any Person that owns a fee interest in any Property.

“*Repository*” means each National Repository and each State Repository.

“*Rule*” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“*Semi-Annual Report*” means any Semi-Annual Report provided by the Developer pursuant to, and as described in, Sections 2 and 3 hereof.

“*Semi-Annual Report Date*” means the dates each year that are ninety (90) days following the end of the previous half fiscal year of the Developer, which ending dates, as of the date of this Disclosure Agreement, are June 30 and December 31 (making the Semi-Annual Report Dates, as of the date of this Disclosure Agreement, September 30 and March 31).

“*State Repository*” means any public or private repository or entity designated by the State of California as a state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Disclosure Agreement, there is no State Repository.

Section 2. Provision of Semi-Annual Reports. (a) The Developer shall, or, upon receipt of the Semi-Annual Report by the Dissemination Agent, the Dissemination Agent shall, provide to each Repository and any Participating Underwriter a Semi-Annual Report which is consistent with the requirements of Section 3 hereof, not later than the Semi-Annual Report Date, commencing September 30, 2006. The Semi-Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 3 hereof; provided, however, that the audited financial statements of the Developer, if any, may be submitted separately from the balance of the Semi-Annual Report, and later than the date required above for the filing of the Semi-Annual Report if not available by that date. The Semi-Annual Report may be

filed using the SEC-Approved Electronic Transmission Facilities provided by the Texas Municipal Advisory Council at website <http://www.disclosureusa.org>. If the Developer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 4(b) hereof.

(b) Not later than 15 business days prior to the date specified in subsection (a) for providing the Semi-Annual Report to Repositories, the Developer shall provide the Semi-Annual Report (in a form suitable for reporting to the Repositories) to the Dissemination Agent and the Fiscal Agent (if the Fiscal Agent is not the Dissemination Agent). If by such date, the Fiscal Agent has not received a copy of the Semi-Annual Report, the Fiscal Agent shall contact the Disclosure Representative and the Dissemination Agent to inquire if the Developer is in compliance with the first sentence of this subsection (b).

(c) If the Dissemination Agent is unable to verify that a Semi-Annual Report has been provided to Repositories by the date required in subsection (a), the Dissemination Agent shall send a notice to the Municipal Securities Rulemaking Board and the appropriate State Repository, if any, in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Semi-Annual Report the name and address of each National Repository and each State Repository, if any;

(ii) provide any Semi-Annual Report received by it to each Repository, as provided herein; and

(iii) file a report with the Developer, the Fiscal Agent (if the Dissemination Agent is not the Fiscal Agent) and the Participating Underwriter certifying that the Semi-Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and listing all the Repositories to which it was provided.

(e) The Developer shall, or if received by the Dissemination Agent, the Dissemination Agent shall, provide a Semi-Annual Report to each Participating Underwriter described on Exhibit B attached hereto at the time such Semi-Annual Report is provided to the Repositories in accordance with this Section.

Section 3. Content of Semi-Annual Reports. The Developer's Semi-Annual Report shall contain or incorporate by reference the following:

(a) Financial Statements for each Major Developer, prepared in accordance with generally accepted accounting principles, as in effect from time to time, or in accordance with such other accounting methodology as shall be acceptable to the Participating Underwriter. If audited Financial Statements are required to be provided, and such audited Financial Statements are not available by the time the Semi-Annual Report is required to be filed pursuant to Section 2(a) hereof, the Semi-Annual Report shall contain unaudited Financial Statements, and the audited Financial Statements shall be filed in the same manner as the Semi-Annual Report when they become available. Such Financial Statements shall be for the most recently ended fiscal year for the entity covered thereby and, notwithstanding any other provision hereof, shall only be required to be provided annually.

(b) The following information with respect to each Major Developer:

(i) If information regarding such Major Developer has not previously been included in a Semi-Annual Report or in the Official Statement, the Development Plan of such Major Developer or,

if information regarding such Major Developer has previously been included in a Semi-Annual Report or in the Official Statement, a description of the progress made in the Development Plan of such Major Developer since the date of such information and a description of any significant changes in such Development Plan and the causes or rationale for such changes.

(ii) If information regarding such Major Developer has not previously been included in a Semi-Annual Report or in the Official Statement, the Financing Plan of such Major Developer or, if information regarding such Major Developer has previously been included in a Semi-Annual Report or in the Official Statement, a description of any significant changes in the Financing Plan of such Major Developer and the causes or rationale for such changes.

(iii) A description of any building permits issued with respect to any of such Major Developer's property in the District during the six months covered by the Semi-Annual Report; provided, however, that residential building permits may be aggregated for the purpose of such description and described in terms of the general location of the authorized construction within the District.

(iv) A description of any new sales or leases of portions of each Major Developer's Property during the six months covered by such Semi-Annual Report, including the identification of each buyer or lessee, as applicable, the number of square feet of land or building space, as applicable, sold or leased. In the case of leased Property within the Commercial Component, the applicable Major Developer shall include a list of leases relating to such Property, in the format set forth in Table 6 of the Official Statement, which list will include the name of the lessee, the space leased, the term of the lease, and the amount and due date of the lease payments. For property located within the Residential Component, the identification of individual homeowners or home buyers shall not be required.

(v) A description of how many leasable square feet of Property were owned by such Major Developer as of the end of the six-month period covered by such Semi-Annual Report, how many leasable square feet of such Major Developer's Property has been developed in accordance with the applicable Development Plan during such six-month period, and how many leasable square feet of such Major Developer's Property had not been developed in accordance with the applicable Development Plan as of the end of such six-month period.

(vi) An update of the status of any previously reported Listed Event described in Section 4 hereof.

(vii) Any significant amendments to land use entitlements for such Major Developer's Property, if material.

(viii) Any previously undisclosed governmentally-imposed preconditions to commencement or continuation of development on such Major Developer's Property, if material.

(ix) Any previously undisclosed legislative, administrative, or judicial challenges to development on such Major Developer's Property, if material.

(x) Any changes, if material, in the alignment, design, or likelihood of completion of significant public improvements affecting such Major Developer's Property, including major thoroughfares, sewers, water conveyance systems, and similar facilities.

(xi) The assumption of any obligations by a Major Developer pursuant to Section 5 hereof.

(c) In addition to any of the information expressly required to be provided under paragraphs (a) and (b) of this Section, the Developer shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Major Developers that are Affiliates of each other may file a single Semi-Annual Report covering all such entities. Any or all of the items listed above may be included by specific reference to other documents that have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Developer shall clearly identify each such other document so included by reference. If the obligation of Major Developer has terminated in accordance with Section 6 hereof and such fact has previously been reported under this Section 3, no further report under this Section 3 shall be required from such Major Developer, commencing with the semi-annual reporting period following the semi-annual reporting period in which such termination occurred.

Section 4. Reporting of Significant Events. (a) Pursuant to the provisions of this Section 4, the Developer shall promptly give, or cause to be given notice of the occurrence of any of the following events with respect to each Major Developer:

(i) Any conveyance by such Major Developer of Property owned by such Major Developer to an entity that is not an Affiliate of such Major Developer, the result of which conveyance is to cause the transferee to become a Major Developer.

(ii) Any failure of such Major Developer, or any Affiliate of such Major Developer, to pay when due general property taxes or assessments with respect to its Property.

(iii) Any denial or termination of credit, any denial or termination of, or default under, any line of credit or loan or any other loss of a source of funds that could have a material adverse affect on such Major Developer's most recently disclosed Financing Plan or Development Plan or on the ability of such Major Developer, or any Affiliate of such Major Developer, to pay Special Taxes when due.

(iv) The occurrence of an Event of Bankruptcy with respect to such Major Developer, or any Affiliate of such Major Developer, that could have a material adverse affect on such Major Developer's most recently disclosed Financing Plan or Development Plan or on the ability of such Major Developer, or any Affiliate of such Major Developer, to pay Special Taxes when due.

(v) Any material damage to or destruction of any structures on the Major Developer's Property.

(b) Whenever the Developer obtains knowledge of the occurrence of a Listed Event, the Developer shall promptly notify the Dissemination Agent, the Fiscal Agent, the Participating Underwriter, and the District in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (c) below. The Developer shall provide the Dissemination Agent with a form of notice of such event in a format suitable for reporting to the Municipal Securities Rulemaking Board and each State Repository, if any.

(c) If the Dissemination Agent has been instructed by the Developer to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the Municipal Securities Rulemaking Board and each State Repository and shall provide a copy of such notice to each Participating Underwriter described on Exhibit B attached hereto.

Section 5. Assumption of Obligations. If a portion of the Property owned by the Developer, any Affiliate of the Developer, a Major Developer who has not assigned its obligations to another Major Developer in accordance with this Section 5, or an Affiliate of such Major Developer is conveyed to a Person that, upon such conveyance, will be a Major Developer, the obligations of the Developer or such Major Developer hereunder with respect to the Property owned by the Developer or such Major Developer and its Affiliates may be assumed by the new Major Developer or by an Affiliate thereof and, in such case, such obligations of such assigning Developer or Major Developer with respect to such Property shall terminate. In order to effect such assumption, such new Major Developer or Affiliate shall enter into an Assumption Agreement.

Section 6. Termination of Reporting Obligation. The Developer's obligations under this Disclosure Agreement shall terminate upon the earliest to occur of:

- (a) the date on which no Property Owner is a Major Developer, as defined herein, or
  - (b) the date on which:
    - (i) the Developer is no longer a Major Developer, and
    - (ii) the Developer no longer has any obligations under this Disclosure Agreement with respect to any remaining Property as a result of such obligations having been assumed under one or more Assumption Agreements entered into pursuant to Section 5 hereof, or
  - (c) the date on which all of the Bonds have been legally defeased, redeemed, or paid in full,
- or
- (d) the date on which the Developer completes the development of its Property in accordance with its Development Plan and:
    - (i) with respect to the Commercial Component only, when either of the following circumstances exist: (A) 90% of the leasable square footage of the Commercial Component shall be occupied by tenants under a term or month-to-month lease or (B) all moneys on deposit in the Escrow Fund shall have been released in accordance with the Fiscal Agent Agreement for deposit into the Reserve Fund, the Improvement Fund, or the Bond Fund, as applicable, and the City shall have received a written certification from the Special Tax Consultant (as defined in the Official Statement), or such other consultant that the City may retain, to the effect that the amount of Tax Increment Revenues then being generated by the Tax Increment Site (as defined in the Official Statement) is sufficient to pay the regularly scheduled debt service with respect to the outstanding Bonds, and
    - (ii) with respect to the Residential Component only, when the property within the Residential Component is released from the lien of Special Tax in accordance with the Rate and Method of Apportionment.

The Developer's obligations under this Disclosure Agreement with respect to a Major Developer shall terminate upon the earliest to occur of (x) the date on which such Major Developer is no longer a Major Developer, as defined herein, or (y) the date on which the Developer's obligation with respect to such Major Developer are assumed under an Assumption Agreement entered into pursuant to Section 5 hereof; provided however, that until the occurrence of any of the events described in clauses (x) or (y), the Developer's obligations hereunder with respect to each other Major Developer, if any, shall remain in full force and effect.

Upon the occurrence of the termination of the obligations of the Developer or any Major Developer hereunder prior to the final maturity of the Bonds, the Developer shall give notice of each such termination in the same manner as for a Listed Event under Section 4 hereof.

Section 7. Dissemination Agent. The Developer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing 30 days written notice to the Developer and the Fiscal Agent. The Dissemination Agent shall have no duty to prepare the Semi-Annual Report nor shall the Dissemination Agent be responsible for filing any Semi-Annual Report not provided to it by the Developer in a timely manner and in a form suitable for filing. If at any time there is not any other designated Dissemination Agent, the Fiscal Agent shall be the Dissemination Agent. If the Dissemination Agent is other than the Fiscal Agent, the Developer shall be responsible for paying the fees and expenses of the Dissemination Agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Developer and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall agree to any amendment so requested by the Developer, so long as such amendment does not adversely affect the rights or obligations of the Dissemination Agent), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to Sections 2(a), 3, or 4(a) hereof it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver (i) is approved by holders of a majority of the Bonds in the manner provided in the Fiscal Agent Agreement for amendments to the Fiscal Agent Agreement with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of any holders of the Bonds.

If the annual financial information or operating data to be provided in the Semi-Annual Report is amended pursuant to the provisions hereof, the first annual financial information containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial statements or information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations, including its obligation to pay debt service on the Bonds. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting

principles shall be sent to the Repositories in the same manner as for a Listed Event under Section 4 hereof.

Section 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent any Major Developer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Semi-Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If any Major Developer chooses to include any information in any Semi-Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, such Major Developer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Semi-Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of any Major Developer to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and, at the written direction of any Participating Underwriter or the holders of at least twenty-five percent (25%) aggregate principal amount of outstanding Bonds, shall, upon receipt of indemnification reasonably satisfactory to the Dissemination Agent), or any holder or beneficial owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause such Major Developer or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Fiscal Agent Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of any Major Developer or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

Section 11. Duties, Immunities, and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties hereunder as are specifically set forth in this Disclosure Agreement. The Developer agrees to indemnify and save the Dissemination Agent, and its officers, directors, employees, and agents, harmless against any loss, expense, and liabilities which it or they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no responsibility for the preparation, review, form, or content of any Semi-Annual Report or any notice of a Listed Event. No provision of this Disclosure Agreement shall require or be construed to require the Dissemination Agent to interpret or provide an opinion concerning any information disclosed hereunder. Information disclosed hereunder by the Dissemination Agent may contain such disclaimer language concerning the Dissemination Agent's responsibilities hereunder with respect thereto as the Dissemination Agent may deem appropriate. The Dissemination Agent may conclusively rely on the determination of the Developer as to the materiality of any event for purposes of Section 4 hereof. The Dissemination Agent makes no representation as to the sufficiency of this Disclosure Agreement for purposes of the Rule. The Developer's obligations under this Section shall survive the termination of this Disclosure Agreement. The Developer shall pay the reasonable fees and expenses of the Dissemination Agent for its duties hereunder.

Section 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Developer, the Major Developers, the Dissemination Agent, the Fiscal Agent, the Participating Underwriter, and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 13. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 14. Merger. Any person succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor Dissemination Agent without the filing of any paper or any further act.

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

BURBANK COLLECTION, LTD.,  
a California limited partnership

By: \_\_\_\_\_  
General Partner

WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as Dissemination Agent

By: \_\_\_\_\_  
Authorized Signatory

EXHIBIT A TO CONTINUING DISCLOSURE AGREEMENT  
NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF  
FAILURE TO FILE SEMI-ANNUAL REPORT

Name of District: City of Burbank Community Facilities District No. 2005-1  
(The Collection Public Parking Facility)

Name of Bond Issue: City of Burbank Community Facilities District No. 2005-1  
(The Collection Public Parking Facility) 2006 Special Tax Bonds

NOTICE IS HEREBY GIVEN that Burbank Collection, Ltd., a California limited partnership (the "Developer"), has not provided a Semi-Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement, dated [Closing Date]. The Developer anticipates that the Semi-Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as Dissemination Agent

By: \_\_\_\_\_  
Authorized Signatory

cc: Burbank Collection, Ltd.

**EXHIBIT B**  
**PARTICIPATING UNDERWRITERS**

Stone & Youngberg LLC  
One Ferry Building, Suite 275  
San Francisco, CA 94111  
Attention: Municipal Research

## APPENDIX I

### BOOK-ENTRY-ONLY SYSTEM

Unless otherwise noted, the following description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of interest and other payments with respect to the Bonds to Participants or Beneficial Owners (as such terms are defined below) of the Bonds, confirmation and transfer of beneficial ownership interests in the Bonds and other Bond-related transactions by and among The Depository Trust Company (“DTC”), New York, New York, Participants and Beneficial Owners of the Bonds is based solely on information furnished by DTC to the District for inclusion herein. Accordingly, the City, the Agency, the District, and the Underwriter do not and cannot make any independent representations concerning these matters.

When the Bonds are issued, ownership interests will be available to purchasers only through a book-entry-only system maintained by DTC. Beneficial ownership in the Bonds may be acquired or transferred only through book entries made on the records of DTC and its Participants. If the Bonds are taken out of the book-entry-only system and delivered to Bondowners in physical form, as described below, the following discussion will not apply.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity, corporate, and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants” and, collectively with Direct Participants, “Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org). *The foregoing internet addresses are included for reference only and the information on the internet sites is not a part of this Official Statement or*

*incorporated by reference into this Official Statement. No representation is made in this Official Statement as to the accuracy or adequacy of the information included in such internet sites.*

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners, in the alternative, Beneficial Owners may wish to provide their names and addresses to the Fiscal Agent and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the applicable Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption price, and interest payments on the Bonds will be made to Cede & Co, or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the District or the Fiscal Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of

DTC nor its nominee, the Fiscal Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption price, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Fiscal Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

**With respect to Bonds registered in the name of Cede & Co., the City, the Agency, the District, and the Fiscal Agent have no responsibility or obligation to any Participant or Beneficial Owner of such Bonds. Without limiting the immediately preceding sentence, the City, the Agency, the District, and the Fiscal Agent have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any beneficial ownership interest in the Bonds, (ii) the delivery to any Participant, Beneficial Owner or other person, other than DTC, of any notice with respect to the Bonds, including any notice of redemption, (iii) the payment to any Participant, Beneficial Owner or other person, other than DTC, of any amount with respect to the principal or redemption price of, or any interest on, the Bonds, or (iv) any consent given or other action taken by DTC as owner of the Bonds. The City, the Agency, the District, and the Fiscal Agent may treat DTC as, and deem DTC to be, the absolute owner of each Bond for all purposes whatsoever, including (but not limited to) (a) payment of the principal or redemption price of, and interest on, each such Bond, (b) giving notices of redemption and other matters with respect to such Bonds, and (c) registering transfers with respect to such Bonds. The Fiscal Agent shall pay the principal or redemption price of, and interest on, all Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to such principal or redemption price, and interest, to the extent of the sum or sums so paid.**

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the District or the Fiscal Agent. Under such circumstances, in the event that a successor securities depository is not obtained, the Bonds are required to be prepared and delivered as described in the Fiscal Agent Agreement.

The City, on behalf of the District, may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, the Bonds will be prepared and delivered as described in the Fiscal Agent Agreement.

The information in this Appendix concerning DTC and DTC's book-entry system has been obtained from sources that the City and the District believe to be reliable, but neither the City nor the District takes any responsibility for the accuracy thereof.

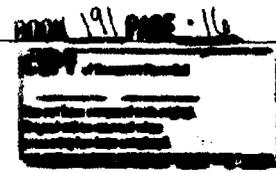
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**APPENDIX J**  
**BOUNDARY MAP OF THE DISTRICT**

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PROPOSED BOUNDARIES OF  
CITY OF BURBANK  
COMMUNITY FACILITIES DISTRICT NO. 2005-1  
(The Collection Public Parking Facility)  
COUNTY OF LOS ANGELES  
STATE OF CALIFORNIA

05 2346211



SEP 16 2005  
SEP 16 2005  
Sept 16, 2005

(1) Filed in the office of the City Clerk of the City of Burbank this 14<sup>th</sup> day of September, 2005.

Margarita Campos  
Margarita Campos  
City Clerk, City of Burbank

(2) I hereby certify that the within map showing the proposed boundaries of City of Burbank Community Facilities District No. 2005-1 (The Collection Public Parking Facility), City of Burbank, County of Los Angeles, State of California, was approved by the Council of the City of Burbank at a regular meeting thereof, held on this 13<sup>th</sup> day of September, 2005, by its Resolution No. 27,069.

Margarita Campos  
Margarita Campos  
City Clerk, City of Burbank

(3) Filed this \_\_\_ day of \_\_\_\_\_, 2005, at the hour of \_\_\_ o'clock \_\_\_ m, in Book \_\_\_\_\_ of Maps of Assessment and Community Facilities Districts at Page \_\_\_\_\_ and as Instrument No. \_\_\_\_\_ in the office of the County Recorder in the County of Los Angeles, State of California.

Conny B. McCormack  
Registrar-Recorder/County Clerk,  
County of Los Angeles

By \_\_\_\_\_  
Deputy  
Fee \_\_\_\_\_

Exempt recording requested,  
per CA Government Code §6103

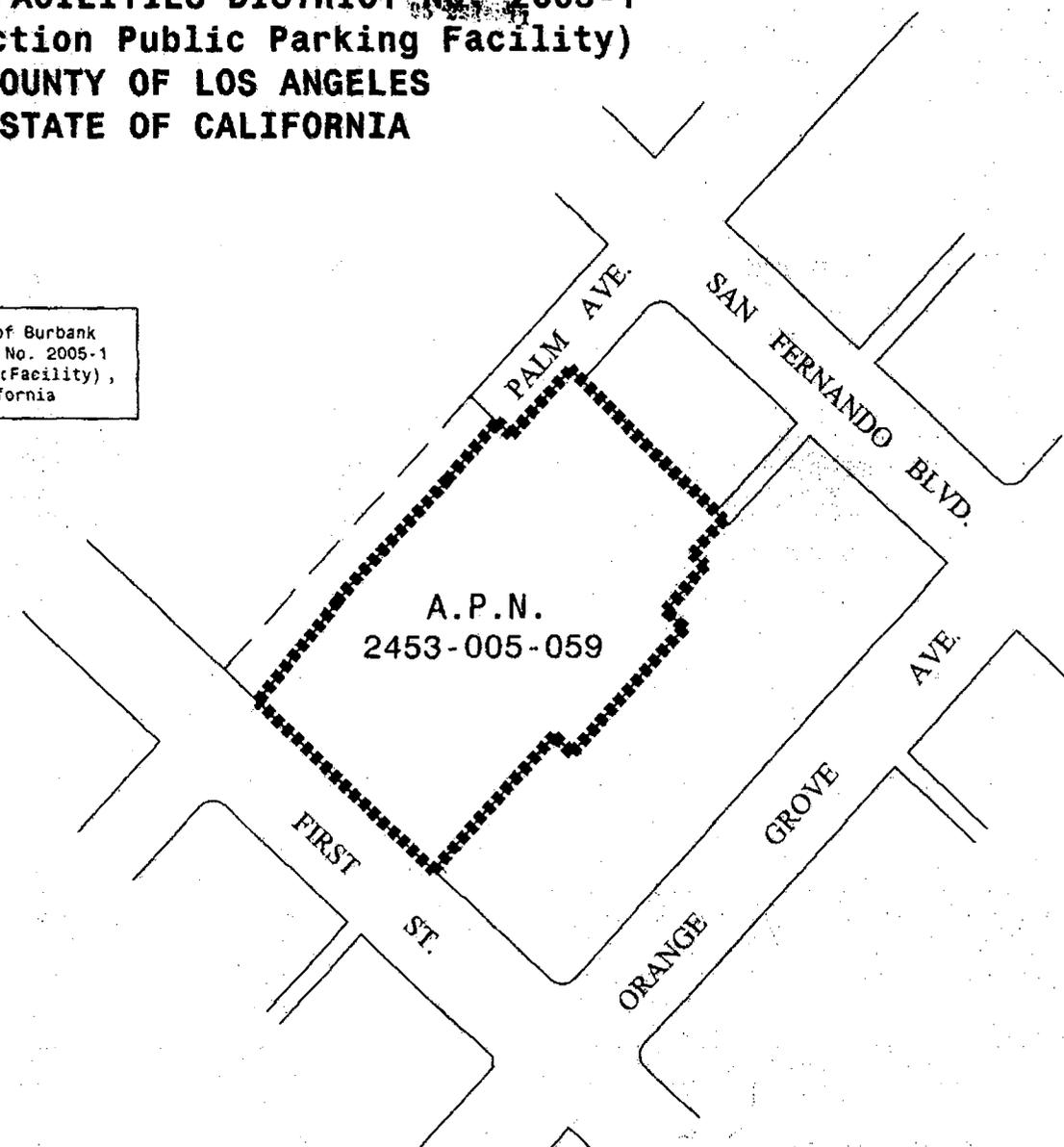
**PROPOSED BOUNDARIES OF  
CITY OF BURBANK  
COMMUNITY FACILITIES DISTRICT NO. 2005-1  
(The Collection Public Parking Facility)  
COUNTY OF LOS ANGELES  
STATE OF CALIFORNIA**

**LEGEND**

Proposed Boundaries of City of Burbank  
Community Facilities District No. 2005-1  
(The Collection Public Parking Facility),  
Los Angeles County, California



A.P.N.  
2453-005-059



Reference is hereby made to the Assessor maps of the County of Los Angeles for a description of the lines and dimensions of this parcel.